

MUNICIPAL ADVISOR ENGAGEMENT LETTER

FORT BEND COUNTY, TEXAS

RFQ 19-024

PFM FINANCIAL ADVISORS, LLC (“Municipal Advisor”) appreciates the opportunity to serve as municipal advisor to **FORT BEND COUNTY, TEXAS** (“Client”). Upon your acceptance, this engagement letter (the “Agreement”) will serve as our mutual agreement with respect to the terms and conditions of our engagement as your municipal advisor, effective on the date this Agreement is executed by Client (the “Effective Date”).

1. Scope of Services.

(a) **Services to be provided.** Municipal Advisor is engaged by Client as its municipal advisor to provide the services with respect to the issuances of municipal securities (“Issues”) set forth in **Appendix A** (the “Scope of Services”).

(b) **Limitations on Scope of Services.** The Scope of Services is subject to the following limitations:

- (i) The Scope of Services is limited solely to the services described therein and is subject to any limitations set forth within the description of the Scope of Services.
- (ii) Unless otherwise provided in the Scope of Services described herein, Municipal Advisor is not responsible for certifying as to the accuracy or completeness of any preliminary or final official statement, other than with respect to any information about Municipal Advisor provided by Municipal Advisor for inclusion in such documents.
- (iii) The Scope of Services does not include tax, legal, or accounting advice with respect to any Issue or in connection with any opinion or certificate rendered by counsel or any other person at closing and does not include review or advice on any feasibility study.
- (iv) If Client has designated Municipal Advisor as its independent registered municipal advisor (“IRMA”) for purposes of SEC Rule 15Ba1-1(d)(3)(vi) (the “IRMA exemption”) with respect to the activities and aspects described in the Scope of Services, the Scope of Services as they relate to such designation as IRMA shall be subject to any limitations with respect to Municipal Advisor’s activities as IRMA as may be provided in the Scope of Services described herein. Municipal Advisor is not responsible for verifying that it is independent (within the meaning of the IRMA exemption as interpreted by the SEC) from another party wishing to rely on the exemption from the definition of municipal advisor afforded under the IRMA exemption. Any reference to Municipal Advisor, its personnel and its role as IRMA in the written representation of Client contemplated under SEC Rule 15Ba1-1(d)(3)(vi)(B) is subject to prior approval by Municipal Advisor, and Client agrees not to represent, publicly or to any specific person, that Municipal Advisor is Client’s IRMA with respect to any aspect of municipal financial products or the issuance of municipal securities, or with respect to any specific municipal financial product or any specific issuance of municipal securities, outside the Scope of Services without Municipal Advisor’s prior written consent.

(c) **Amendment to Scope of Services.** The Scope of Services may be changed only by written amendment or supplement to the Scope of Services described herein. The parties agree to amend or supplement the Scope of Services described herein promptly to reflect any material changes or additions to the Scope of Services.

(d) **Continuing Disclosure Services.** In addition to the services provided in Appendix A, Municipal Advisor will provide Continuing Disclosure Services to Client as set forth in **Appendix C** (“Continuing Disclosure Services”) hereto.

2. Municipal Advisor’s Regulatory Duties When Servicing Client. MSRB Rule G-42 requires that Municipal Advisor make a reasonable inquiry as to the facts that are relevant to Client’s determination whether to proceed with a course of action or that form the basis for and advice provided by Municipal Advisor to Client. The rule also requires that Municipal Advisor undertake a reasonable investigation to determine that it is not basing any recommendation on materially inaccurate or incomplete information. Municipal Advisor is also required under the rule to use reasonable diligence to know the essential facts about Client and the authority of each person acting on Client’s behalf.

Client agrees to cooperate, and to cause its agents to cooperate, with Municipal Advisor in carrying out these regulatory duties, including providing to Municipal Advisor accurate and complete information and reasonable access to relevant documents, other information and personnel needed to fulfill such duties. In addition, Client agrees that, to the extent Client seeks to have Municipal Advisor provide advice with regard to any recommendation made by a third party, Client will provide to Municipal Advisor written direction to do so as well as any information it has received from such third party relating to its recommendation.

