



# Response to RFP

## Statement of Qualifications for Bond Counsel Services to the City of Breckenridge, Texas

600 Congress Ave.  
Suite 1800  
Austin, Texas 78701  
T 512.478.3805  
F 512.472.0871

717 North Harwood  
Suite 900  
Dallas, Texas 75201  
T 214.754.9200  
F 214.754.9250

Two Allen Center  
1200 Smith Street, Suite 1550  
Houston, Texas 77002  
T 713.980.0500  
F 713.980.0510

700 N. St. Mary's Street  
Suite 1525  
San Antonio, Texas 78205  
T 210.225.2800  
F 210.225.2984

COVER LETTER

November 10, 2020

City of Breckenridge, Texas  
Attn: Mr. R. Scott Dixon  
Interim City Manager  
105 North Rose Ave.  
Breckenridge, Texas 76424

Mr. Dixon:

On behalf of McCall, Parkhurst & Horton L.L.P. (“McCall,” the “firm,” or “us”), I submit this statement of qualifications for bond counsel services to the City of Breckenridge, Texas (“you” or the “City”).

McCall serves as bond counsel to more issuers of tax-exempt debt than any other law firm in the State of Texas or in the Southwestern United States. Accordingly, we serve as bond counsel to more Texas political subdivisions than any other lawyer or law firm. We are consistently ranked by Thompson Reuters among the top ten bond counsel firms in the United States, as well as the #1 bond counsel firm here in Texas. McCall frequently serves as bond counsel on more bond transactions than any other law firm in the country.

For over 100 years, we have been committed to providing Texas political subdivisions with quality bond counsel services, and we hereby reaffirm our commitment to provide the City with such services to the best of our collective abilities. Investment banks, local and state government agencies, financial advisors and other professionals rely on us daily to guide them through the most basic, and the most complicated, financings in the State of Texas and in the United States. We are confident that our level of service to you will be unmatched.

Respectfully,

McCall, Parkhurst & Horton L.L.P.

By:

Dan S. Culver

Enclosures

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## 2. SCOPE; GENERAL INFORMATION ABOUT THE FIRM

### NAME, ADDRESS, AND TELEPHONE NUMBER OF THE FIRM

McCall, Parkhurst & Horton L.L.P.  
717 N. Harwood, Suite 900  
Dallas, TX 75201  
(214) 754-9268

### HISTORY OF THE FIRM

McCall, Parkhurst & Horton L.L.P. (“McCall” or the “firm”) is a law firm that practices exclusively in the area of public finance law. The law firm was founded in Dallas in 1919, and was the first law firm west of the Mississippi River to render a nationally-accepted bond counsel opinion. Our firm’s founder, John D. McCall, pioneered some of the earliest water legislation and water financing systems in Texas, including serving as bond counsel to the first river authority (Brazos), created in 1929. Beginning in 1946, McCall worked with Gene Spence, Simon Freese, and J.B. Thomas to create the Colorado River Municipal Water District, and McCall served as bond counsel on the financings for O.H. Ivie, E.V. Spence, and J.B. Thomas reservoirs. In 1949, at the request of Governor Allan Shivers, McCall served as Secretary of the newly created Water Code Committee, which was organized to study the water laws of the state and propose new laws to address the state’s growing water shortage. With John’s guidance, the Legislature began to authorize the creation of dozens of regional water districts, including Eastland County Water Supply District, North Texas Municipal Water District, Northeast Texas Municipal Water District, Upper Leon River Municipal Water District, and many others. With McCall’s assistance, the Texas Water Development Board was created by legislative act and constitutional amendment in 1957. McCall served as bond counsel on the first statewide bond election to authorize the issuance of \$200 million in State of Texas General Obligation Water Development Bonds, the proceeds of which would be used to make loans to political subdivisions throughout the state.

Today, McCall stands strong as one of the nation’s leading public finance firms, representing thousands of clients around Texas, as well as in New Mexico and Oklahoma. The firm represents clients as diverse as the Cities of Austin, Dallas, Fort Worth and San Antonio, the Texas Water Development Board, Oklahoma Water Resources Board, The University of Texas System, Dallas Fort Worth International Airport, the Texas Department of Transportation and the Texas Higher Education Coordinating Board. McCall has served large utility clients, including the Texas Municipal Power Authority, the Lower Colorado River Authority, the Trinity River Authority, and the utility systems of Austin, Dallas, Fort Worth and Denton.

Since 2008, Thomson Reuters, the publisher of The Bond Buyer, has annually ranked McCall first in volume and in number of bond issues delivered in Texas by issuers of public securities, as well as in the top ten nationally. McCall dominates the Texas public finance market by a significant margin. The second-ranked bond counsel firms from 2008 to 2017 trailed McCall by a combined 1,178 bond issues and \$42.1 billion in principal amount.

Beginning in 2012, McCall was instrumental in the creation and implementation of the State Water Implementation Fund for Texas (SWIFT), which was approved by voters in a statewide election in 2013. In addition to representing the TWDB itself, our firm has represented many Texas cities, counties,



water districts, water supply corporations and other entities in issues sold to the Texas Water Development Board as shown below. McCall has garnered eight Southwest Region “Deal of the Year” awards since The Bond Buyer created the distinction in 2002.

## NATIONAL RANKINGS AND TEXAS DOMINANCE

The following table summarizes the number of transactions and dollar value of public finance issues for which McCall served as bond counsel from 2015 to the third quarter of 2020, as provided by Refinitiv, a Thomson Reuters subsidiary:

McCall, Parkhurst & Horton L.L.P. Bond Counsel Rankings						
National Ranking				Texas State Ranking		
Year	Rank	Amount	No. of Issues	Rank	Amount	No. of Issues
2020*	2	\$19,198,900,000	351	1	\$19,185,800,000	346
2019	5	\$12,789,600,000	334	1	\$12,586,900,000	327
2018	5	\$10,368,800,000	251	1	\$10,271,500,000	243
2017	5	\$13,210,200,000	385	1	\$13,150,100,000	377
2016	5	\$15,364,200,000	485	1	\$15,212,700,000	470
2015	3	\$14,859,600,000	436	1	\$14,722,400,000	424
* Nine Months 2020						
The information shown is compiled from reports of Refinitiv, a Thomson Reuters subsidiary.						

## SCOPE OF WORK

If engaged by the City, we expect to perform the following duties as bond counsel with respect to the issuance of any debt obligations (Obligations) by the City:

(a) Prepare all resolutions, ordinances, orders and other instruments pursuant to which the Obligations will be authorized, issued, delivered and secured, in cooperation and upon consultation with the City Council, its financial advisors and other consultants of the City.

