

Tijerina Galvan Lawrence Financial Consulting LLC
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Ben Bolt-Palito Blanco Independent School District
172 Badger Lane
Ben Bolt, Texas 78342

Re: Financial Advisory Services Agreement

Ladies and Gentlemen:

1. **Retention of Financial Advisor.** Tijerina Galvan Lawrence Financial Consulting LLC (referred to as the "Financial Advisor" or "FA"), appreciates the opportunity to serve as financial advisor to Ben Bolt-Palito Blanco Independent School District (the "Client" or "you") in connection with the issuance or execution of obligations in the form of municipal securities or loan(s) (the "Obligations"). Upon your acceptance, this engagement letter (the "Agreement") will serve as our mutual agreement with respect to the terms and conditions of our service to you as your independent financial advisor and agent, effective on the date this Agreement is executed by the Client (the "Effective Date").
2. **Scope of Services.** FA is engaged by the Client as its financial advisor to provide the services set forth below (the "Scope of Services") regarding the Obligations:
 - (a) Analyze the financing and structuring alternatives available to the Client if and as requested by the Client, taking into account its borrowing capacity, future financing needs, policy considerations, and such other factors as FA deems appropriate to consider.
 - (b) Advise Client in connection with the issuance or incurrence of Obligations, consistent with the goals and needs of the Client, that may include: (1) the type of Obligations, e.g. current interest, capital appreciation, deferred income, etc.; (2) the date of closing; (3) principal amount; (4) interest structure, e.g., fixed rate, variable rate, tax-exempt, taxable, short-term notes, etc.; (5) interest payment dates; (6) a schedule of maturities; (7) early redemption options; (8) security provisions; (9) method of sale, e.g., public sale, direct loan by a bank or other lender, etc.; (10) investment of Obligation proceeds deposited to an escrow or similar fund and available for the refunding and/or defeasance of other outstanding debt of the Client via application for state and local government obligations (SLGS), or competitively bid open market securities or guaranteed investment contracts; and (10) other matters requested by the Client that FA considers appropriate and to best serve the Client's interests.
 - (c) Advise Client regarding current interest rates and other general market information and economic data which might reasonably be expected to influence interest rates, sale or bidding conditions or timing of an Obligation sale or closing.
 - (d) Coordinate and work with the financing team selected by Client, including the establishment of a schedule of events (as may be modified from time to time). If requested, FA will recommend qualified paying agents, escrow agents and verification agents, as the particular transaction may require, each of whom will be retained and compensated by Client. In a negotiated offering and at Client's request, FA will assist in the selection and engagement of one or more underwriters.

- (e) For each Obligation transaction, work with bond and other legal counsel retained by Client, including the review of legal proceedings and documents, including bond election documents.
- (f) If applicable, assist in Client's preparation of a preliminary official statement and final official statement or equivalent document as the particular transaction may require (such as a private placement memorandum).
- (g) Advise and assist Client with respect to obtaining credit rating requests for any proposed Obligations.
- (h) Advise and assist Client with respect to obtaining municipal bond insurance or other credit enhancement for any proposed Obligations.
- (i) Attend meetings of governing bodies and committees of the Client, Client's staff, and Client's legal and other representatives as requested.
- (j) Provide Client and paying agent(s) a schedule of annual debt service requirements for the Obligations.
- (k) Client acknowledges that advice and recommendations involve professional judgment on the part of FA and that the results cannot be, and are not, guaranteed. Further:
 - i. Unless otherwise provided herein, FA is not responsible for and is not guaranteeing any of the information included in any preliminary or final official statement, or for certifying as to the accuracy or completeness of any preliminary or final official statement, other than with respect to any information about FA provided by FA for inclusion in such documents.
 - ii. The Scope of Services does not include tax, legal, accounting or engineering advice with respect to any issue or in connection with any opinion or certificate rendered by counsel or any other person at closing, and does not include review or advice on any feasibility study.
 - iii. The Scope of Services does not include providing advice or services with respect to investment advisory services, brokerage services or derivative products, except as described in section 2(b) above with respect to refunding bond escrow funds.
 - iv. If Client designates FA as its independent registered municipal advisor ("IRMA") within the meaning of 17 CFR Part 240, Sections 15Ba1-1 through 15Ba1-8 and 15Bc4-1 (collectively, the "Municipal Advisor Rule" or "MA Rule") of the Securities and Exchange Commission (the "SEC") with respect to the activities and aspects described in the Scope of Services, Client agrees to disclose to FA the existence of any such IRMA designations. Any reference to FA, its personnel and its role as IRMA in the written representation of the Client contemplated under the MA Rule is subject to prior approval by FA. FA is not responsible for verifying that it is independent (within the meaning of the MA Rule as interpreted by the SEC) from any party.

