

ESTRADA • HINOJOSA

INVESTMENT BANKERS

14414 Blanco Road • Suite 320 • San Antonio, Texas 78216
(210) 223-4888

March 6, 2023

Dr. Fernando Castillo
Superintendent of Schools
Ben Bolt-Palito Blanco Independent School District
172 Badger Lane
Alice, TX 78342

Re: Continuing Disclosure Submission Services

Dear Dr. Castillo:

As an issuer of municipal securities, the Ben Bolt-Palito Blanco Independent School District (the "District") is obligated to comply with Rule 15c 2-12 of the Securities Exchange Commission which requires municipal issuers to submit updated financial information annually no later than six months after their fiscal year end. Additionally, amendments to the rule now require issuers to submit notices of material event for certain reportable events (listed in the contract that follows this letter) within 10 business days of the occurrence of the reportable event.

Estrada Hinojosa & Company, Inc. ("the Firm") proposes to contract with the District to perform these regulatory disclosure services. This contract is submitted separately from your contract for Financial Advisory services and the District would be invoiced separately for this service. This contract is provided to inform you, the Issuer, of the requirements of the rule and what your obligation is as an Issuer of municipal debt. **Failure to comply with these requirements may result in Underwriters being unable or unwilling to underwrite your debt and could impact your credit rating.**

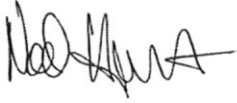
In order to continually provide a quality and timely service, **the fee for Continuing Disclosure Submission Services will be \$3,500.00 annually.**

The following is a summary list of events or items that require submission to the MSRB's Electronic Municipal Market Access ("EMMA") system. A more detailed list is shown in the attached document.

- Audited Financial Statements
- Tax and/or Revenue Data Filing
- Event Notices
- Voluntary Event-based Disclosure Notices
- Any additional notice that warrants submission to EMMA

Estrada Hinojosa & Company, Inc. is pleased to provide these services and will gladly answer any questions regarding fees. *Enclosed is a contract for the District's review and approval.* If you have any questions or concerns, please contact your Estrada Hinojosa & Company, Inc. banker or Mr. Tony Jaso at (210) 223-4888.

Sincerely,

A handwritten signature in black ink, appearing to read 'Noe Hinojosa, Jr.', with a stylized flourish at the end.

Noe Hinojosa, Jr.
President and CEO

Enc: List of Events
Continuing Disclosure Agreement

Cc: Mr. Anthony Jaso (Firm)
Dr. Miguel de los Santos (Firm)

The amendments require your urgent attention:

An event notice for the following events is required to be disclosed to the Municipal Securities Rulemaking Board via the EMMA system **within ten business days after the occurrence:**

Event Notices:

- Principal and interest payment delinquencies;
- Non-payment related defaults, if material;
- Unscheduled draws on debt service reserves reflecting financial difficulties;
- Unscheduled draws on credit enhancements reflecting financial difficulties;
- Substitution of credit or liquidity providers or their failure to perform;
- Adverse tax opinions, IRS notices or event affecting the tax status of the security;
- Modifications to rights of security holders, if material;
- Bond calls, if material;
- Defeasance;
- Release, substitution or sale of property securing repayment of the securities, if material; and,
- Rating changes.

The SEC has expanded the List of Events for which notice should be provided to the MSRB:

- Tender offers;
- Bankruptcy, insolvency, receivership or similar event of the obligated person;
- Merger, consolidation, or acquisition of the obligated person, if material;
- Appointment of a successor or additional trustee, or the change of name of a trustee, if material;
- Issuance by the IRS of proposed or final determinations of taxability, Notice of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of security.
- Incurrence of a financial obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and,
- Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

Additional/Voluntary Event-based Disclosures:

- Amendment to continuing disclosure undertaking;
- Change in obligated person;
- Notice to investors pursuant to bond documents;
- Certain communications from the IRS;
- Secondary market purchases;
- Bid for auction rate or other securities;
- Capital or other financing plan;
- Litigation/enforcement action;
- Change of tender agent, remarketing agent, or other on-going party;
- Derivative or other similar transaction; and,
- Other event-based disclosure.