(b) Attend meetings of the City Council with reference to the authorization and issuance of the Obligations to the extent required or requested.

(c) Cooperate with the City Council and all other interested parties in the sale of the Obligations to the TWDB.

(d) Supervise the execution of the Obligations, their approval by the Attorney General of Texas and registration by the Comptroller of Public Accounts of Texas, and the delivery thereof to the purchaser, the TWDB.

(e) When so delivered, give our objective approving opinion (our “Legal Opinion”) covering the validity of the Obligations and, if applicable, the exemption of interest thereon from federal income taxes, it being understood that the approving opinion will be fully acceptable nationally in regular commercial investment banking bond marketing channels.

Our Legal Opinion will be delivered by us on the date the Obligations are exchanged for their purchase price (the "Closing"). The City will be entitled to rely on our Legal Opinion.

The Legal Opinion will be based on facts and law existing as of its date. In rendering our Legal Opinion, we will rely upon the certified proceedings and other certifications of public officials and other persons furnished to us without undertaking to verify the same by independent investigation, and we will assume continuing compliance by the City with applicable laws relating to the Obligations. During the course of this engagement, we will rely on you to provide us with complete and timely information on all developments pertaining to any aspect of the Obligations and their security. We understand that you will direct members of your staff and other employees of the City to cooperate with us in this regard.

In this engagement, if the project financing involves the receipt of Principal Forgiveness by the City from the TWDB, we expect to perform the following duties:

(a) Prepare all resolutions, ordinances and other instruments pursuant to which Principal Forgiveness will be authorized, executed and delivered, in cooperation and upon consultation with the City Council, its financial advisors and other consultants of the City.

(b) Review the grant or Principal Forgiveness agreement and provide comments as necessary or appropriate.

(c) Prepare an escrow agreement and other documentation regarding the escrow of Principal Forgiveness funds and assist the City in engaging a qualified escrow agent.

(d) Coordinate the execution and delivery of various Principal Forgiveness documents and the delivery thereof to the TWDB.

### 3. STAFF QUALIFICATIONS AND ORGANIZATION EXPERIENCE

The professional staff of McCall, Parkhurst & Horton L.L.P. is composed of the following 33 active attorneys. Each and every attorney practices exclusively in the area of public finance.

<u>Name</u>	<u>Position</u>	<u>Location</u>	<u>Years Experience</u>
Jeffrey A. Leuschel	Partner	Dallas	39
L.E. (Ted) Brizzolara III	Partner	Dallas	39
Thomas K. Spurgeon	Partner	San Antonio	38
Dan S. Culver	Partner	Dallas	34
Carol D. Pumbo*	Partner	Austin	34
Gregory B. Salinas	Partner	Austin	30
Mark A. Malveaux	Partner	Dallas	27
Clayton S. Binford	Partner	San Antonio	18
Gregory C. Schaecher	Partner	Dallas	23
Richard S. Donoghue, Jr.	Partner	Austin	20
Noel Valdez	Partner	San Antonio	19
J. Bart Fowler*	Partner	Austin	21
Stefano Taverna	Partner	Dallas	17
Jeff Gulbas	Partner	Dallas	13
Christopher A. Settle	Partner	Dallas	16
Rodolfo Segura Jr	Partner	Dallas	10
Sam M. Gill	Partner	Dallas	12
Clayton Chandler	Associate	Austin	11
Hasan Mack	Associate	Austin	9
Lauren S. Ferrero	Associate	San Antonio	6
Orlando Juarez, Jr.	Associate	San Antonio	9
Molly E. Carson	Associate	Dallas	9
Abe Benavides	Associate	Dallas	5
M. Clark Kimball	Associate	Dallas	3
Jacqueline Hensley	Associate	Austin	1
Alan H. Raynor	Of Counsel	Dallas	46
G. Charles Kobdich*	Of Counsel	Dallas	45
Harold T. Flanagan	Of Counsel	Dallas	41
Leroy Grawunder, Jr.*	Of Counsel	Dallas	41
Michael R. Harris	Of Counsel	Houston	22
Jana Cogburn	Of Counsel	Houston	40
Ronald J. Freeman	Of Counsel	Austin	47
Rose Kanusky	Of Counsel	San Antonio	25

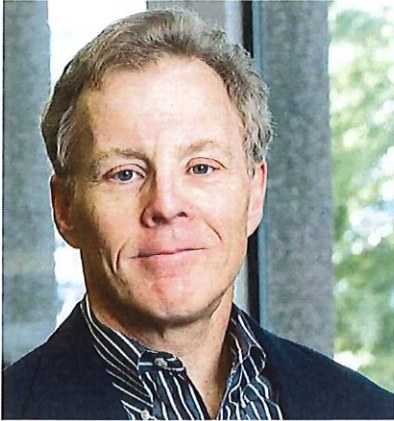
\*Served as Assistant Attorney General of Texas in the Public Finance Division.

Although the entire firm and its facilities will be available to the City, below are the names, titles, office locations and years of experience in the area of public finance for each of the persons to be primarily responsible for the City's account, followed by brief résumés for each:

<u>Name</u>	<u>Title</u>	<u>Office Location</u>	<u>Experience</u>
Dan S. Culver	Partner	Dallas	34 years
Stefano J. Taverna	Partner	Dallas	17 Years



## DAN S. CULVER



Dan Culver is a partner in the Dallas office who has spent the entirety of his 35+ year legal career at McCall. Dan represents a diverse group of general governmental issuers, including cities, counties, school districts, junior college districts, hospital districts and special utility districts. He also represents a variety of regional issuers, including joint powers agencies and river authorities, for whom he has provided bond counsel services for both governmental bonds, as well as for private activity “conduit” issues. His practice in the area of conduit financing has included a large volume of sewage and solid waste, dock and wharf and small issue manufacturing projects, as well as transactions involving 501(c)(3) organizations that use tax-exempt financing for university, primary and secondary educational facilities.

Since 2012, Dan Culver has served as lead attorney for the firm in a variety of TWDB issuances for firm clients, including issues for the Cities of Brownwood, Breckenridge, Colorado City, Marlin, Paris and Stephenville, Paris and the Johnson County Special Utility District.