3. Scope of Services for Loans with Bank or Governmental Agency/Authority.

- (a) As requested, analyze the risks and benefits of a loan with a bank or governmental agency/authority loan versus the issuance of municipal securities via the public debt markets.
- (b) Provide advice with respect to the structure of the loan, including: (1) the debt repayment structure, e.g., current interest, capital appreciation and maturity dates; (2) loan amount; (3) interest structure, e.g., fixed or adjustable rate, etc.; (4), payment dates and early redemption dates, if applicable; (5) security

provisions; and (6) the investment of loan proceeds deposited to an escrow or similar fund and available for the refunding and/or defeasance of other outstanding debt of the Client via application for state and local government obligations (SLGs), or competitively bid open market securities or guaranteed investment contracts; and (7) other matters that FA considers appropriate to best serve the Client's needs.

- (c) Provide a list of : (1) lenders who are or may be active in the market for tax exempt (or taxable) municipal loans; (2) participate in the drafting for your review and approval appropriate request for proposals or qualifications for lenders to submit bids to provide a loan; and (3) facilitate the distribution of requests for qualifications or proposals.
- (d) Analyze and negotiate with prospective lenders, advise Client with respect to the alternatives that satisfy its financial objectives, and assist Client with the selection of a lender; provided, however, that FA shall not, under any circumstances, be entitled to receive any fee (other than its Financial Advisor fee hereunder) for placement or other services from either the Client, a lender or any other person in connection with any direct loan transaction.

4. **Amendment to Scope of Services.** The Scope of Services may be modified only by written amendment or supplement to the Scope of Services described herein. The parties agree to amend or supplement the Scope of Services described herein promptly to reflect any material changes or additions to the Scope of Services.

5. **FA's Regulatory Duties When Serving the Client under MSRB Rule G-42.** FA must make a reasonable inquiry as to the facts that are relevant to the Client's determination whether to proceed with a course of action, or that form the basis for any advice provided by FA to the Client. Municipal Securities Rulemaking Board ("MSRB") Rule G-42 also requires that FA undertake a reasonable investigation to determine that it is not basing any recommendation on materially inaccurate or incomplete information. FA is also required to use reasonable diligence to know the essential facts concerning the Client and concerning the authority of each person acting on the Client's behalf. If the review of a recommendation of another party is requested by the Client and is within the Scope of Services of this Agreement, FA must determine based on information obtained through reasonable diligence, whether the proposed securities transaction or financial product is or is not suitable for the Client. To the extent FA's services involve advising Client with respect to a bank loan or a loan with a governmental agency or authority, certain rules and regulations of the Securities and Exchange Commission and MSRB may not apply to the activities of FA.

Client agrees to assist FA in carrying out these regulatory duties, including providing to FA accurate and complete information and reasonable access to relevant documents, other information and personnel needed to fulfill such duties. In addition, Client agrees to notify FA if Client requests that FA review any recommendation of a third party.

