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## FINANCIAL ADVISORY AGREEMENT

This Financial Advisory Agreement is agreed upon this the        day of August , 2016, by and between the CITY OF SWEENY (the "Issuer") and GOVERNMENT CAPITAL SECURITIES CORPORATION ("GCSC").

WHEREAS, the Issuer periodically desires to issue debt securities or related indebtedness ("Securities") and is in need of advice on such issuances;

WHEREAS, GCSC has advised a variety of governmental entities and maintains expertise in that area; and will have a fiduciary responsibility to the Issuer; and

WHEREAS, the Issuer and GCSC desire to establish a relationship, which is terminable as provided herein, pursuant to which GCSC will advise the Issuer on the issuance of Securities, as well as provide advice pertaining to the structuring and sale of the Securities and other matters.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions referenced and exchanged herein, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound, covenant and agree as follows:

1. Financial Advisory Services. GCSC shall serve as the Issuer's Financial Advisor for the issuance of the Issuer's Securities. Such advice can include, as applicable to the Securities to be issued, the following:

Assist in the selection of bond counsel and any other professional services entity in connection with the issuance of the Securities.

Advise as to the obligation structure, taking into account such factors as, terms, features, maturity amounts and dates, coupon rates, call features, reserve requirements, administrative costs, security features, credit enhancements and other pertinent factors, and make recommendations to the Issuer with respect to the appropriateness and adequacy of the obligation structure and features.

Advise the Issuer generally on alternative financing and loan practices, structures and programs.

Confer with bond and tax counsel concerning all necessary legal documents and proceedings, and obtain their opinion relative to the compliance with limitations and constraints of federal tax regulations applicable to tax-exempt obligations.

Assist in the preparation of preliminary and final official statements, if requested.

Arrange for purchase of escrow securities, if applicable.

Select a paying agent or trustee, as required, or an escrow agent to hold the escrow securities and make payments on bonds refunded, if applicable.

Meet with the Issuer and personnel to assist in explaining the Issuer's Securities, if requested.

Advise the Issuer of the prevailing bond market conditions and recommend timing of any public sale or private placement of Securities.

Coordinate the preparation of materials for submission to rating agencies for municipal bond rating.

On behalf of, and acting as financial advisor to, the Issuer, prepare and mail the offering document to investment bankers and commercial banks that bid on obligations similar to the Securities to be issued, and to insurance companies, pension funds, and other institutional buyers.

Attend the bond sale, review the bids received and provide recommendations to the Issuer and its governing board as to acceptance of a bid; and, if applicable, structure the refunding issue on the basis of the bid accepted.

Assist in the preparation and filing of annual continuing disclosure reports, if applicable, with the MSRB.

Advise, assist, negotiate on behalf of, and make recommendations to the Issuer regarding the terms and pricing for the Issuer's securities or other obligations with (a) state or national banks, (b) accredited investors, or (c) qualified institutional buyers.

Perform all other duties usually performed by a Financial Advisor incidental to a financing program as may be requested by the Issuer.

2. Compensation. Issuer shall pay a fee for each issuance of Securities in accordance with the attached fee schedule plus reasonable expenses to GCSC as compensation for advising the Issuer on the issuance of Securities. Said payment will be due and payable upon the funding of said Securities. <sup>1</sup>

3. Termination. Issuer agrees to utilize GCSC as its Financial Advisor for a period of one (1) year from and after the date of this Agreement or for such period of time until the aforementioned Securities have been successfully funded. It is understood that this agreement shall automatically renew for subsequent one (1) year periods of time. It is recognized that both the Issuer and GCSC possess the right to terminate this Agreement anytime with or without cause upon thirty (30) days' prior written notice.

4. Authority to Execute. The individuals signing this Agreement on behalf of GCSC and the Issuer each represents and warrants that he or she is duly authorized to execute and deliver this Agreement on such party's behalf.

This Agreement is entered into on the date first written above.

CITY OF SWEENY

GOVERNMENT CAPITAL SECURITIES CORPORATION

By: Candy King  
Title: City Manager

By: [Signature]  
Title: President



Government Capital Securities Fee Structure						
From	\$0	to	\$1,000,000	fee is	\$15,000	base
From	\$1,000,001	to	\$3,000,000	fee is	\$12,500	per million issued
From	\$3,000,001	to	\$5,000,000	fee is	\$11,000	per million issued
From	\$5,000,001	to	\$10,000,000	fee is	\$8,000	per million issued
From	\$10,000,001	to	\$20,000,000	fee is	\$7,000	per million issued
From	\$20,000,001	to	\$30,000,000	fee is	\$6,000	per million issued
From	\$30,000,001	to	\$50,000,000	fee is	\$5,000	per million issued

Examples:

Issue Amount	FA Fee
\$1,000,000	\$15,000
\$2,500,000	\$33,750
\$5,000,000	\$62,000
\$7,000,000	\$78,000
\$10,000,000	\$102,000
\$12,500,000	\$119,500
\$20,000,000	\$172,000

<sup>1</sup> Required Disclosures:

The rules of the Municipal Securities Rulemaking Board (“MSRB”) require us to make certain disclosures to you regarding our fees as your Financial Advisor. The MSRB considers fees that are contingent on the closing or the size of a transaction and any fee-splitting arrangements to be “material conflicts of interest,” because they may cause a financial advisor to recommend a transaction that is unnecessary or larger than its client’s needs or may compromise the advisor’s loyalty to its client. As shown above, our fees are contingent on both the size and the closing of Securities. Please contact us if you would like to discuss an alternate fee arrangement. In addition, please be advised that we may share a portion of the fees we receive from you with our affiliate, Government Capital Corporation.

The rules of the MSRB require us to make additional disclosures to you regarding any material conflicts of interest we may have with respect to our services as your Financial Advisor, as well as any legal or disciplinary event that may be material to your evaluation of GCSC or the integrity of our management or advisory personnel. Please be advised that we have determined that no such conflicts or events exist as of the date of this Agreement.