Among other representations, Dan has served as disclosure counsel for the Texas Permanent School Fund since the initiation of SEC Rule 15c-12 in 1996. Dan provides leadership to the firm with respect to its representation of governmental issuers as disclosure counsel, and he frequently represents regional and national investment banking firms as underwriters’ counsel on negotiated governmental and 501(c)(3) transactions.

Dan is a graduate of the University of Alabama and the Southern Methodist University School of Law.

## STEFANO J. TAVERNA



Stefano Taverna, a partner of the firm, practices exclusively in the area of federal income taxation of tax-exempt and tax-credit bonds. Stefano provides tax advice to issuers and underwriters regarding tax-exempt bond financings involving new money projects, current and advance refundings, capital and working capital financings, commercial paper issues, and pooled bonds. He guides clients with respect to the structuring of tax-exempt bonds, private activity bonds, qualified school construction bonds, recovery zone bonds, qualified zone academy bonds, and other types of tax-credit bonds. Stefano also represents numerous clients before the IRS in connection with audits of tax-exempt and tax-credit bonds, Voluntary Compliance Agreements, and other administrative proceedings.

Prior to joining the firm, Stefano was a tax attorney at two law firms with an established Wall Street presence. Stefano has served as bond counsel, underwriters’ counsel and special tax counsel for numerous financing transactions throughout the country. Additionally, Stefano has advised clients on the federal and state tax aspects of domestic and international hedge fund formations and operations,



mergers, acquisitions and reorganizations, public and private debt and equity offerings, and general corporate, partnership and investment issues. Stefano has represented numerous clients on swap transactions and has advised tax-exempt entities with regard to the federal and state tax implications related to their formation and operations. Prior to joining private practice, Stefano clerked for the Honorable O’C. Wefing, Appellate Division, Superior Court of the State of New Jersey.

Stefano is a graduate of Rutgers, the State University of New Jersey (B.A., summa cum laude), Brooklyn Law School (J.D.) and New York University School of Law (LL.M.). He is admitted in New York and New Jersey and is a member of the American Bar Association, the New York State Bar Association, and the National Association of Bond Lawyers. Stefano has been a speaker and panelist at various events, including panels on public finance and federal tax matters. In addition, Stefano is a past Editor-in-Chief of the National Association of Bond Lawyers treatise *“Federal Taxation of Municipal Bonds”*, and is the Vice Chair of the Tax-Exempt Finance Committee of the American Bar Association.

McCall has served as bond counsel on a large number of transactions involving the Texas Water Development Board (“TWDB”), totaling **228 issuances over the past eight years** having an aggregate par amount of \$3,941,423,260. The following table is a list of certain transactions with the TWDB during the last 8 years in which McCall, Parkhurst & Horton served as bond counsel:

<b>McCall as Bond Counsel: Issues sold to Texas Water Development Board 2013-2020 (through September)</b>		
<b>Issuer</b>	<b>Issue</b>	<b>Principal</b>
<b>2020</b>		
Alto, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2020	\$1,795,000
Austin, Texas (City of)	Water and Wastewater System Revenue Bonds, Series 2020A	\$11,200,000
Austin, Texas (City of)	Water and Wastewater System Revenue Bonds, Series 2020B	\$3,800,000
Blanco, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2020	\$3,400,000
Brownsville, Texas (City of)	Combination Tax and Revenue Certificates of Obligation, Series 2020	\$6,975,000
Childress, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2020	\$895,000
Dallas, Texas (City of)	Waterworks and Sewer System Revenue Bonds, Series 2020A	\$22,000,000
Dallas, Texas (City of)	Waterworks and Sewer System Revenue Bonds, Series 2020B	\$44,000,000
Edgewood, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2020	\$1,540,000
Fort Worth, Texas (City of)	Water and Sewer System Revenue Bonds, Series 2020	\$62,725,000
Grand Saline, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2020	\$405,000

Laredo, Texas (City of)	Waterworks and Sewer System Revenue Bonds, New Series 2020	\$52,000,000
Lefors, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2020	\$395,000
North Texas Municipal Water District	Regional Wastewater System Revenue Bonds, Series 2020	\$458,920,000
Paducah, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2020	\$1,715,000
Palo Pinto County, Texas	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2020	\$500,000
Quitaque, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2020	\$545,000
Rotan, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Taxable Series 2020A	\$235,000
Rotan, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Taxable Series 2020B	\$2,040,000
<b>2019</b>		
Alice, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2019A	\$2,995,000
Alice, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2019B	\$1,025,000
Alliance Regional Water Authority	Contract Revenue Bonds (Regional Water Supply Contract Project - Canyon Regional Water Authority), Series 2019A	\$26,530,000
Alliance Regional Water Authority	Contract Revenue Bonds (Regional Water Supply Contract Project - City of Buda, Texas), Series 2019D	\$4,370,000
Alliance Regional Water Authority	Contract Revenue Bonds (Regional Water Supply Contract Project - City of Kyle, Texas), Series 2019B	\$24,200,000
Alliance Regional Water Authority	Contract Revenue Bonds (Regional Water Supply Contract Project - City of San Marcos, Texas), Series 2019C	\$30,800,000
Austin, Texas (City of)	Water and Wastewater Systems Revenue Bonds, Series 2019	\$6,200,000
Blanco, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2019	\$2,550,000
Bonham, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2019A	\$4,810,000
Bonham, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2019B	\$9,830,000
Borden County, Texas	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2019	\$1,285,000
Cameron County Irrigation District No. 6	System Revenue Notes, Series 2019	\$865,000



Colorado City, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2019	\$2,650,000
Dallas, Texas (City of)	Waterworks and Sewer System Revenue Bonds, Series 2019A	\$22,000,000
Dallas, Texas (City of)	Waterworks and Sewer System Revenue Bonds, Series 2019B	\$44,000,000
Del Rio, Texas (City of)	Combination Tax and Revenue Certificates of Obligation, Series 2019A	\$500,000
Del Rio, Texas (City of)	Combination Tax and Revenue Certificates of Obligation, Series 2019B	\$3,000,000
Del Rio, Texas (City of)	Combination Tax and Revenue Certificates of Obligation, Series 2019C	\$5,500,000
Dripping Springs, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2019	\$23,500,000
Eastland County Water Supply District	Water Supply Revenue Bonds, Series 2019	\$805,000
Ector County Utility District	Water System Revenue Bonds, Series 2019	\$45,275,000
Goliad, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2019	\$1,000,000
Guadalupe-Blanco River Authority	Contract Revenue Bonds, Series 2019 (Low-Interest Financing) (Carrizo Groundwater Supply Project) & Master Agreement between Texas Water Development Board and the Issuer regarding Board Participation - Carrizo Groundwater Supply Project	\$40,000,000
Kerr County, Texas	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2019 (Center Point/East Kerr County Wastewater System Project)	\$2,105,000
Laguna Madre Water District	Waterworks and Sewer System Revenue Bonds, Series 2019	\$5,425,000
Marlin, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligations, Series 2019A	\$3,055,000
Marlin, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligations, Series 2019B	\$2,330,000
Nacogdoches County Municipal Utility District No. 1	Waterworks and Sewer System Revenue Bonds, Series 2019	\$1,010,000
North Texas Municipal Water District	Water System Revenue Bonds, Series 2019	\$101,345,000
Palo Pinto Water Supply Corporation	Promissory Note, Taxable Series 2019	\$615,000
Parker County Special Utility District	Utility System Revenue Bonds, Series 2019	\$15,080,000
Ropesville, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2019	\$500,000

