

AGREEMENT FOR FINANCIAL ADVISORY SERVICES
By and Between

COUNTY OF NUECES, TEXAS
(Hereinafter referred to as the "Issuer")

And

ESTRADA HINOJOSA & COMPANY, INC.

It is understood that the Issuer will have under consideration from time to time the authorization and issuance of indebtedness in amounts and forms which cannot be determined and that in connection with the authorization, sale, issuance and delivery of such indebtedness of the Issuer, we have been requested to submit a proposal to provide professional services to the Issuer in the capacity of Financial Advisor. We are pleased to comply with this request and submit the following proposal for consideration. This proposal, if accepted by the Issuer, shall become the agreement (the "Agreement") between the Issuer and Estrada Hinojosa & Company, Inc. effective at the date of its acceptance as provided for herein below.

I.

This Agreement shall apply to any and all evidences of indebtedness or debt obligations that may be authorized and issued or otherwise created or assumed by the Issuer (hereinafter referred to collectively as the "Debt Instruments") from time to time during the period in which this Agreement shall be effective.

II.

We agree to provide our professional services and our facilities as Financial Advisor and agree to direct and coordinate all programs of financing as may be considered and authorized during the period in which this Agreement shall be effective and to assume and pay those expenses set out in Appendix A, provided, however, that our obligations to pay expenses shall not include any costs incident to litigation, mandamus action, test case or other similar actions.

III.

We agree to perform the following duties normally performed by financial advisors and all other duties as, in our judgement, may be necessary or advisable:

1. We will conduct a survey of the financial resources of the Issuer to determine the extent of its capacity to authorize, issue and service debt. This survey will include an analysis of existing debt structure as compared with the existing and projected sources of revenues which may be pledged to secure payment of debt service and, where appropriate, will include a study of the trend of the assessed valuation, taxing power and present and future taxing requirements of the Issuer. In the event revenues of existing or projected facilities operated by the Issuer are to be pledged to repayment of the Debt Instruments then under consideration, the survey will take into account any outstanding indebtedness payable from the revenues thereof, additional revenues, as projected by consulting engineers employed by the Issuer, resulting from improvements to be financed by the Debt Instruments under consideration. We will also take into account future financing needs and operations as projected by the Issuer's staff and consulting engineers or other experts, if any, employed by the Issuer.

2. On the basis of the information developed by the survey described above, and other information and experience available to us, we will submit to the Issuer our recommendations on the Debt Instruments under consideration including such elements as the date of issue, interest payment dates, schedule of principal maturities,

portions of prior payment, security provisions, and any other additional provisions designed to make the issue attractive to investors. All recommendations will be based upon our professional judgement with the goal of designing Debt Instruments which can be sold under terms most advantageous to the Issuer and at the lowest interest cost consistent with all other considerations.

3. We will advise the Issuer of current bond market conditions, forthcoming bond issues and other general information and economic data which might normally be expected to influence interest rates or bidding conditions so that the date of sale of the Debt Instruments may be set at a time which, in our opinion, will be favorable.

4. We understand the Issuer has retained, or will retain, firms of bond attorneys (the "Bond Counsel") whose fees will be paid by the Issuer. In the event it is necessary to hold an election to authorize the Debt Instruments then under consideration, we will assist in coordinating the assembly and transmittal to Bond Counsel of such data as may be required for the preparation of necessary petitions, orders, resolutions, ordinances, notices, and certificates in connection with the election.

5. We will recommend the method of sale of the Debt Instruments that, in our opinion, is in the best interest of the Issuer and will proceed, as directed by the Issuer, with one of the following methods:

- a. Competitive Sale: We will advise the Issuer regarding the sale of the Debt Instrument whereby we coordinate the submission of competitive bids from prospective buyers of the Debt Instruments in accordance with established procedures
- b. Negotiated Sale: We will recommend one or more investment banking firms as managers of an underwriting syndicate for the purposes of negotiating the purchase of Debt Instruments and in no event will we participate either directly or indirectly in the underwriting of the Debt Instruments. We will collaborate with any senior managing underwriter selected and Counsel to the underwriters in the preparation of the Official Statement or Offering Memorandum. We will cooperate with the underwriters in obtaining any Blue Sky Memorandum and Legal Investment Survey, preparing the Bond Purchase Contract, Underwriters' Agreement and any other related documents. The costs thereof, including the printing of the documents, will be paid by the underwriters.