Continuing Disclosure Agreement

ESTRADA • HINOJOSA
INVESTMENT BANKERS

CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT (this “**Agreement**”) is executed and delivered by the Ben Bolt-Palito Blanco Independent School District (the “**District**”) and Estrada Hinojosa and Company, Inc. (the “**Firm or Consultant**”) in its capacity as dissemination agent (“**Dissemination Agent**”) in connection with the issuance by the District of municipal bonds.

Section 1. Purpose of Agreement. This Agreement is being executed and delivered by the District for the benefit of holders and Beneficial Owners of the bonds issued by the District in order to permit the Underwriter to comply with the provisions of Rule 15c2-12 of the Securities Exchange Act of 1934, as amended, in connection with the public offering of bonds.

The District, in consideration of the mutual covenants herein contained and other good and lawful consideration hereby covenants and agrees, for the sole and exclusive benefit of holders of bonds issued by the District, as follows:

Section 2. Defined Terms.

“**Agreement**” shall mean this Agreement as the same from time to time may be amended and supplemented in accordance with the terms hereof.

“**Annual Information**” shall mean the information specified in **Section 4** hereof.

“**Beneficial Owner**” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as owner of any Bonds for federal income tax purposes.

“**Bonds**” shall mean municipal securities issued by the Ben Bolt-Palito Blanco Independent School District.

“**Dissemination Agent**” shall mean Estrada Hinojosa & Company, Inc. so long as the Firm is under contract to serve as the Financial Advisor to the District. Upon termination of the Agreement to provide Financial Advisory services, the Agreement to provide disclosure services will also terminate.

“**EMMA**” shall mean the Electronic Municipal Market Access system maintained by the MSRB with a portal at <http://emma.msrb.org>.

“**GAAP**” shall mean generally accepted accounting principles as prescribed from time to time for governmental units by the Governmental Accounting Standards Board.

“**GAAS**” shall mean generally accepted auditing standards as in effect from time to time in the United States.

“**Holder**” shall mean any registered owner of the Bonds and for the purpose of Section 6 of the Agreement only, if registered in the name of DTC (or a nominee thereof) or in the name of any other entity (or a nominee thereof) that is a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended, any beneficial owner of Bonds.

“**Issuer**” shall mean the Ben Bolt-Palito Blanco Independent School District.

“**MSRB**” shall mean the Municipal Securities Rulemaking Board, established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended. The current address of the MSRB is Suite 1000, 1300 I Street NW, Washington, D.C. 20005; Facsimile: (202) 898-1500.

“**Obligated Person**” shall mean the person (including an issuer of separate securities) that is committed by contract or other arrangements structured to support payment of all or part of the obligations under the municipal securities.

“**Official Statement**” shall mean the Official Statement relating to the Bonds.

“**Rating Agency**” shall mean any nationally recognized rating service which has assigned a rating to the Bonds.

“**Repository**” shall mean each nationally recognized municipal securities repository within the meaning of Rule 15c2-12.

“**Rule 15c2-12**” shall mean Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended and as in effect on the date of this Agreement, including any official interpretations thereof issued either before or after the effective date of this Agreement which are applicable to this Agreement.

“**S.E.C.**” shall mean the United States Securities Exchange Commission.

“**State Depository**” shall mean the state information depository for the State of Texas, if and to the extent it has been established and is in existence and operating as a state information depository within the meaning of Rule 15c2-12.

“**Underwriter**” shall mean the underwriter or underwriters that have contracted to purchase the Bonds from the Agency upon initial issuance.

Section 3. Obligations to Providing Continuing Disclosure.

(a) Obligations of the District.

(i) The District, as the “obligated person,” hereby undertakes, for the benefit of the holders or Beneficial Owners of bonds issued by the District, to provide or cause to be provided at least annually and no later than 180 days after the end of each of its fiscal years, commencing with the 2022 fiscal year end, to EMMA, or any other filing system approved by the S.E.C., the Annual Information relating to such fiscal year.