6. **Term of this Engagement.** The term of this Agreement begins on the Effective Date and continues in full force and effect until such time as the Client and FA amend or replace it, or until 30 days following the receipt by either such party hereto of a written notice of termination. This Agreement may be terminated with or without cause by either party upon the giving of at least thirty (30) days' prior written notice to the other party of its intention to terminate, specifying in such notice the effective date of such termination.

7. **Compensation.** The fees due to FA hereunder shall be as set forth in **Appendix A** hereto. In addition, FA shall be entitled to reimbursement of expenses incurred in connection with any services provided hereunder as set forth in such appendix.

8. Limitation of Liability.

- (a) In the absence of willful misconduct, bad faith, gross negligence or reckless disregard of obligations or duties hereunder on the part of FA or any of its associated persons, FA and its associated persons shall have no liability to the Client for any act or omission in the course of, or connected with, rendering services hereunder, or for any error of judgment or mistake of law, or for any loss arising out of any issuance or incurrence of any Obligations, or investments of bond proceeds, or for any financial or other damages resulting from Client's election to act or not to act, as the case may be, contrary to any advice or recommendation provided by FA to the Client. No recourse shall be had against FA for loss, damage, liability, cost or expense (whether direct, indirect or consequential) of Client arising out of or in defending, prosecuting, negotiating or responding to any inquiry, questionnaire, audit, suit, action, or other proceeding brought or received from the Internal Revenue Service in connection with any issue or otherwise relating to the tax treatment of any Obligation, or in connection with any opinion or certificate rendered by legal counsel or any other party.
- (b) Official Statement. Client acknowledges that it is responsible for the contents of each preliminary official statement, final official statement or any other document related to the issuance or execution of the Obligations as contemplated herein ("Offering Documents"). Client will take all reasonable steps to ensure that the governing body has reviewed and approved the contents of the Offering Documents.

9. Required Disclosures. In accordance with the following legal requirements, please note that:

- (a) MSRB Rule G-10: (i) FA is registered as a municipal advisor with the U.S. Securities and Exchange Commission (SEC) and the Municipal Securities Rulemaking Board (MSRB), (ii) the website address for the MSRB is <http://www.msrb.org>, and (iii) a municipal advisory client brochure available to the Client is posted on the MSRB website that describes the protections that may be provided by the MSRB rules and how to file a complaint with an appropriate regulatory authority.
- (b) MSRB Rule G-42: FA is not aware of any material conflicts of interest that may exist in providing the services described herein except with respect to its fees for services referred to under "Compensation" insofar as they relate to the closing of any financing transaction, the payment and amount of which may be contingent upon the size and/or closing thereof; provided, however, that in accordance with FA's fiduciary duty to Client, FA covenants and agrees to not recommend a financing size or the closing of a financing unless, in FA's informed opinion after reasonable due diligence and investigation, it is in the Client's best interest, without regard to the FA's financial or other interests; provided further that Client agrees it is in its best interest to pay financing-related fees contingent upon the closing of a financing and out of the proceeds of a closed financing instead of paying financing-related fees even if no closing occurs which would require Client to use other available funds; and
- (c) Chapter 2270 of the Texas Government Code: FA hereby verifies and confirms that it does not boycott Israel and will not boycott Israel during the term of this Agreement.

10. Waiver of Jury Trial. EACH PARTY AGREES TO WAIVE ANY RIGHT TO A TRIAL BY JURY WITH RESPECT TO ANY CLAIM, COUNTERCLAIM OR ACTION ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THE RELATIONSHIP BETWEEN THE PARTIES. THE PARTIES HERETO ALSO AGREE TO WAIVE CONSEQUENTIAL AND PUNITIVE DAMAGES.