6. When appropriate, we will advise financial publications of the forthcoming sale of the Debt Instruments and provide them with all pertinent information.

7. We will coordinate the preparation of the Notice of Sale and Bidding Instructions, Official Statement, Official Bid Form and such other documents as may be required. We will submit to the Issuer all such documents for examinations, approval and certification. After such examination, approval and certification, we will provide the Issuer with a supply of all such documents sufficient to its needs and will distribute by mail sets of the same to prospective bidders and to banks, life, fire and casualty insurance companies, investment counselors and other prospective purchasers of the Debt Instruments. We also provide sufficient copies of the Official Statement to the purchaser of the debt Instruments in accordance with the Notice of Sale and Bidding Instructions. The expenses associated with printing and distribution of these documents will be paid by the Issuer.

8. We will, after consulting the Issuer, arrange for such reports and opinions of recognized independent consultants we deem necessary and required for the successful marketing of the Debt Instruments.

9. Subject to the approval of the Issuer, we will organize and make arrangements for such information meetings as, in our judgement, may be necessary.

10. We will make recommendations to the Issuer as to the advisability of obtaining a credit rating, or ratings, for the Debt Instruments as, in our opinion, is required for submission to the appropriate company, institution or

institutions. In those cases where the advisability of personal presentation of information to the rating agency, or agencies, may be indicated, we will arrange for such personal presentations. The expenses associated with the preparation of information and personal presentations will be paid by the Issuer.

11. We will make recommendations to the Issuer as to the advisability of obtaining municipal bond insurance or other credit enhancement, or qualifications for same, for the Debt Instruments and, when directed by the Issuer, we will coordinate the preparation of such information as, in our opinion, is required for submission to the appropriate company, institution or institutions. In those cases where the advisability of personal presentation of information to the appropriate company, institution or institutions may be indicated, we will arrange for such personal presentations. The expenses associated with the preparation of information and personal presentations will be paid by the Issuer.

12. We will assist the staff of the Issuer at any advertised sale of Debt Instruments and coordinate the receipt, tabulation and comparison of bids and we will advise the Issuer as to the best bid. We will provide the Issuer with our recommendations as to acceptance or rejection of such bid.

13. As soon as a bid for the Debt Instruments is accepted by the Issuer, we will proceed to coordinate the efforts of all concerned to the end that the Debt Instruments may be delivered and paid for as expeditiously as possible. We will assist the Issuer in the preparation or verification of final closing figures incident to the delivery of the Debt Instruments.

14. We will maintain liaison with Bond Counsel in the preparation of all legal documents pertaining to the authorization, sale and issuance of the Debt Instruments. Bond Counsel will provide an unqualified legal opinion as to the legality of the issuance of the Debt Instruments at the time of delivery.

15. If requested, we will counsel with the Issuer in the selection of a Paying Agent/Registrar for the Debt Instruments, and will assist in the preparation of agreements pertinent to these services and the fees incident thereto.

16. In the event formal verification by an independent auditor or any calculations incident to the Debt Instruments is required, we will make arrangements for such services.

17. We agree to do, or cause to be done, all work incident to pertaining of the Debt Instruments, obtaining approval, as may be required by the Attorney General, registration by the Comptroller of Public Accounts and delivery to the purchaser. The expenses associated with the printing of the debt instruments will be paid by the Issuer.

18. After the closing of the sale and delivery of the Debt Instruments, we will deliver to the Issuer a schedule of annual debt service requirements on the Debt Instruments. In coordination with Bond Counsel, we will assure that the Paying Agent/Registrar has been provided with a copy of the authorizing ordinance, order or resolution.

19. We will attend any and all meeting of governing body of the Issuer, its staff, representatives or committees as requested and at the Issuer's expense, at all times when we may be of assistance or service and the subject of financing is to be discussed.

20. We will advise the Issuer and its staff of changes, proposed or enacted, in Federal and State laws and regulations which would affect the municipal bond market.

21. We will work with the Issuer, its staff and any consultants employed by the Issuer in developing financial feasibility studies and analyzing alternative financing plans.

IV.

In addition to the services set out above, we agree to provide the following services when so requested:

1. We will provide our advice as to the investment of certain funds of the Issuer. We will, when so directed, purchase those investments authorized to be purchased and we will charge a normal and customary commission for each such transaction.