(ii) The District, as the “obligated person,” hereby undertakes, for the benefit of holders or Beneficial Owners of bonds issued by the District, to provide or cause to be provided at least annually and no later than 180 days after the end of each of its fiscal years, commencing with the 2022 fiscal year end, audited financial statements of the District to EMMA, or any other filing system approved by the S.E.C., however, if audited financial statements are not then available, unaudited financial statement shall be provided no later than 180 days after the end of each of its fiscal years and the audited financial statements shall be delivered to EMMA, or any other filing system approved by the S.E.C, if and when they become available.

(iii) The District, as the “obligated person,” hereby undertakes, for the benefit of the holders or Beneficial Owners of bonds issued by the District, to provide to EMMA, in a timely

manner not in excess of ten business days after the occurrence of the event, notice of any of the following events with respect to any bonds issued by the District:

- A. Principal and interest payment delinquencies;
- B. Non-payment related defaults, if material;
- C. Unscheduled draws on debt service reserves reflecting financial difficulties;
- D. Unscheduled draws on credit enhancements reflecting financial difficulties;
- E. Substitution of credit or liquidity providers or their failure to perform;
- F. Adverse tax opinions, IRS notices or event affecting the tax status of the security;
- G. Modifications to rights of security holders, if material;
- H. Bond calls, if material;
- I. Defeasance;
- J. Release, substitution or sale of property securing repayment of the securities, if material; and,
- K. Rating changes.
- L. Tender offers;
- M. Bankruptcy, insolvency, receivership or similar event of the obligated person;
- N. Merger, consolidation, or acquisition of the obligated person, if material; and,
- O. Appointment of a successor or additional trustee, or the change of name of a trustee, if material; and,
- P. Issuance by the IRS of proposed or final determinations of taxability, Notice of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of security.
- Q. Financial Obligation – Incurrence or Agreement, if material
- R. Financial Obligation – Event Reflecting Financial Difficulties

(iv) The District, as the “obligated person,” hereby undertakes, for the benefit of the holders or Beneficial Owners of bonds issued by the District, to provide to EMMA, in a timely manner not in excess of ten business days after the occurrence of the event, notice of any of the following voluntary event-based disclosures with respect to any bonds issued by the District:

- A. Amendment to continuing disclosure undertaking;
- B. Change in obligated person;
- C. Notice to investors pursuant to bond documents;
- D. Certain communications from the IRS;
- E. Secondary market purchases;
- F. Bid for auction rate or other securities;
- G. Capital or other financing plan;
- H. Litigation/enforcement action;
- I. Change of tender agent, remarketing agent, or other on-going party;
- J. Derivative or other similar transaction; and,
- K. Other event-based disclosure.

(v) The District, as the “obligated person,” shall notify the Firm of the occurrence of any of the events with respect to bonds issued by the District listed in **Section 3(a)(iii)** and **Section 3(a)(iv)** hereof, immediately upon becoming aware of the occurrence of any such event, but in any event, no later than noon of the next business day following the occurrence of any such event.

(b) Dissemination Agent. The District, as the “obligated person,” shall provide the Annual Information described in **Section 3(a)(i)** through **Section 3(a)(iv)** on or before the date specified to the Firm, in its capacity as Dissemination Agent, in order to submit the information to

EMMA, or any other filing system approved by the S.E.C, in its capacity as Dissemination Agent in connection with the issuance by the District of municipal bonds. This arrangement will be in place while the Firm serves as Financial Advisor to the District. This Agreement may be terminated with or without cause by the issuer upon 30 days written notice.

(c) Failure To Provide Annual Information. The Firm, in its capacity as Dissemination Agent, agrees to provide or cause to be provided, in a timely manner, (a) to EMMA or (b) any filing system approved by the United States Securities and Exchange Commission, notice of failure by the District to provide the Annual Information described in **Section 3(a)(i)** through **Section 3(a)(iv)** on or prior to the date specified.

(d) Termination or Modification of Disclosure Obligation. The obligations of the District hereunder may be terminated if the District is no longer an “obligated person” with respect to the issuance of bonds within the meaning of Rule 15c2-12 or provides written notice of termination. Upon any such termination, the District shall provide written notice thereof to EMMA, or any other filing system approved by the S.E.C.