Roscoe, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2019	\$1,965,000
Sabine River Authority of Texas	Gulf Coast Division Water Supply System Revenue Bonds, Taxable Series 2019	\$22,865,000
San Angelo, Texas (City of)	Waterworks and Sewer System Improvement Revenue Bonds, Series 2019	\$56,075,000
Stephens Regional Special Utility District	Revenue Bonds, Series 2019	\$900,000
Wills Point, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2019	\$4,500,000
Wolfe City, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2019A	\$2,325,000
Wolfe City, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2019B	\$2,035,000
Wolfe City, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2019C	\$870,000
Wolfe City, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2019D	\$3,065,000
<b>2018</b>		
Abilene, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2018	\$18,370,000
Alba, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2018	\$990,000
Austin, Texas (City of)	Water and Wastewater System Revenue Bonds, Series 2018	\$3,000,000
Bandera, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2018	\$3,000,000
Brushy Creek Regional Utility Authority, Inc.	City of Cedar Park, Texas Contract Revenue Bonds, (Brushy Creek Regional Water Treatment and Distribution Project), Series 2018	\$6,970,000
Chandler, Texas (City of)	Combination Tax and Revenue Certificates of Obligation, Series 2018	\$750,000
Cisco, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2018A	\$4,565,000
Cisco, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2018B	\$1,550,000
Dallas, Texas (City of)	Waterworks and Sewer System Revenue Bonds, Series 2018A	\$22,000,000
Dallas, Texas (City of)	Waterworks and Sewer System Revenue Bonds, Series 2018B	\$44,000,000
Dickens, Texas	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2018	\$460,000
Eastland, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2018	\$695,000

Eldorado, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2018	\$1,200,000
Ennis, Texas (City of)	Combination Tax and Revenue Certificates of Obligation, Series 2018A	\$4,500,000
Farwell, Texas (City of)	Combination Tax and Waterworks and Sewer System Surplus Revenue Certificates of Obligation, Series 2018	\$1,500,000
Gorman, Texas (City of)	Combination Tax and Waterworks and Sewer System Surplus Revenue Certificates of Obligation, Series 2018	\$1,000,000
Guadalupe-Blanco River Authority	Contract Revenue Bonds, Series 2018A (Deferred Financing) (Carrizo Groundwater Supply Project)	\$12,030,000
Guadalupe-Blanco River Authority	Contract Revenue Bonds, Series 2018B (Low-Interest Financing) (Carrizo Groundwater Supply Project)	\$11,895,000
Guadalupe-Blanco River Authority	Master Agreement between Texas Water Development Board and Guadalupe-Blanco River Authority (Regarding Board Participation Carrizo Groundwater Supply Project No. 51055)	\$34,285,000
Johnson County Special Utility District	Revenue Bonds, Series 2018	\$22,000,000
Kerr County, Texas	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2018	\$4,330,000
Kerrville, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2018A	\$8,000,000
Kerrville, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2018B	\$5,000,000
Lawn, Texas (City of)	Combination Tax and Waterworks and Sewer System Surplus Revenue Certificates of Obligation, Series 2018	\$885,000
Llano, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2018A	\$3,390,000
Llano, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2018B	\$890,000
Llano, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2018C	\$630,000
Lone Star Regional Water Authority	(East Williamson County Regional Water Transmission System Project) Contract Revenue Bonds, Series 2018	\$1,285,000
Lone Star Regional Water Authority	(East Williamson County Regional Water Transmission System Project) Contract Revenue Bonds, Taxable Series 2018	\$215,000
Mason, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2018	\$990,000
McAllen, Texas (City of)	Waterworks and Sewer System Revenue Bonds, Series 2018-A	\$7,000,000



McAllen, Texas (City of)	Waterworks and Sewer System Revenue Bonds, Series 2018-B	\$12,000,000
McAllen, Texas (City of)	Waterworks and Sewer System Revenue Bonds, Series 2018-C	\$6,900,000
North Texas Municipal Water District	Water System Revenue Bonds, Series 2018	\$800,000,000
North Texas Municipal Water District	Water System Revenue Bonds, Series 2018A	\$530,985,000
Ranger, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2018A	\$570,000
Ranger, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Taxable Series 2018B	\$420,000
Sabine River Authority	Gulf Coast Division Water Supply System Revenue Bonds, Taxable Series 2018	\$33,310,000
San Marcos, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2018	\$1,935,000
Stephenville, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2018	\$17,030,000
West Wise Special Utility District	Revenue Bonds, Series 2018	\$13,430,000
Westlake, Texas (Town of)	Combination Tax and Surplus Revenue Certificates of Obligation, Taxable Series 2018	\$2,100,000
<b>2017</b>		
Alliance Regional Water Authority	Contract Revenue Bonds (Regional Water Supply Contract Project-Canyon Regional Water Authority), Series 2017A	\$9,865,000
Alliance Regional Water Authority	Contract Revenue Bonds (Regional Water Supply Contract Project-City of Buda, Texas), Series 2017D	\$1,625,000
Alliance Regional Water Authority	Contract Revenue Bonds (Regional Water Supply Contract Project-City of Kyle, Texas), Series 2017B	\$8,995,000
Alliance Regional Water Authority	Contract Revenue Bonds (Regional Water Supply Contract Project-City of San Marcos, Texas), Series 2017C	\$11,450,000
Angelina and Neches River Authority	Contract Revenue Bonds (Angelina County Fresh Water Supply District No. 1 Wastewater Project), Series 2017	\$1,400,000
Austin, Texas (City of)	Water and Wastewater System Revenue Bonds, Series 2017A	\$45,175,000
Blanco, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2017A	\$3,150,000
Blanco, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2017B	\$3,150,000
Booker, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2017	\$455,000