2. We will provide our advice and assistance with regard to exercising any call and/or refunding of any outstanding Debt Instruments.

3. We will provide our advice and assistance in the development of, and financing for, any capital improvement programs of the Issuer.

4. We will provide our advice and assistance in the development of the long-range financing plan of the Issuer.

5. We will provide any other financial planning services as may be requested by the Issuer.

V.

The fee due Estrada Hinojosa & Company, Inc. in accordance with Appendix A attached hereto, any other fees as may be mutually agreed and all expenses for which Estrada Hinojosa & Company, Inc. is entitled to reimbursement, shall become due and payable concurrently with the delivery of the Debt Instruments to the purchaser.

VI.

This agreement shall become effective at the date of acceptance by the Issuer set out herein below and remain in effect thereafter for a period of five years from the date of acceptance. Provided, however, this Agreement may be terminated with or without cause by the Issuer upon thirty (30) days' written notice. In the event of such termination, it is understood and agreed that only the amount due to Estrada Hinojosa & Company, Inc. for services provided and expenses incurred to the date of termination will be due and payable. No penalty will be assessed for termination of this Agreement. This Agreement is submitted in triplicate originals. When accepted by the Issuer, it, together with Appendix A attached hereto, will constitute the entire Agreement between the Issuer and Estrada Hinojosa & Company, Inc. for the purposes and the considerations herein specified. Acceptance will be indicated by the signature of authorized officials of the Issuer together with the date of acceptance on all three copies and the return of two executed copies to Estrada Hinojosa & Company, Inc.

This agreement is accepted by the Issuer this _____ day of _____, 2020.

COUNTY OF NUECES, TEXAS

By: _____
County of Nueces, Texas

ATTEST:

By: _____
County Clerk

ESTRADA HINOJOSA & COMPANY, INC.

By:  _____

APPENDIX A

PROFESSIONAL FEES

In consideration for the service rendered by Estrada Hinojosa, our proposed fee schedule for issues sold either competitive or negotiated will be as follows:

Base Fee - Any Issue - \$3,750

Plus	\$ 9.90	per	\$1,000 up to	\$ 1,000,000	or	\$ 13,650	for	\$ 1,000,000
Plus	4.50	per	1,000 next	1,500,000	or	20,400	for	2,500,000
Plus	2.35	per	1,000 next	2,500,000	or	26,275	for	5,000,000
Plus	2.00	per	1,000 next	5,000,000	or	36,275	for	10,000,000
Plus	1.10	per	1,000 next	10,000,000	or	47,275	for	20,000,000
Plus	1.00	per	1,000 over	20,000,000				

Revenue Bond Issues -- Fees shall be the amount shown plus a 20% additional charge.

Advanced Refunding Issues -- Fees shall be the amount shown plus a 25% additional charge.

For any financial assistance, grant/loan, secured from the Texas Water Development Board, U.S. Department of Housing and Urban Development or any similar state or federal agency, the fee for such issue shall be 125% of the above fee schedule.

For any issue of Advance Refunding Bonds and/or other Debt Instruments involving Escrow Agreements, it is understood and agreed that we will charge, in addition to our Financial Advisory fee, a computer fee to be negotiated on a case by case basis.

At the time that Debt Instruments are delivered, the Company will bill the County for each issue of Debt Instruments an amount which will include the fee calculated on the above schedule as well as costs and expenses, where applicable, incurred on behalf of the County for the following items, if applicable:

- Bond Counsel fees
- bond rating and/or credit enhancement fees
- messenger, overnight delivery, photocopying, postage, and telephone
- personal meetings with bond rating agencies and/or credit enhancement providers
- preparation and printing of the Notice of Sale, Official Statement, and Uniform Bid Form
- preparation and printing of physical securities
- reports of independent auditors or consultants
- travel expenses of County and Company personnel

Our fees and expenses are contingent upon the County receiving funds and payable only to Estrada Hinojosa from proceeds delivered at closing. Expenses are borne by the firm until the closing in accordance with the contract between the County and our firm. Our depth of resources and capital base allows Estrada Hinojosa to operate on this basis without creating ongoing costs to the County. No hourly fees are proposed to be billed for these services.

