

A RESOLUTION OF THE CITY OF BAY CITY, TEXAS APPROVING AN
ADDENDUM TO ENGAGEMENT AGREEMENT WITH BRACEWELL LLP
RELATING TO PUBLIC IMPROVEMENT DISTRICTS

1. The City of Bay City, Texas (the “City”) desires to establish public improvement districts (“PIDs”) and issue bonds and other obligations from time to time as authorized by Texas Statutes, in order to finance or refinance public improvements within PIDs;
2. Bracewell LLP’s (“Bracewell” or the “Firm”) is a full service firm that includes a national public finance practice and has the necessary competence, qualification and experience to serve as bond counsel for the City in connection with the issuance of such obligations;
3. Bracewell currently serves as bond counsel for the City, and the proposed addendum would add the issuance of bonds and other obligations associated with PIDs to Bracewell’s scope of services;
4. The City’s attorneys and supporting personnel do not have the required experience, qualifications or resources to adequately perform bond counsel services for the issuance of bonds or other obligations;
5. Given the nature of bond counsel services and the source of payment therefor (being from the proceeds of bonds or other obligations issued by the City) such legal services cannot reasonably be obtained from attorneys in private practice under a contract providing for the payment of hourly fees without contingency; and
6. Entering into a contingent fee contract with Bracewell for these additional bond counsel services is in the best interest of the residents of the City as the City will have competent, qualified and experienced counsel to advise on the issuance of the bonds and other obligations, and the provision of such legal services will not financially impact the City as the compensation for such services will be paid from the proceeds of such bonds or other obligations.