Brushy Creek Regional Utility Authority, Inc.	City of Cedar Park, Texas Contract Revenue Bonds, Series 2017 (Brushy Creek Regional Water Treatment and Distribution Project), Series 2017	\$4,430,000
Brushy Creek Regional Utility Authority, Inc.	City of Round Rock, Texas Contract Revenue Bonds (Brushy Creek Regional Water Treatment and Distribution Project), Series 2017	\$4,435,000
Crystal Clear Special Utility District	Combination Water and Sewer System Revenue Bonds, Series 2017	\$15,000,000
Eastland, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2017	\$6,765,000
Fort Worth, Texas (City of)	Water and Sewer System Revenue Bonds, Series 2017	\$16,045,000
Gladewater, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2017A	\$1,600,000
Gladewater, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2017B	\$3,900,000
Gordon, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Taxable Series 2017	\$460,000
Jarrell, Texas (City of)	Combination Tax and Revenue Certificates of Obligation, Series 2017	\$12,000,000
Melvin, Texas (City of)	Water System Revenue Bonds, Series 2017	\$180,000
Mustang Special Utility District	Revenue Bonds, Series 2017B	\$3,555,000
New Deal, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2017	\$935,000
North Texas Municipal Water District	Water System Revenue Bonds, Series 2017	\$44,650,000
Quinlan, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2017	\$1,675,000
River Oaks, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2017A	\$7,000,000
River Oaks, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2017B	\$8,000,000
San Antonio River Authority	Wastewater System Revenue Bonds, Series 2017	\$9,500,000
San Marcos, Texas (City of)	Waterworks and Waste Water System Revenue Bonds, Series 2017A	\$4,760,000
San Marcos, Texas (City of)	Waterworks and Waste Water System Revenue Bonds, Series 2017B	\$1,000,000
Seymour, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2017	\$2,115,000
Troy, Texas (City of)	Combination Tax and Revenue Certificates of Obligation, Series 2017	\$2,100,000
West Tawakoni, Texas (City of)	Tax and Waterworks and Sewer System Surplus Revenue Certificates of Obligation, Series 2017	\$1,125,000

2016		
Angelina and Neches River Authority	Revenue Bonds (Angelina Country Fresh Water Supply District No. 1 WW Project), Series 2016	\$1,820,000
Anthony, Texas (Town of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2016	\$980,000
Austin, Texas (City of)	Water and Wastewater Sys Rev Bonds, Series 2016A	\$20,430,000
Beeville, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2016	\$3,300,000
Beeville, Texas (City of)	General Obligation Bonds, Series 2016	\$4,500,000
Bonham, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2016	\$3,800,000
Cameron, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2016A	\$9,305,000
Cameron, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2016B	\$12,000,000
Coryell City Water Supply District	Utility System Net Revenue Bonds, Series 2016	\$2,000,000
City of Dodd City, Texas	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2016	\$1,255,000
Edinburg, Texas (City of)	Utility System Junior Lien Revenue Bonds, Series 2016	\$5,405,000
Eldorado, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2016	\$575,000
Jefferson, Texas (City of)	Combination Tax and Revenue Certificates of Obligation, Series 2016A	\$2,600,000
Jefferson, Texas (City of)	Combination Tax and Revenue Certificates of Obligation, Series 2016B	\$1,630,000
Jefferson, Texas (City of)	Combination Tax and Revenue Certificates of Obligation, Series 2016C	\$1,030,000
Kerr County, Texas	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2016	\$5,295,000
Keller, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation Bonds, Series 2016	\$4,060,000
Laguna Madre Water District	Waterworks and Sewer System Revenue Bonds, Series 2016	\$5,815,000
Liberty, Texas (City of)	Utility System Revenue Bonds, Series 2016A	\$900,000
Liberty, Texas (City of)	Utility System Revenue Bonds, Series 2016B	\$915,000
McAllen, Texas (City of)	Waterworks and Sewer System Revenue Bonds, Series 2016	\$7,110,000
Stamford, Texas (City of)	Combination Tax and Revenue Certificates of Obligation, Series 2016	\$9,530,000
Sulphur Springs, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2016	\$18,200,000



Sweetwater, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2016	\$5,000,000
Tioga, Texas (City of)	Combination Tax and Revenue Certificates of Obligation, Series 2016	\$1,050,000
United Irrigation District	System Revenue Notes, Series 2016A	\$6,455,000
United Irrigation District	System Revenue Notes, Taxable Series 2016B	\$1,645,000
<b>2015</b>		
Alba, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2015	\$840,000
Anton, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2015	\$3,000,000
Early, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2015	\$8,365,000
Fort Worth, Texas (City of)	Water and Sewer System Revenue Bonds, Series 2015	\$39,000,000
Gorman, Texas (City of)	Combination Tax and Waterworks and Sewer System Surplus Revenue Certificates of Obligation, Series 2015	\$140,000
Guadalupe-Blanco River Authority	General Improvement Revenue Bonds, Series 2015	\$2,000,000
Hays Caldwell Public Utility Agency	Contract Revenue Bonds (Regional Water Supply Contract Project - Canyon Regional Water Authority), Series 2015A	\$3,960,000
Hays Caldwell Public Utility Agency	Contract Revenue Bonds (Regional Water Supply Contract Project - City of Kyle, Texas), Series 201B	\$3,530,000
Hidalgo County Irrigation District No. One	Hidalgo County Irrigation District No. One System Revenue Notes, Series 2015	\$7,100,000
Johnson City, Texas (City of)	Tax and Surplus Revenue Certificates of Obligation, Series 2015	\$895,000
Laredo, Texas (City of)	Subordinate Waterworks and Sewer System Revenue Bonds, Series 2015	\$5,500,000
Laredo, Texas (City of)	Subordinate Waterworks and Sewer System Revenue Bonds, Series 2015A	\$4,600,000
Laredo, Texas (City of)	Subordinate Waterworks and Sewer System Revenue Bonds, Series 2015B	\$22,075,000
Lone Star Regional Water Authority	Contract Revenue Bonds, Taxable Series 2015 (East Williamson County Regional Water Transmission System Project)	\$940,000
Lone Star Regional Water Authority	Lone Star Regional Water Authority Contract Revenue Bonds, Series 2015 (East Williamson County Regional Water Transmission System Project)	\$4,590,000
Marfa, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2015	\$705,000
McAllen, Texas (City of)	Waterworks and Sewer System Revenue Bonds,	\$40,000,000