APPENDIX B

DISCLOSURE STATEMENT REQUIRED

BY

MUNICIPAL SECURITIES RULEMAKING BOARD

This Disclosure Statement is provided by Estrada Hinojosa & Co., Inc. ("Municipal Advisor") to COUNTY OF NUECES, TEXAS ("Client") in connection with the Municipal Advisor Engagement Letter (the "Agreement") and is dated as of the same date as the Agreement. This Disclosure Statement provides information regarding conflicts of interest pursuant to MSRB Rule G-42(b) and the events required to be disclosed to Client pursuant to MSRB Rule G-42 (c)(ii).

Part A (Disclosures of Conflicts of Interest)

MSRB Rule G-42 requires that municipal advisors provide to their clients disclosures relating to any *actual or potential* material conflicts of interest, including certain categories of potential conflicts of interest identified in Rule G-42, if applicable.

Accordingly, Municipal Advisor makes the following disclosures with respect to material conflicts of interest in connection with the Scope of Services under the Agreement, together with explanations of how Municipal Advisor addresses or intends to manage or mitigate each conflict. To that end, with respect to all of the conflicts disclosed below, Municipal Advisor mitigates such conflicts through its adherence to its fiduciary duty to Client, which includes a duty of loyalty to Client in performing all municipal advisory activities for Client. This duty of loyalty obligates Municipal Advisor to deal honestly and with the utmost good faith with Client and to act in Client's best interests without regard to Municipal Advisor's financial or other interests.

In addition, because Municipal Advisor is a broker-dealer with significant capital due to the nature of its overall business, the success and profitability of Municipal Advisor is not dependent on maximizing short-term revenue generated from individualized recommendations to its clients but instead is dependent on long-term profitability built on a foundation of integrity, quality of service, and strict adherence to its fiduciary duty. Furthermore, Municipal Advisor's supervisory structure, leveraging our long-standing and comprehensive broker-dealer supervisory processes and practices, provides strong safeguards against individual representatives of Municipal Advisor potentially departing from their regulatory duties due to personal interests. The disclosures below describe, as applicable, any additional mitigations that may be relevant with respect to any specific conflict disclosed below.

1. **Compensation-Based Conflicts.** If fees due under this Agreement are partially based on the size of a bond Issue and contingent upon the delivery of the bonds, this form of compensation has the potential to create a conflict of interest. While customary in the municipal securities market, the potential conflict of interest arises from the incentive for a Municipal Advisor to recommend unnecessary financings or financings that are disadvantageous to Client, or to advise Client to increase the size of the issue. This conflict of interest is mitigated by the general mitigations described above.
2. **Other Municipal Advisor or Underwriting Relationships.** Municipal Advisor serves a wide variety of other clients that may from time to time have interests that could have a direct or indirect impact on the interests of Client. For example, Municipal Advisor serves as municipal advisor to other municipal advisory clients and, in such cases, owes a duty to such other clients just as it does to Client under this

Agreement. These other clients may, from time to time and depending on the specific circumstances, have competing interests, such as accessing the new issue market with the most advantageous timing and with limited competition at the time of the offering.

In acting in the interests of its various clients, Municipal Advisor could potentially face a conflict of interest arising from these competing client interests. In other cases (such as a broker-dealer that engages in underwritings of new issuances of municipal securities by other municipal entities), the interests of Municipal Advisor to achieve a successful and profitable underwriting for its municipal entity underwriting clients could potentially constitute a conflict of interest if, as in the example above, the municipal entities that Municipal Advisor serves as underwriter or municipal advisor have competing interests in seeking to access the new issue market with the most advantageous timing and with limited competition at the time of the offering. None of these other engagements or relationships would impair Municipal Advisor's ability to fulfill its duties to Client.

3. **Broker-Dealer Business.** Municipal Advisor is a broker-dealer that provides underwriting services to its clients, in addition to serving as a municipal advisor. Such underwriting activities may be undertaken on behalf of, or as counterparty to, current or potential investors in the securities of Client. These other clients may, from time to time and depending on the specific circumstances, have interests in conflict with those of Client, such as when their buying or selling of Client's securities may have an adverse effect on the market for Client's securities, and the interests of such other clients could create the incentive for Municipal Advisor to make recommendations to Client that could result in more advantageous pricing for the other clients. Any potential conflict arising from Municipal Advisor effecting or otherwise assisting such other clients in connection with underwriting transactions is mitigated by means of such activities being engaged in on customary terms under an active and long-standing regulatory structure, thereby reducing the likelihood that the interests of such other clients would have an impact on the services provided by Municipal Advisor to Client under this Agreement.