3. Term of this Engagement. This Agreement shall become effective on the date executed by the Client, and unless terminated by either party, this Agreement will remain in effect for a period of five (5) years from the effective date. Unless Municipal Advisor or Client notify the other party in writing at least thirty (30) days in advance of the applicable anniversary date that this Agreement will not be renewed, this Agreement will be automatically renewed on the fifth anniversary of the effective date for an additional one (1) year period and thereafter will be automatically renewed on each anniversary date for successive one (1) year periods. This Agreement may be terminated with or without cause by either party upon the giving of at least thirty (30) days’ prior written notice to the other party of its intention to terminate, specifying in such notice the effective date of such termination.

4. Compensation.

(a) **Fees and expenses.** The fees due to Municipal Advisor hereunder shall be, and expenses incurred by Municipal Advisor in connection with any services provided hereunder shall be reimbursed, as set forth in **Appendix B** hereto.

(b) **Limitation of liability.** In the absence of willful misconduct, bad faith, gross negligence or reckless disregard of obligations or duties hereunder on the part of Municipal Advisor or any of its associated persons, Municipal Advisor and its associated persons shall have no liability to Client for any act or omission in the course of, or connected with, rendering services hereunder, or for any error of judgment or mistake of law, or for any loss arising out of any issuance of municipal securities, any municipal financial product or any other investment, or for any financial or other damages resulting from Client’s election to act or not to act, as the case may be, contrary to any advice or recommendation provided by Municipal Advisor to Client. No recourse shall be had against Municipal Advisor for loss, damage, liability, cost or expense (whether direct, indirect or consequential) of Client arising out of or in defending, prosecuting, negotiating or responding to any inquiry, questionnaire, audit, suit, action, or other proceeding brought or received from the Internal Revenue Service in connection with any Issue [or Product] or otherwise relating to the tax treatment of any Issue [or Product], or in connection with any opinion or certificate rendered by counsel or any other party. Notwithstanding the foregoing, nothing contained in this paragraph or elsewhere in this Agreement shall constitute a waiver by Client of any of its legal rights under applicable U.S. federal securities laws or any other laws whose applicability is not permitted to be

contractually waived, nor shall it constitute a waiver or diminution of Municipal Advisor's fiduciary duty to Client under Section 15B(c)(1) of the Securities Exchange Act of 1934, as amended, and the rules thereunder.

5. Required Disclosures. MSRB Rule G-42 requires that Municipal Advisor provide you with disclosures of material conflicts of interest and of information regarding certain legal events and disciplinary history. Such disclosures are provided in Municipal Advisor's Disclosure Statement delivered to Client together with this Agreement.

6. Choice of Law. This Agreement shall be construed and given effect in accordance with the laws of Texas.

7. Binding Effect; Assignment. This Agreement shall be binding upon and inure to the benefit of Client and Municipal Advisor, their respective successors and permitted assigns; provided however, no party may assign or transfer any of its rights or obligations hereunder without the prior written consent of all of the other parties.

8. Entire Agreement. This instrument, including all appendices hereto, contains the entire agreement between the parties relating to the rights herein granted and obligations herein assumed. This Agreement may not be amended, supplemented or modified except by means of a written instrument executed by all parties.

9. Severability. If any provision of this Agreement is, or is held or deemed to be, invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions because it conflicts with any provisions of any constitution, statute, rule or public policy, or for any other reason, such circumstances shall not make the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or make any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatever.

10. No Third Party Beneficiary. This Agreement is made solely for the benefit of the parties and their respective successors and permitted assigns. Nothing in this Agreement, express or implied, is intended to confer on any person, other than the parties and their respective successors and permitted assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

11. Authority. The undersigned represents and warrants that (s)he has full legal authority to execute this Agreement on behalf of Client. The following individuals have the authority to direct Municipal Advisor's performance of its activities under this Agreement:

DENNIS P. WALEY, MANAGING DIRECTOR, PFM FINANCIAL ADVISORS, LLC

12. Counterparts. This Agreement may be executed in counterparts, each of which shall be an original, but which taken together, shall constitute one and the same instrument.