	Series 2015	
Olney, Texas (City of)	Combination Tax and Revenue Certificates of Obligation, Series 2015	\$2,440,000
Palo Pinto County Municipal Water District No. 1	Revenue Bonds, Series 2015A	\$9,915,000
Palo Pinto County Municipal Water District No. 1	Revenue Bonds, Taxable Series 2015B	\$7,185,000
San Marcos, Texas (City of)	Waterworks and Waste Water System Revenue Bonds, Series 2015	\$410,000
Seagraves, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2015	\$3,375,000
Tarrant Regional Water District, a Water Control and Improvement District	Transmission Facilities Contract Revenue Bonds (City of Dallas Project), Series 2015	\$140,000,000
Tarrant Regional Water District, a Water Control and Improvement District	Water Revenue Bonds, Series 2015A	\$300,000,000
Upper Leon River Municipal Water District	Tax-Exempt Water System Revenue Bonds, Series 2015A	\$7,452,000
Upper Leon River Municipal Water District	Taxable Water System Revenue Bonds, Series 2015B	\$1,863,000
Wichita Falls, Texas (City of)	Combination Tax and Revenue Certificates of Obligation, Series 2015	\$33,545,000
<b>2014</b>		
Angelina Neches River Authority	Contract Revenue Bonds (Angelina County Fresh Water Supply District No. 1 Wastewater Project), Series 2014	\$205,000
Anthony, Texas (Town of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2014	\$735,000
Bandera County Fresh Water Supply District #1	Water Supply System Revenue Note, Series 2014	\$585,000
Breckenridge, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2014	\$2,380,000
Carbon, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2014 (Taxable)	\$95,000
Cisco, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2014	\$475,000
Dell City, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2014	\$75,000
Dell City, Texas (City of)	Loan Forgiveness Agreement 2014	\$116,223
Edinburg, Texas (City of)	Utility System Junior Lien Revenue Bonds, Series 2014	\$10,425,000
Ingram, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2014	\$1,185,000



Lake Palo Pinto Area Water Supply Corporation	Loan Forgiveness Agreement 2014 (Taxable)	\$130,000
Olney, Texas (City of)	Combination Tax and Revenue Certificates of Obligation, Series 2014	\$285,000
Ralls, Texas (City of)	Utility System Revenue Bonds, Series 2014	\$130,000
Robstown, Texas (city of)	Sewer System Revenue Bonds, Series 2014	\$490,000
Sweetwater, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2014	\$1,935,000
Valley Water Supply Corp	Loan Forgiveness Agreement 2014 (Taxable)	\$981,000
<b>2013</b>		
Bell County Water Control and Improvement District No. 2	Utility System Revenue Bonds, Series 2013	\$1,500,000
Bistone Municipal Water Supply District	Water Supply Revenue Bonds, Series 2013	\$6,130,000
Breckenridge, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2013	\$840,000
Buda, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2013	\$125,000
Eldorado, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2013A	\$1,200,000
Eldorado, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2013B	\$560,000
Goldthwaite, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2013	\$1,480,000
Hico, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2013	\$1,520,000
Ingram, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2013	\$175,000
McAllen, Texas (City of)	Waterworks and Sewer System Revenue Bonds, Series 2013, Series 2013A and Series 2013B	\$9,867,000
McAllen, Texas (City of)	Loan Forgiveness Agreement 2013	\$1,620,904
Menard, Texas (City of)	Combination Tax and Revenue Certificates of Obligation, Series 2013	\$550,000
Moran, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2013	\$180,000
Paris, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2013	\$2,900,000
Roscoe, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2013	\$1,040,000
San Antonio River Authority	Wastewater System Revenue Improvement Bonds, Series 2013A	\$4,300,000
San Juan, Texas (City of)	Waterworks and Sewer System Revenue Bonds, Series 2013-A	\$6,170,000



San Juan, Texas (City of)	Loan Forgiveness Agreement 2013	\$2,586,308
Smyer, Texas (City of)	Combination Tax and Surplus Revenue Certificates of Obligation, Series 2013	\$135,000
Upper Leon River Municipal Water District	Taxable Water System Revenue Bonds, Series 2013	\$775,000
Valley Water Supply Corp	Loan Forgiveness Agreement 2013 (Taxable)	\$121,825

#### 4. REFERENCES

Below is contact information for clients with borrowing needs that are similar to those of the City who can speak to the firm's abilities and to the qualifications and experience of the members of the proposed project team.

	<u>Name, Address, Contact, Title, Phone Number</u>
1.	City of Paris, Texas Gene Anderson, Director of Finance 135 SE 1st St. Paris, Texas 75460-5803 903-784-9241
2.	City of Longview Angela Coen, Director of Finance 300 West Cotton Street Longview, Texas 75601 (903) 239-5521
3.	City of Colorado City David Hoover, City Manager City of Colorado City 180 W. 3rd St. Colorado City, Texas 79512 (325) 728-3464
4.	City of Coleman, Texas Diana Lopez, City Manager P.O. Box 592 Coleman, Texas 76834 (325) 625-5114
5.	Town of Prosper, Texas Harlan Jefferson, Town Manager 200 S Main Street Prosper, Texas 75078 (972) 569-1011
6.	City of Stephenville, Texas Allen Barnes, City Administrator 298 West Washington Stephenville, Texas 76401 (254) 918-1225
7.	City of Henrietta, Texas Kelley Bloodworth, City Administrator 101 North Main

Henrietta, Texas 76365

(940) 538-4316

8.