At this time, there are no *actual* material conflicts of interest known to Municipal Advisor in connection with the current Agreement. Municipal Advisor has listed the *potential* conflicts of interest to comply with MSRB Rule G-42.

Part B (Disclosures of Information Regarding Legal Events and Disciplinary History)

MSRB Rule G-42 requires that municipal advisors provide to their clients certain disclosures of legal or disciplinary events material to its client's evaluation of the municipal advisor or the integrity of the municipal advisor's management or advisory personnel. The following legal or disciplinary events may be material to Client's evaluation of Municipal Advisor or the integrity of Municipal Advisor's management or advisory personnel:

1. In March 2012, the Municipal Advisor paid a \$10,000 fine to settle a FINRA enforcement matter arising from the late filing of Final Official Statements.
2. In July 2015, the Municipal Advisor paid a \$17,500 fine to settle a FINRA enforcement matter arising from the late and/or inaccurate reporting of municipal bond trades.
3. In September 2015, the Municipal Advisor settled an enforcement action brought by the United States Securities and Exchange Commission as a result of their Municipal Continuing Disclosure Initiative (MCDC). As part of the settlement, the Municipal Advisor paid a \$40,000 fine.

A full report of the Municipal Advisor's disciplinary history, including the events summarized above, can be found on the Municipal Advisor's Form MA and Form MA-I filings. These filings are available online in the EDGAR database maintained by the United States Securities and Exchange Commission at this location: [https://www.sec.gov/cgi-](https://www.sec.gov/cgi-bin/browseedgar?company=estrada+hinojosa&owner=exclude&action=getcompany)

[bin/browseedgar?company=estrada+hinojosa&owner=exclude&action=getcompany](https://www.sec.gov/cgi-bin/browseedgar?company=estrada+hinojosa&owner=exclude&action=getcompany)

The SEC permits certain items of information required on Form MA or MA-I to be provided by reference to such required information already filed by Municipal Advisor in its capacity as a broker-dealer on Form BD or Form U4 as applicable. The disclosures filed on Form MA and Form MA-I were all filed on Form BD or U4 for the applicable event. Detailed information provided by Municipal Advisor on Form BD or Form U4 is publicly accessible through reports generated by FINRA's BrokerCheck at <http://brokercheck.finra.org>. For purposes of accessing such BrokerCheck reports, Municipal Advisor's CRD number is 19299.

The disclosure items listed above were all related to the Underwriting business segment of Estrada Hinojosa & Co., Inc.; not from any activity relating to our Municipal Advisory business segment. The events themselves were technical in nature and did not involve any investor harm or market disruption. The last material update to Form MA was made on September 1, 2016.

Part C Future Supplemental Disclosures

As required by MSRB Rule G-42, this Disclosure Statement may be supplemented or amended, from time to time as needed, to reflect changed circumstances resulting in new conflicts of interest or changes in the conflicts of interest described above, or to provide updated information with regard to any legal or disciplinary events of Municipal Advisor. Municipal Advisor will provide Client with any such supplement or amendment as it becomes available throughout the term of the Agreement.

Sincerely,

Estrada Hinojosa + Company, Inc.

Estrada Hinojosa & Company, Inc.

DISCLOSURE STATEMENT REQUIRED

BY

THE STATE OF TEXAS

Estrada Hinojosa hereby represents and warrants that the following statements are true and correct:

- (a) Pursuant to Section 2270.002, Texas Government Code, Estrada Hinojosa hereby represents that it does not Boycott Israel (as defined in Section 2270.002, Texas Government Code) and, subject to or as otherwise required by applicable Federal law, including, without limitation, 50 U.S.C. Section 4607, the Lender agrees not to Boycott Israel during the term of this Agreement.
- (b) Estrada Hinojosa hereby acknowledges that (a) Estrada Hinojosa does not engage in business with Iran, Sudan or any foreign terrorist organization and (b) Estrada Hinojosa is not listed by the Texas Comptroller as described in Section 2252.152 of the Texas Government Code.

Sincerely,

Estrada Hinojosa & Company, Inc.

Estrada Hinojosa & Company, Inc.