

October 31, 2022

Mayor and Members of the City Council  
City of Burleson, Texas  
141 W Renfro Street  
Burleson, Texas 76028

Re: City of Burleson, Texas

Ladies and Gentlemen:

The purpose of this engagement letter is to set forth certain matters concerning the services we will perform as bond counsel to the City of Burleson, Texas (the "City"), in connection with the issuance of the general obligation bonds and certificates of obligation of the City (collectively, the "Obligations"). We understand that the Obligations will be authorized, issued and delivered from time to time for the authorized needs and purposes of the City, and will be secured by a pledge of ad valorem taxes, and, in the case of certificates of obligation, will be additionally secured by a limited pledge of revenues.

### SCOPE OF ENGAGEMENT

In this engagement, we expect to perform the following duties:

- (1) Subject to the completion of proceedings to our satisfaction, render our legal opinion (the "Bond Opinion") regarding the validity and binding effect of the Obligations, the source of payment and security for the Obligations, and the excludability of interest on the Obligations from gross income for federal income tax purposes.
- (2) Prepare and review documents necessary or appropriate to the authorization, issuance and delivery of the Obligations, coordinate the authorization and execution of such documents, and review enabling legislation.
- (3) Assist the City in seeking from other governmental authorities such approvals, permissions and exemptions as we determine are necessary or appropriate in connection with the authorization, issuance and delivery of the Obligations, except that we will not be responsible for any required federal or state securities law filings. In this connection, we particularly undertake to assist the City in having the Obligations approved by the Public Finance Division of the Office of the Texas Attorney General, and, following such approval, registered by the Texas Comptroller of Public Accounts.
- (4) Review legal issues relating to the structure of the Obligation issue.
- (5) Attend meetings of the City Council as requested.
- (6) Review those sections of the official statement to be disseminated in connection with the sale of the Obligations (the "Official Statement") which describe the Obligations, the Ordinance pursuant to which they will be issued and the tax-



exempt treatment of the interest on the Obligations for purposes of federal income taxation. As a general rule, we as Bond Counsel do not review other areas of the Official Statement, but in this financing, the City has asked that we conduct some limited "due diligence" procedures on the document and we have done so.

Please note, however, that the Official Statement is the City's document. While we can discharge our professional responsibility to the City by conducting due diligence, an issuer of securities does not have a "due diligence defense" should there be material misrepresentations or omissions in the document that relate to the information for which the issuer is responsible. Therefore, if you know of any information that an investor would consider to be material in order to make an investment decision, and that information is omitted from, or incorrect in, the Official Statement, the City should take immediate steps to correct the Official Statement.

- (7) Assist the City in conducting special elections to authorize the issuance of general obligation bonds, including assisting the City with drafting the election ordinance, notice of election, and canvass ordinance, as well as advising the City on required postings and publications for a special election.

Our Bond 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 Bond Opinion.

The Bond Opinion will be based on facts and law existing as of its date. In rendering our Bond 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 and consultants of the City to cooperate with us in this regard.

If and as required by the City, we will perform additional legal services not otherwise included herein as services as bond counsel, such as attendance at meetings and drafting of documents other than those directly required for the issuance, sale and delivery of the Obligations of the District, and other services not included herein as services as bond counsel. Our fees for such additional services will be as agreed to by the City and us.

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:

- (1) Review of procurement requirements, or preparation or review of requests for bid or proposals or preparation or review of construction documents.
- (2) Except as described in paragraph (6) above, assisting in the preparation or review of financial disclosure with respect to the Obligations.