13. Additional Certifications. I, on behalf of PFM Financial Advisors, LLC (the "Business Organization"), represent that, to the extent this Agreement constitutes a contract for goods or services within the meaning of Section 2270.002 of the Texas Government Code, as amended, solely for purposes of compliance with Chapter 2270 of the Texas Government Code, and subject to applicable Federal law including without limitation, 50 U.S.C. Section 4607, none of the Business Organization, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the Business Organization (i) boycotts Israel or (ii) will boycott Israel through the term of this Agreement. The terms "boycotts Israel" and "boycott Israel" as used in this paragraph have the meanings assigned to the term "boycott Israel" in Section 808.001 of the Texas Government Code, as amended.

I, on behalf of the Business Organization, represent that, to the extent this Agreement constitutes a governmental contract within the meaning of Section 2252.151 of the Texas Government Code, as amended, solely for purposes of compliance with Chapter 2252 of the Texas Government Code, and except to the extent otherwise required by applicable federal law, none of the Business Organization, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the Business Organization is a company listed by the Texas Comptroller of Public Accounts under Sections 806.051, 807.051, or 2252.153 of the Texas Government Code.

PFM FINANCIAL ADVISORS LLC

By: _____
Dennis P. Waley
Managing Director

Date: _____

ACCEPTED AND AGREED:

FORT BEND COUNTY, TEXAS

By: _____
KP George
County Judge

Date: _____

APPENDIX A – SCOPE OF SERVICES

The Scope of Services to be provided under this Agreement shall consist of the activities described below with respect to Client's new and outstanding issues of bonds issued or outstanding during the term of this Agreement (the "Issue(s)"). The Scope of Services shall also include activities during the term of this Agreement. In addition, Municipal Advisor is designated as Client's independent registered municipal advisor ("IRMA") for purposes of SEC Rule 15Ba1-1(d)(3)(vi) (the "IRMA exemption") with respect to the aspects of the Issue(s) described in this Appendix A.

Activities

Municipal Advisor shall or may undertake some or all of the following activities for or on behalf of Client with respect to the Issue(s) [or Product(s)] in carrying out this engagement, as directed by Client

- A. **New Issues.** Provide some or all of the following services with respect to Client's new Issue(s):
1. Evaluate options or alternatives with respect to the proposed new Issue
 2. Review recommendations made by other parties to Client with respect to the new Issue
 3. Review financial and other information regarding Client, the proposed Issue and any source of repayment of or security for the Issue
 4. Consult with and/or advise Client on actual or potential changes in market place practices, market conditions, regulatory requirements or other matters that may have an impact on Client and its financing plans
 5. Assist Client in establishing a plan of financing
 6. Assist Client in establishing the structure, timing, terms and other similar matters concerning the Issue
 7. Prepare the financing schedule
 8. Provide assistance as to scheduling, coordinating and meeting procedural requirements relating to any required bond referendum, other than through cash or in-kind contributions with respect to such referendum
 9. Consult and meet with representatives of Client and its agents or consultants with respect to the Issue
 10. Attend meetings of Client's governing body, as requested
 11. Advise Client on the manner of sale of the Issue
 12. Assist in the gathering of information with respect to financial, statistical and factual information relating to Client in connection with the preparation of the preliminary and final official statement
 13. If the Issue is to be sold on a competitive bid basis and Client has not engaged disclosure counsel to prepare the preliminary and final official statement, prepare the preliminary and final official statement and the bid package, obtain CUSIP numbers and provide an electronic version of the official statement to the winning underwriter
 14. If the Issue is to be sold on a negotiated basis, assist in the preparation and/or review the preliminary and final official statement