(e) Other Information. Nothing herein shall be deemed to prevent the District from disseminating any other information in addition to that required hereby in the manner set forth herein or in any other manner.

Section 4. Annual Information.

(a) Information Categories. The requirements contained in this Agreement under **Section 3(a)** are intended to set forth a general description of the type of financial information and operating data to be provided by the District, as the “obligated person,” and such descriptions are not intended to state more than general categories of financial information and operating data; and where the provisions of **Section 3(a)** call for information that no longer can be generated or relates to operations that have been materially changed or discontinued, a statement to that effect shall be provided.

Section 5. Financial Statements.

The annual financial statements of the District for each fiscal year shall be prepared in accordance with GAAP (unless applicable accounting principles are otherwise disclosed) and audited by an independent accounting firm in accordance with GAAS (but only if audited financial statements are otherwise available for such fiscal year). The annual financial statements may be provided by specific incorporation by reference to any other documents which have been filed with EMMA, or any other filing system approved by the S.E.C.

Section 6. Remedies.

If the District should fail to comply with any provision of this Agreement, then any holder of bonds issued by the District may enforce, for the equal benefit and protection of all the holders of bonds, by mandamus or other suit or proceeding at law or in equity, against such party and any of its officers, agents and employees, and may compel such party or any such officers, agents or employees to perform and carry out their duties under this Agreement; provided that the sole and exclusive remedy for breach of this Agreement shall be an action to compel specific performance of the obligations of such party hereunder, and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances and, provided further, that the rights of any holder or Beneficial Owner to challenge the adequacy of the information provided in accordance with Sections 2 and 3 hereunder are conditions upon the provisions of the Indentures with respect to the enforcement of remedies of holders upon the occurrence of an Event of

Default thereunder as though such provisions applied hereunder. Failure of any party to perform its obligations hereunder shall not constitute an Event of Default under the Indentures or any agreement executed and delivered in connection with the issuance of the Bonds.

Section 7. Amendments.

(a) Without the consent of the holders or Beneficial Owners of bonds issued by the District, at any time and from time to time, District and Firm may together enter into amendments or changes to this Agreement for any purposes, if:

(i) the amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the District or any type of business or affairs it conducts;

(ii) the undertakings set forth herein, as amended, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of Rule 15c2-12 on the date hereof, after taking into account any amendments to, or interpretation by the staff of the S.E.C. of, Rule 15c2-12, as well as any change in circumstances; and

(iii) the amendment, in the opinion of nationally recognized bond counsel, does not materially impair the interests of the holders or Beneficial Owners of bonds issued by the District.

(b) Annual Information for any fiscal year containing any amended operating data or financial information for such fiscal year shall explain, in narrative form, the reasons for such amendment and the impact of the change in the type of operating data or financial information in the Annual Information being provided for such fiscal year. If a change in accounting principles is included in any such amendment, such Annual Information shall present a comparison between the financial statements or information prepared on the basis of the amended accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a qualitative discussion of the differences in accounting principles and the impact of the change in the accounting principles on the presentation of the financial information. To the extent reasonably feasible such comparison shall also be quantitative. A notice of any such change in accounting principles shall be sent in a timely manner by the District to EMMA, or any other filing system approved by the S.E.C.

Section 8. Termination.

This Agreement shall remain in full force and effect until such time as all principal, redemption premium, if any, and interest on the Bonds shall have been paid in full or the Bonds shall have otherwise been paid or legally defeased pursuant to the indentures or District has provided written notice of its intent to terminate this Agreement; provided, however, that if Rule 15c2-12 (or successor provision) shall be amended, modified or changed so that all or any part of the information currently required to be provided thereunder shall no longer be required to be provided thereunder, then such information shall no longer be required to be provided hereunder; and provided further, that if and to the extent Rule 15c2-12 (or successor provision), or any provision thereof, shall be declared by a court of competent and final jurisdiction to be, in whole or in part, invalid, unconstitutional, null and void, or otherwise inapplicable to the Bonds, then the information requirement to be provided hereunder, insofar as it was required to be provided by a provision of Rule 15c2-12 so declared, shall no longer be required to be provided hereunder. Upon any legal defeasance, the District shall provide notice of such defeasance to each Repository or to the MSRB, and the State Repository, and such notice shall state whether the Bonds have been defeased to maturity or to redemption and the timing of such maturity or redemption.