- (3) Preparing request for tax rulings from the Internal Revenue Service, or no action letters from the Securities and Exchange Commission.
- (4) Preparing state securities law memoranda or investment surveys with respect to the Obligations.
- (5) Drafting state constitutional or legislative amendments.
- (6) Pursuing test cases or other litigation.
- (7) Making an investigation or expressing any view as to the creditworthiness of the City or the Obligations.
- (8) Representing the City in Internal Revenue Service examinations or inquiries, or Securities and Exchange Commission investigations.
- (9) After Closing, providing continuing advice to the City or any other party concerning any actions necessary 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).
- (10) Negotiating the terms of, or opining as to, any investment contract.
- (11) Except as hereinafter described, assisting in the preparation or review of an official statement or any other disclosure document with respect to the Obligations, or performing an independent investigation to determine the accuracy, completeness or sufficiency of any such document or rendering advice that the official statement or other disclosure document does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading. We will review those sections of the disclosure document to be disseminated in connection with the sale of the Obligations which describe the Obligations, the ordinance of the City Council authorizing the issuance of the Obligations, and the tax-exempt treatment of the interest on the Obligations for purposes of federal income taxation.
- (12) Addressing any other matter not specifically set forth above that is not required to render our Bond Opinion.

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

Upon execution of this engagement letter, the City will be our client and an attorney-client relationship will exist between you and 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 intermediary among the parties. Our services as a 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 Bond Opinion.



Our representation of the City and the attorney-client relationships 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-G, and 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.

#### **NOT ENGAGED IN BUSINESS WITH FOREIGN TERRORIST ORGANIZATION**

The firm hereby represents that neither the firm nor any wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of the firm is an entity listed by the Texas Comptroller of Public Accounts under Sections 806.051, 807.051, or 2252.153 of the Texas Government Code.

#### **NO DISCRIMINATION OF FIREARMS INDUSTRY**

The firm hereby verifies that it (1) does not have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association; and (2) will not discriminate during the term of this agreement against a firearm entity or firearm trade association. The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, and only if such statute is applicable to this contract.

#### **NO BOYCOTT OF ENERGY COMPANIES**

The firm hereby verifies that it does not boycott energy companies and, will not boycott energy companies during the term of this agreement. The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, and only if such statute is applicable to this contract.

#### **CONFLICTS**

As you are aware, our firm represents many political subdivisions and investment banking firms, among others, who do business with political subdivisions. 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 or purchase 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 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. 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 Issuer 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 Issuer 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 Bond 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 Issuer 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 Issuer. The Issuer 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 Issuer acknowledges receipt of this information, and evidences its understanding of the limitations of our role to the Issuer 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; (iii) the time we anticipate devoting to the financing; and (iv) the responsibilities we will assume in connection therewith, our fee for the issuance of each series of obligations will be \$10,000 plus one-tenth percent (0.1%) times the greater of par amount of the Obligations or the project fund (or escrow fund) deposit. Additionally, our fee in connection with aiding the City in conducting a special election to authorize the issuance of general obligation bonds is \$20,000. In addition, the City will reimburse us for out-of-pocket expenses incurred in connection with the proposed transaction, such as travel costs, newspaper publication costs, photocopying, deliveries, long distance telephone charges, telecopier charges, filing fees and other expenses. It is anticipated that our fees and expenses described above will be paid out of the proceeds of the Obligations, but if Obligations are not issued, the Issuer hereby agrees to pay us a fee of \$1,000 from other lawfully available funds, and we would be entitled to reimbursement for our out-of-pocket expenses, including without limitation the Attorney General filing fee if we have advanced it on behalf of the Issuer.



## RECORDS

At your request, papers and property furnished by you will be returned promptly upon receipt of payment for outstanding fees and client charges. Our own files, including lawyer work product, pertaining to the transaction will 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 termination of this engagement.

## TERM

This Agreement shall commence upon execution by the parties, and shall be for active for one year. McCall Parkhurst & Horton, or the City of Burleson may terminate this Agreement at any time and for any reason by providing the other party with thirty (30) days written notice of termination.

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.

Respectfully,

McCALL PARKHURST & HORTON LLP.  
  
Jeffrey A. Leuschel

**Accepted and Approved**

City of Burleson, Texas

By: \_\_\_\_\_

Title: \_\_\_\_\_