15. Make arrangements for printing, advertising and other vendor services necessary or appropriate in connection with the Issue
16. In a competitive bid sale, assist Client in collecting and analyzing bids submitted by underwriters and in connection with Client's selection of a winning bidder
17. In a negotiated sale, assist Client in the selection of underwriters
18. At the time of sale, provide Client with relevant data on comparable issues recently or currently being sold nationally and by comparable Clients
19. In a negotiated sale, coordinate pre-pricing discussions, supervise the sale process, advise Client on matters relating to retail or other order periods and syndicate priorities, review the order book, advise on the acceptability of the underwriter's pricing and offer to purchase
20. Advise Client with respect to recommendations made by the underwriters and other interactions between Client and the underwriters
21. Review required underwriter disclosures to Client
22. Assist Client in selecting legal and other professionals (such as trustee, escrow agent, accountant, feasibility consultant, etc.) to work on the Issue
23. Respond to questions from bidders, underwriters or potential investors
24. Arrange and facilitate visits to, prepare materials for, and make recommendations to Client in connection with credit ratings agencies, insurers and other credit or liquidity providers
25. Work with bond counsel and other transaction participants to prepare and/or review necessary authorizing documentation of Client and other documents necessary to finalize and close the Issue
26. Coordinate working group sessions, closing, delivery of the new Issue and transfer of funds
27. Prepare a closing memorandum or transaction summary, together with general guidance for Client with respect to post-closing requirements relating to the use and investment of bond proceeds and the payment of debt service
28. Provide such other usual and customary financial advisory services as may be requested by Client

B. ***Outstanding or Potential Issues.*** Provide some or all of the following services with respect to Client's outstanding Issue(s):

1. Advise Client on potential exercise of optional or other call rights, or potential tender offers, for outstanding Issue(s)
2. Advise Client on potential refunding or other refinancing opportunities of its outstanding Issue(s)
3. Review recommendations made by other parties to Client with respect to outstanding Issue(s)
4. Evaluate options or alternatives for Client with respect to, and assist in identifying, financing opportunities, including recommendations by other parties to Client for potential financings
5. Consult with and/or advise Client on actual or potential changes in market place practices, market conditions, regulatory requirements or other matters that may have an impact on Client's outstanding Issue(s)

6. Advise Client on post-issuance disclosure compliance matters, including specific issues that may arise from time to time and the preparation, review and revision of applicable policies and procedures, relating to outstanding Issue(s)
7. Advise Client on matters relating to compliance with, including testing and/or reporting on compliance with, bond or other covenants relating to outstanding Issue(s)
8. Review documentation of outstanding Issue(s) with Client personnel and with Client's bond counsel and other consultants
9. Assist Client in responding to inquiries from investors or other market participants in connection with Client's outstanding Issue(s)

C. **Products.** Provide some or all of the following services with respect to Client's Product(s) relating to its Issue(s):

1. Advise Client on the investment of proceeds of Client's Issue(s) or on municipal escrow investments relating to such Issue(s), including but not limited to advice on or brokerage of guaranteed investment contracts for the investment of proceeds of the Issue or for municipal escrow investments, or the recommendation and brokerage of municipal escrow investments in connection with the Issue(s)
2. Advise Client on municipal derivatives

APPENDIX B – COMPENSATION

Fees for the services provided by Municipal Advisor to Client under this Agreement and the manner for payment of expenses incurred by Municipal Advisor in the course of performing its services are as set forth below:

General Obligation Issues:

\$25,000 for the first \$7,000,000 of bonds issued

plus \$2.00 per \$1,000 bonds issued thereafter

Municipal Advisor will be paid \$5,000 for each cash defeasance or redemption of any existing series or issue.

The payment of charges for municipal advisory services shall be contingent upon the delivery of the bonds and shall be due at the time that bonds are delivered.

The charges for ancillary services, including computer structuring and official statement printing, shall be levied only for those services which reasonably necessary in completing the transaction and which are reasonable in amount, unless such charges were incurred at the specific direction of the Client.