City of Brownwood, Texas

Walter Middleton, Director of Finance

501 Center Avenue

Brownwood, Texas 76804

(325) 643-4477

## 5. PROPOSED CONTRACT TERMS

Below are our typical contract terms for debt obligations to be sold to (and grant funding to be received from) the Texas Water Development Board:

*“Mayor and Members of the City Council  
City of Breckenridge  
105 North Rose Ave.  
Breckenridge, Texas 76424*

*Re: Request for Financial Assistance from the Texas Water Development Board for the purpose of financing utility system improvements*

*Ladies and Gentlemen:*

*This letter is submitted to state our fees and describe the legal services of the undersigned law firm to be performed for the City of Breckenridge, Texas (the “City”) with reference to the City’s request for financial assistance from the Texas Water Development Board (“TWDB”), which financial assistance may include the sale of debt obligations (the “Obligations”) to the TWDB and/or the receipt of grant or principal forgiveness funding (“Principal Forgiveness”) by the City from the TWDB. We understand that the City is requesting such financial assistance from the TWDB for the purpose of planning, acquiring, designing and constructing improvements to the City’s waterworks and sewer system (the “Project”).*

### **SCOPE OF ENGAGEMENT**

*(1) In this engagement, if the Project financing involves the issuance of Obligations, we expect to perform the following duties as bond counsel with respect to the Obligations:*

*(a) Prepare all resolutions, ordinances, orders and other instruments pursuant to which the Obligations will be authorized, issued, delivered and secured, in cooperation and upon consultation with the City Council, its financial advisors and other consultants of the City.*

*(b) Attend meetings of the City Council with reference to the authorization and issuance of the Obligations to the extent required or requested.*

*(c) Cooperate with the City Council and all other interested parties in the sale of the Obligations to the TWDB.*

*(d) Supervise the execution of the Obligations, their approval by the Attorney General of Texas and registration by the Comptroller of Public Accounts of Texas, and the delivery thereof to the purchaser, the TWDB.*



(e) When so delivered, give our objective approving opinion (our "Legal Opinion") covering the validity of the Obligations and, if applicable, the exemption of interest thereon from federal income taxes, it being understood that the approving opinion will be fully acceptable nationally in regular commercial investment banking bond marketing channels.

Our Legal Opinion will be delivered by us on the date the Obligations are exchanged for their purchase price (the "Closing"). The City will be entitled to rely on our Legal Opinion.

The Legal Opinion will be based on facts and law existing as of its date. In rendering our Legal Opinion, we will rely upon the certified proceedings and other certifications of public officials and other persons furnished to us without undertaking to verify the same by independent investigation, and we will assume continuing compliance by the City with applicable laws relating to the Obligations. During the course of this engagement, we will rely on you to provide us with complete and timely information on all developments pertaining to any aspect of the Obligations and their security. We understand that you will direct members of your staff and other employees of the City to cooperate with us in this regard.

(2) In this engagement, if the Project financing involves the receipt of Principal Forgiveness by the City from the TWDB, we expect to perform the following duties:

(a) Prepare all resolutions, ordinances and other instruments pursuant to which Principal Forgiveness will be authorized, executed and delivered, in cooperation and upon consultation with the City Council, its financial advisors and other consultants of the City.

(b) Review the grant or Principal Forgiveness agreement and provide comments as necessary or appropriate.

(c) Prepare an escrow agreement and other documentation regarding the escrow of Principal Forgiveness funds and assist the City in engaging a qualified escrow agent.

(d) Coordinate the execution and delivery of various Principal Forgiveness documents and the delivery thereof to the TWDB.

(3) Our duties in this engagement are limited to those expressly set forth above. Unless we are separately engaged in writing to perform other services, our duties do not include any other services, including the following:

(a) Preparing requests for tax rulings from the Internal Revenue Service, or no action letters from the Securities and Exchange Commission.

*(b) Drafting state constitutional or legislative amendments.*

*(c) Pursuing test cases or other litigation.*

*(d) Making an investigation or expressing any view as to the creditworthiness of the City or the Obligations.*

*(e) Representing the City in Internal Revenue Service examinations or inquiries, or Securities and Exchange Commission investigations.*

*(f) Except as described in subsection (1)(a) above, assisting in the preparation of, or opining on, a continuing disclosure undertaking pertaining to the Obligations or, after Closing, providing advice concerning any actions necessary to assure compliance with any continuing disclosure undertaking.*

*(g) After Closing, monitoring the City's compliance with federal tax requirements to assure that interest paid on the Obligations will continue to be excludable from gross income for federal income tax purposes (e.g., our engagement does not include rebate calculations for the Obligations).*

*(h) Addressing any other matter not specifically set forth above that is not required to render our Legal Opinion.*

*(i) Issuing any legal opinion or assurance letter with respect to Principal Forgiveness funding.*

#### **ATTORNEY-CLIENT RELATIONSHIP**

*Upon execution of this engagement letter, the City will be our client and an attorney-client relationship will exist between us. We further assume that all other parties in this transaction understand that we represent only the City in this transaction, we are not counsel to any other party, and we are not acting as an intermediary among the parties. Our services as bond counsel are limited to those contracted for in this letter; the City's execution of this engagement letter will constitute an acknowledgment of those limitations. Our representation of the City will not affect, however, our responsibility to render an objective Legal Opinion.*

*Our representation of the City and the attorney-client relationship created by this engagement letter will be concluded upon issuance of the Obligations. Nevertheless, subsequent to Closing, we will mail the appropriate Internal Revenue Service Form 8038, prepare and distribute to the participants in the transaction a transcript of the proceedings pertaining to the Obligations.*

## **NO BOYCOTT OF ISRAEL**

*The firm hereby represents that during the term of this agreement we do not, nor will we, boycott Israel, in compliance with and within the meaning of 50 U.S.C. Section 4607 and Section 2271.002, of the Texas Government Code.*

## **CONFLICTS**

*As you are aware, our firm represents many political subdivisions and investment banking firms, among others, who do business with political subdivisions. Our firm also represents the TWDB in the capacity as bond counsel. It is possible that during the time that we are representing the City, one or more of our present or future clients will have transactions with the City. It is also possible that we may be asked to represent, in an unrelated matter, one or more of the entities involved in the issuance of the Obligations. We do not believe such representation, if it occurs, will adversely affect our ability to represent you as provided in this letter, either because such matters will be sufficiently different from the issuance of the Obligations and/or Principal Forgiveness so as to make such representations not adverse to our representation of you, or because the potential for such adversity is remote or minor and outweighed by the consideration that it is unlikely that advice given to the other client will be relevant to any aspect of the issuance of the Obligations and/or Principal Forgiveness. Execution of this letter will signify the City's consent to our representation of others consistent with the circumstances described in this paragraph.*

