



GOVERNMENTAL FINANCIAL ADVISORY AGREEMENT

This Governmental Financial Advisory Agreement (“Agreement”) is made and entered into by and between the Hillsboro Independent School District, a Texas public school district with its main administrative office located at 121 E. Franklin Street, Hillsboro, Texas 76645 (“HISD” or “District”), and Live Oak Public Finance, LLC, a Texas limited liability company located at 915 W. Annie Street, Austin, Texas 78704 (“Advisor”), and is entered into this ___ day of December, 2018.

WITNESSETH

WHEREAS, HISD requires the service of a governmental financial advisor to provide advice to the school district with respect to the issuance of bonds, notes or with other financing methods (“Obligations”) and other matters related to fiscal management.

WHEREAS, Live Oak Public Finance provides governmental financial advisory services and is a Registered Municipal Advisor with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board to advise school districts in connection with the issuance of Obligations and other financial matters.

WHEREAS, it is beneficial for HISD to have access to and engage the professional services of a Financial Advisor for the issuance of Obligations and other financing methods including advice with respect to the structure, timing, terms and other similar matters concerning such financial products or issues. Additionally, coordinate efforts with other parties such as bond counsel, underwriters, rating agencies and state education agency.

WHEREAS, the parties desire to set forth the terms and conditions under which Live Oak Public Finance provides financial advisory services to HISD.

NOW, THEREFORE, the parties hereto, in consideration of mutual covenants and agreements herein contained and other good and valuable consideration, do hereby agree as follows:

A. ADVISORY SERVICES:

1. Survey of financial resources to determine the extent of capacity to authorize, issue and service debt, including the review of existing debt as compared with projected sources of revenue for debt service and a study of the trend of assessed valuation and future taxing requirements of the district.
2. Attend meetings of the HISD school board, administration, representatives, committees and community meetings when the subject of financing is discussed, and to provide an explanation of the bond process.
3. Provide advice to, or on behalf of, the district with respect to the issuance of Obligations or other available types of financings, including advice with respect to the structure, timing, terms and other similar matters related to the development, implementation and issuance of the debt management plan.
4. Advise HISD of current bond market conditions, forthcoming bond issues, and other general information and economic data which would reasonably be expected to influence interest rates or

bidding conditions so that the date for the sale of any Obligations in the open market can be set at a time which is favorable to HISD.

5. Assist HISD in obtaining and evaluating competitive bids for services rendered from such other parties associated with the issuance, sale, and delivery of Obligations.
6. Coordinate efforts with other parties in bond transactions such as bond counsel, underwriter, rating agencies, paying agent/trustee, and state education agency.
7. Assist in the preparation of the election order, notices, resolutions, certificates, POS and compiling district data and financial information for the POS.
8. Consult with HISD on the matter of bond ratings and, when instructed, direct the preparation for such information that is reasonably required for submission to the bond rating agencies.

B. FEE SCHEDULE:

The fees for the services listed above are contingent upon the passage and sale of Obligations. Those fees will be calculated at the greater of the par amount or proceeds amount of the Obligations as follows:

<u>Project Amount</u>	<u>Fee</u>
First \$1,000,000	\$15,000 (minimum)
Next \$4,000,000	\$6.50 per \$1,000 over \$1,000,000
Next \$5,000,000	\$4.50 per \$1,000 over \$5,000,000
Above \$10,000,000	\$1.00 per \$1,000 over \$10,000,000

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

In addition, costs of issuance and Advisor’s out-of-pocket expenses (including but not limited to: bond counsel, underwriters and underwriters counsel, credit enhancement, CPA fees for refunding, travel, printing, shipping, paying agent/registrar/trustee, Official Statement preparation and printing) will be paid or reimbursed by the District out of the proceeds of the Obligations [or other available funds of the District in the event that the Obligations are not issued]. All fees included in the Fee Schedule are contingent upon the issuance and funding of the Obligations.

Services and fees for annual Continuing Disclosure filings under Securities Exchange Commission Rule 15c2-12 may be provided under a separate agreement between Advisor and District.

C. TERM AND SCOPE OF AGREEMENT:

This agreement shall remain in effect until terminated by either party with or without cause with 30 days’ written notice.

Under the rules and regulations of the U.S. Securities Exchange Commission and the Municipal Securities Rulemaking Board applicable to municipal advisors, the Advisor and its affiliate, Live Oak Equipment Finance, LLC (“LOEF”), are prohibited from serving in a principal capacity in transactions (“Principal Transactions”) that are directly related to a financing for which the Advisor is acting as the District’s financial advisor. Such Principal Transactions could include, for example, lease-purchase, public property finance act contracts or other equipment financings, and maintenance tax notes. Upon mutual agreement of the parties, the Advisor will not serve as financial advisor to the District with respect to a specific Principal Transaction, and LOEF will instead serve in a principal capacity in that Principal Transaction. Any such agreement of the parties will be in writing and will include (a) disclosures regarding LOEF’s arm’s-length role in the Principal Transaction with no fiduciary duty to the District and (b) your acknowledgement that the Advisor is not acting as the District’s’ financial advisor with respect to the specified Principal Transaction.

D. MISCELLANEOUS:

1. Advisor has confirmed that it currently has no material conflicts of interest with respect to its engagement as the District’s financial advisor. We will update this disclosure upon any changed circumstances.
2. This Agreement has been approved by the district’s governing board at a lawfully called public meeting, and the parties signing below are duly authorized to execute this agreement.
3. This Agreement is solely for the benefit of HISD and may not be assigned without the prior written consent of the District.
4. Any claim or dispute arising out of or relating to this Agreement shall be subject to mediation as a condition precedent to the institution of a legal or equitable proceeding by either party.
5. All previous financial advisory services agreements are terminated.

E. HOUSE BILL 89 VERIFICATION:

Live Oak Public Finance verifies that our company: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the contract. Further, Live Oak Public Finance affirms that our company is not on any listing of companies which do business with Iran, Sudan or any Foreign Terrorist Organization.

ACCEPTED:

Hillsboro Independent School District

Signature: _____
By: Vicki Adams
Title: Superintendent of Schools

Live Oak Public Finance, LLC

Signature: _____
By: Christian Merritt
Title: Executive Managing Director