Section 9. Notices. Any notices of communications to the District may be given as follows:

District:

Dr. Fernando Castillo
Superintendent of Schools
Ben Bolt-Palito Blanco Independent School District
172 Badger Lane
Alice, TX 78342

Estrada Hinojosa:

Mr. Anthony Jaso
Executive Vice President
Estrada Hinojosa & Company, Inc.
14414 Blanco Road, Suite 320
San Antonio, TX 78216

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

Section 10. Severability.

If any term or provision of this Agreement is held to be illegal, invalid or unenforceable, the legality, validity or enforceability of the remaining terms or provisions of this Agreement shall not be affected thereby, and in lieu of each such illegal, invalid or unenforceable term or provision, there shall be added automatically to this Agreement a legal, valid or enforceable term or provision as similar as possible to the term or provision declared illegal, invalid or unenforceable.

Section 11. Waiver.

Either District or the Consultant shall have the right to waive any requirement contained in this Agreement that is intended for the waiving party's benefit, but, except as otherwise provided herein, such waiver shall be effective only if in writing executed by the party for whose benefit such requirement is intended. No waiver of any breach or violation of any term of this Agreement shall be deemed or construed to constitute a waiver of any other breach or violation, whether concurrent or subsequent, and whether of the same or of a different type of breach or violation.

Section 12. Disclosure of Business Relationships/Affiliations; Conflict of Interest Questionnaire.

Consultant represents that it is in compliance with the applicable filing and disclosure requirements of Chapter 176 of the Texas Local Government Code and Chapter 2252 of the Texas Government Code.

Section 13. Boycott Israel.

The District may not enter into a contract with a company for goods and services unless the contract contains a written verification from the company that; (i) it does not Boycott Israel; and (ii) will not Boycott Israel during the term of the contract. (Texas Government Code Chapter 2270) by entering this agreement, Consultant verifies that it does not Boycott Israel, and agrees that during the term of this agreement will not Boycott Israel as that term is defined in the Texas Government Code Section 808.001, as amended.

Section 14. Non-Collusion.

Consultant represents and warrants that Consultant has not given, made, promised or paid, nor offered to give, make, promise or pay any gift, bonus, commission, money or other consideration to any person as an inducement to or in order to obtain the work to be provided to the District under this Agreement. Consultant further agrees that Consultant shall not accept any gift, bonus, commission, money, or other consideration from any person (other than from the District pursuant to this Agreement) for any of the services performed by Consultant under or related to this Agreement. If any such gift, bonus, commission, money, or other consideration is received by or offered to Consultant, Consultant shall immediately report that fact to the District and, at the sole option of the District, the District may elect to accept the consideration for itself or to take the value of such consideration as a credit against the compensation otherwise owing to Consultant under or pursuant to this Agreement.

Section 15. Terms and Costs.

This Agreement is effective for one year from the date of execution. This Agreement may be renewed annually as authorized by the District. The annual fee is \$3,500.00 per year. Payment is due upon receipt of invoice from the Firm.

Section 16. Governing Law.

THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF TEXAS DETERMINED WITHOUT REGARD TO PRINCIPLES OR CONFLICT OF LAW; PROVIDED, HOWEVER, THAT TO THE EXTENT THIS AGREEMENT ADDRESSES MATTER OF FEDERAL SECURITIES LAWS, INCLUDING RULE 15c2-12, THIS AGREEMENT SHALL BE GOVERNED BY SUCH FEDERAL SECURITIES LAWS AND OFFICIAL INTERPRETATIONS THEREOF.

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IN WITNESS WHEREOF, the undersigned have duly authorized, executed and delivered this Agreement as of the date written below.

DATED: March 6, 2023

Ben Bolt-Palito Blanco Independent School District,
as the Obligated Person

By: _____
Name:
Title:

District Secretary:

Estrada Hinojosa & Company, Inc., as Dissemination Agent

By: Anthony Jaso
Name: Anthony Jaso
Title: Executive Vice President