The Client shall be responsible for the following expenses, if and when applicable, whether they are charged to the Client directly as expenses or charged to the Client by Municipal Advisor as reimbursable expenses:

- Bond counsel
- Bond printing
- Bond ratings
- Computer structuring
- Credit enhancement
- CPA fees for refunding
- Official statement preparation and printing
- Paying agent/registrar/trustee
- PSF application fees
- Travel expenses
- Underwriter and underwriters counsel
- Miscellaneous, including copy, delivery, and phone charges

The payment of reimbursable expenses that Municipal Advisor has assumed on behalf of the Client shall NOT be contingent upon the delivery of the bonds and shall be due at the time that services are rendered and payable upon receipt of an invoice submitted by Municipal Advisor.

Travel expenses submitted for reimbursement must be incurred in accordance with County's current Travel Policy (available for review upon request), and are subject to approval by the County Auditor prior to reimbursement.

APPENDIX C – CONTINUING DISCLOSURE SERVICES

In connection with the sale and delivery of certain bonds, notes, certificates, or other municipal obligations (the “Bonds”), Client has made certain undertakings to disclose to the investing public, on a periodic and continuing basis, certain information, as more fully set forth in such undertakings and as contemplated by the provisions of Securities and Exchange Commission Rule 15c2-12, as amended (the “Rule”).

Client has agreed to engage PFM Financial Advisors LLC (“PFM”) to assist with these continuing disclosure obligations, for the consideration and on the terms and conditions set forth herein, including the preparation and submission of annual reports (the “Annual Reports”) and the reporting of certain specified events (the “Events”), which are set forth in the Client’s undertakings, the Rule and in Subsection 2c. below.

The parties agree as follows:

1. This Agreement shall apply to all issues of Bonds to the extent that any particular issue does not qualify for exceptions to the continuing disclosure requirements of the Rule.

2. PFM agrees to perform the following in connection with providing services relating to the Client’s continuing disclosure obligations:

- a. assist Client in compiling data determined or selected by Client to be disclosed;
- b. assist Client in identifying other information to be considered by Client for continuing disclosure reporting purposes;
- c. assist Client in preparing the presentation of such information, to include Annual Reports containing financial information and operating data of the type provided in the final official statement of the applicable issues, and notices concerning the occurrence of the specified Events and other items listed below:
 - 1) Principal and interest payment delinquencies
 - 2) Non-payment related defaults
 - 3) Unscheduled draws on debt service reserves reflecting financial difficulties
 - 4) Unscheduled draws on credit enhancements reflecting financial difficulties
 - 5) Substitution of credit or liquidity providers, or their failure to perform
 - 6) Adverse tax opinions or events affecting the tax-exempt status of the security
 - 7) Modifications to rights of security holders
 - 8) Bond calls and tender offers
 - 9) Defeasances
 - 10) Release, substitution, or sale of property securing repayment of the securities
 - 11) Rating changes
 - 12) Bankruptcy, insolvency, receivership or similar proceeding
 - 13) Mergers, consolidations, or acquisitions, or sale of all or substantially all of the assets of the obligated person or their termination