## **FIRM NOT A MUNICIPAL ADVISOR**

*As a consequence of the adoption of Rule 15Ba1-1 pursuant to the Securities Exchange Act of 1934 (the "Municipal Advisor Rule"), which has been promulgated by the Securities and Exchange Commission as a result of the enactment of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), we hereby inform the City that we are not a "Municipal Advisor" within the meaning of the Municipal Advisor Rule or the Dodd-Frank Act (collectively, the "MA Rule"). In the course of performing our services as Bond Counsel in this transaction, we may engage in analysis, discussion, negotiation, and advice to the City regarding the legal ramifications of the structure, timing, terms, and other provisions of the financial transaction that culminates with the planned issuance of the Obligations, and such services and advice may be essential to the development of the plan of finance for the issuance of the Obligations. In turn, these services become, among other things, the basis for the transaction's basic legal documents, the preparation and delivery of the official statement or any other disclosure document that describes the material terms and provisions of the transaction, if an offering document is used in the offering of the Obligations, the preparation of the various*



*closing certificates that embody the terms and provisions of this transaction and the preparation and delivery of our Legal Opinion. Moreover, legal advice and services of a traditional legal nature in the area of municipal finance inherently involve a financial advice component; but we hereby advise the City that while we have expertise with respect to the legal aspects relating to the issuance of municipal securities, we are not “financial advisors” or “financial experts” in a manner that would subject us to the provisions of the MA Rule. As Bond Counsel, we provide only legal advice, not purely financial advice that is not inherent in our legal advice to the City. The City should seek the advice of its financial advisor with respect to the financial aspects of the issuance of the Obligations. By signing this engagement letter, the City acknowledges receipt of this information, and evidences its understanding of the limitations of our role to the City as Bond Counsel with respect to the MA Rule, as discussed in this paragraph.*

### **FEES**

*Based upon: (i) our current understanding of the terms, structure, size and schedule of the financing represented by the Obligations; (ii) the duties we will undertake pursuant to this engagement letter with respect to the Obligations; (iii) the time we anticipate devoting to the financing represented by the Obligations; and (iv) the responsibilities we will assume in connection therewith, our fee for serving in the capacity of bond counsel with respect to each series of Obligations sold to the TWDB will be \$XXXXX for the first \$1,000,000 in principal amount of Obligations issued, plus \$X per \$1,000 for the next \$XXXXX in principal amount of obligations issued, plus \$X per \$1,000 for principal amounts of Obligations issued in excess of \$5,000,000; provided that there shall be a minimum fee of \$XXXXX for each series of Obligations issued.*

*In addition to the foregoing, we will be reimbursed for our out-of-pocket expenses reasonably and necessarily incurred in connection with the issuance of Obligations (e.g., electronic research, photocopying, shipping, telecommunication, travel, and other similar expenses), and said fee and expenses will be payable at the time of the delivery of and payment for the Obligations. Fees for litigation and any other special services not normally included in the legal services performed by bond counsel will be negotiated between the City and the undersigned. Our fee will be billed after the Closing.*

*In the event that the resolution of the TWDB granting the City’s request for financial assistance provides for 100% Principal Forgiveness funding for the Project, we will charge a separate, hourly fee (calculated in ¼-hour increments) for any legal work done in connection with any Principal Forgiveness received by the City from the TWDB. The City shall pay our firm for each hour of work performed with respect to Principal Forgiveness according to the following schedule:*

Partners: \$XXX per hour

Associates: \$XXX per hour

*In addition to such hourly fees, we will be reimbursed for our out-of-pocket expenses reasonably and necessarily incurred in connection with any Principal Forgiveness (e.g., electronic research, photocopying, shipping, telecommunication, travel, and other similar expenses), and said fees and expenses will be payable at the time of the initial delivery of such Principal Forgiveness funds to the City.*

### **RECORDS**

*After the transactions have closed, you will receive from us a transcript of proceedings that contain the primary financing and closing documents related to the transaction. At your request, papers and property furnished by you, and work product belonging to you and to which you are entitled, will be returned promptly. We may have copies of any and all documents made for our files at our sole cost and expense, to be retained by us. For various reasons, including the minimization of unnecessary storage expenses, we reserve the right to dispose of any documents or other materials retained by us after the closing of each transaction.*

### **ELECTRONIC COMMUNICATION AND STORAGE**

*In the interest of facilitating our services to you, we may send documents, information or data electronically or via the Internet or store electronic documents or data via computer software applications hosted remotely or utilize cloud-based storage. Your confidential electronic documents or data may be transmitted or stored using these methods. We may use third party service providers to store or transmit these documents or data. In using these electronic communication and storage methods, we employ reasonable efforts to keep such communications, documents and data secure in accordance with our obligations under applicable laws, regulations, and professional standards; however, you recognize and accept that we have no control over the unauthorized interception or breach of any communications, documents or data once it has been transmitted or if it has been subject to unauthorized access while stored, notwithstanding all reasonable security measures employed by us or by our third party vendors. By your acceptance of this letter, you consent to our use of these electronic devices and applications and submission of confidential client information to or through third party service providers during this engagement.*

## ACCEPTANCE OF TERMS OF ENGAGEMENT

*If the foregoing terms are acceptable to you, please so indicate by returning the enclosed copy of this engagement letter dated and signed by an authorized officer, retaining the original for your files. We look forward to working with you.*

*Very truly yours,*

*McCall, Parkhurst & Horton L.L.P.*

### 6. ADDITIONAL DATA OR SERVICES OFFERINGS

#### FINANCIAL CONDITION AND PROFESSIONAL LIABILITY INSURANCE

During each of last three calendar years, McCall has generated gross revenues of over \$22,500,000 per year

Our firm maintains legal professional liability insurance with coverage of \$5,000,000. We have never filed a claim on our professional liability insurance.

#### NO LITIGATION

There are no litigation proceedings against our firm, whether pending, final or of record, nor has our firm been involved in any such proceedings in the previous five years.

#### INFORMATION PERTAINING TO THE FIRM'S COMPLIANCE WITH LICENSING AND OTHER REQUIREMENTS

There are no legal or administrative proceedings in which our firm, or any of its attorneys, have been involved as defendants relative to investigations into or violations of any regulatory agency rules including, but not limited to, the Securities and Exchange Commission, the New York Stock Exchange, the Financial Industry Regulatory Authority (formerly the National Association of Security Dealers), the Municipal Securities Regulatory Board, and the Texas Bond Review Board.

Neither the firm nor any individuals assigned to the City's account are suspended, or otherwise prohibited from professional practice by any federal, state, or local agency. All attorneys in the firm are members of the State Bar of Texas and are fully licensed to practice law in Texas. Some attorneys are licensed to practice law in other jurisdictions as well. The firm maintains a strong commitment to the continuing education of its attorneys and other professional staff in order to provide the highest level of service to our clients, and to ensure compliance with all licensing requirements imposed on our attorneys.