11. **Choice of Law.** This Agreement shall be construed and given effect in accordance with the laws of the State of Texas.
12. **Binding Effect; Assignment.** This Agreement shall be binding upon and inure to the benefit of Client and FA, their respective successors and permitted assigns; provided, however, neither party may assign or transfer any of its rights or obligations hereunder without the prior written consent of the other party.
13. **Entire Agreement.** This instrument, including all appendices hereto, contains the entire agreement between the parties relating to the rights herein granted and obligations herein assumed. This Agreement may not be amended, supplemented or modified except by means of a written instrument executed by both parties.
14. **Severability.** If any provision of this Agreement is, or is held or deemed to be, invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions because it conflicts with any provisions of any constitution, statute, regulation, rule or public policy, or for any other reason, such circumstances shall not make the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or make any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatsoever.
15. **No Third Party Beneficiary.** This Agreement is made solely for the benefit of the parties hereto and their respective successors and permitted assigns. Nothing in this Agreement, express or implied, is intended to confer on any person, other than the parties hereto and their respective successors and permitted assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement.
16. **Authority.** The undersigned representatives of the Client and FA each represent and warrant that they each have full legal authority to execute this Agreement on behalf of the Client and FA, as applicable.
17. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be an original, but which taken together, shall constitute one and the same instrument.

Tijerina Galvan Lawrence Financial Consulting LLC

Signature: _____

Robert A. Tijerina
Managing Director

_____, 2019

ACCEPTED BY THE UNDERSIGNED CLIENT AND EFFECTIVE as of the ____ day of _____,
2019

Client Name: _____

Attest:

By (*sig*): _____

By (*sig*): _____

Print: _____

Print: _____

Title: _____

Title: _____

APPENDIX A

COMPENSATION

In consideration for the services rendered by Tijerina Galvan Financial Consulting LLC (referred to as the "Financial Advisor" or "FA"), our fee for each issue of debt instruments will be based on Bond Proceeds amount and will be as follows on any given transaction or issue:

Base-fee - Any Issue - \$7,500

Plus	\$ 12.50 per	\$1,000 up to	\$ 250,000	or \$10,625	for	\$ 250,000 Bonds
Plus	11.50 per	\$1,000 next	250,000	or 13,500	for	500,000 Bonds
Plus	7.00 per	\$1,000 next	500,000	or 17,000	for	1,000,000 Bonds
Plus	4.75 per	\$1,000 next	1,500,000	or 24,125	for	2,500,000 Bonds
Plus	2.75 per	\$1,000 next	2,500,000	or 31,000	for	5,000,000 Bonds
Plus	1.50 per	\$1,000 next	5,000,000	or 38,500	for	10,000,000 Bonds
Plus	1.25 per	\$1,000 over	10,000,000			

Revenue Bond Issues and/or bond issues which receive TEA assistance shall be the amount shown plus a 25% additional charge.

Refunding Issues - Fees for Refunding Issues shall be the amount shown plus a 20% additional charge.

For any issue of Refunding Bonds and/or other Debt Instruments involving Escrow Agreements, as well as competitive sales, it is understood and agreed that we will charge, in addition to our Financial Advisory fee, a computer fee to be negotiated on a case by case basis.

The Issuer shall be responsible for the following expenses, whether they are charged to the Issuer directly as expenses or charged to the Issuer by TGL as reimbursable expenses:

- Bond counsel
- Bond printing
- Bond ratings
- Computer structuring
- Credit enhancement
- CPA fees for refunding
- Official statement preparation and printing
- Paying agent/registrar/trustee/escrow agent
- Travel expenses
- Underwriter and underwriters counsel
- Miscellaneous, including copy, delivery, and phone charges

TGL will bill the Issuer at Closing for each issue of Obligations a net amount which will include a fee calculated on the above schedule as well as costs and expenses incurred on behalf of the District.

Fee for Continuing Disclosure Requirements and Texas Debt Transparency Filings

Fee for Preparation and Annual filing of Continuing Disclosure requirements along with monthly monitoring and on-going Continuing Disclosure filings along with filing of Annual Texas Debt Transparency Filings will be billed for one combined fee of \$2,500 per year.