- 14) Appointment of a successor or additional paying agent/registrars or trustee or the change of name of a paying agent/registrars or trustee
 - 15) Noncompliance with the Rule
- d. assist Client in distributing or filing, in the Client's name, the above mentioned Annual Reports, notices and audited annual financial statements to the Nationally Recognized Municipal Securities Information Repository ("NRMSIR"), which is the Municipal Securities Rulemaking Board ("MSRB"), appropriate State Information Depository ("SID"), rating agencies, and other entities, as required by Client's continuing disclosure obligations.
 - e. provide to Client confirmation of distribution or dissemination of reports and notices.
3. Client acknowledges and agrees to the following:
 - a. PFM will perform services with respect to assisting Client with preparation and submission of continuing disclosure reports at no cost to Client.
 - b. Client will provide to PFM and PFM shall be entitled to rely upon, all information regarding the issuance of the Bonds, including the final official statement and the Client's commitment or undertaking regarding continuing disclosure as contained in the resolution authorizing issuance of the Bonds or separate contract or agreement; annual financial information and operating data of the type provided in the final official statement; information concerning the occurrence of an Event or noncompliance with the Rule; and any other information necessary to prepare continuing disclosure reports.
 - c. Client will provide to PFM, and PFM shall be entitled to rely upon, annual written confirmation of all outstanding Bond issues for which Client has a continuing disclosure obligation.
 - d. Client will provide to PFM all information required for preparation of each Annual Report, including financial information and operating data of the type provided in the final official statement and other information deemed necessary by Client, no later than 45 days prior to the date on which each Annual Report is due.
 - e. Client will provide full and complete copies of the audited annual financial statement no later than ten (10) days prior to the date on which it is due.
 - f. Client will notify PFM immediately upon the occurrence or immediately upon the Client's knowledge of the occurrence of each Event or noncompliance with the Rule, and Client will immediately provide all information necessary for preparation of the notice of occurrence of each such Event or noncompliance with the Rule.
 - g. Client shall have the sole responsibility for determining the disclosure to be made in all cases. Client shall review and provide approval of the content and form of all continuing disclosure reports and notices, with the exception of the following, which will be filed automatically on the Client's behalf, unless Client has notified PFM otherwise in writing: bond calls, defeasances, and rating changes. In the event of a disagreement between the Client and PFM regarding the disclosure to be made, either Client or PFM may, but neither is obligated to, terminate this Agreement by written notice to the other party.

- h. A separate Annual Report will be prepared and distributed for each type of security pledge in effect for outstanding financing issues or Bonds of Client.
- i. Client will inform PFM of the retirement of any Bonds included under the scope of this Agreement within 30 days of such retirement.

4. In the event that PFM and Client determine that advice of counsel is appropriate with respect to any question concerning disclosure, then (i) Client may consult with its counsel, or (ii) Client may authorize PFM to seek legal advice from independent counsel regarding the disclosure. Client agrees that it shall be responsible for the fees and expenses of its own counsel. Client agrees to reimburse PFM the fees and expenses of independent counsel if paid by PFM, for advice rendered pursuant to authorization by Client.

5. The provisions of this Agreement will include additional municipal bonds and financings (including financing lease obligations) issued during the stated term of this Agreement if such bonds are subject to the continuing disclosure requirements. In this connection, Client agrees that Client will notify PFM of any municipal bonds and financing (including financing lease obligations) issued by Client during any fiscal year of Client during the term of this Agreement and will provide PFM with such information as shall be necessary in order for PFM to perform the services contracted for hereunder.

6. In the event of a termination, it is understood and agreed that only the amounts due to PFM for services provided and expenses incurred to and including the date of termination will be due and payable. No penalty will be assessed for termination of this Agreement. In the event this Agreement is terminated prior to its stated term, all records provided to PFM by Client shall be returned to Client as soon as practical and reasonable. In addition, the parties hereto agree that upon termination of this Agreement, PFM shall have no continuing obligation to Client regarding any service contemplated herein.

Provision of Notices

Provision of information, delivery of certification and notices of Events and noncompliance with the Rule, unless directed otherwise in writing, shall be sent to:

Fort Bend County, Texas
401 Jackson Street, 1st Floor
Richmond, Texas 77469
Attn: County Judge

With a copy to: Fort Bend County, Texas
301 Jackson Street, Suite 701
Richmond, Texas 77469
Attn: County Auditor

and Fort Bend County, Texas
401 Jackson Street, 3rd Floor
Richmond, Texas 77469
Attn: County Attorney

and

PFM Financial Advisors, LLC
Two Allen Center
1200 Smith Street, Suite 1600
Houston, TX 77002
Attn: Dennis P. Waley

**DISCLOSURE STATEMENT
OF
MUNICIPAL ADVISOR**

This Disclosure Statement is provided by **PFM FINANCIAL ADVISORS LLC** (“Municipal Advisor”) to **FORT BEND COUNTY, TEXAS** (the “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 and legal or disciplinary events of Municipal Advisor required to be disclosed to Client pursuant to MSRB Rule G-42(b) and (c)(ii).

PART A – Disclosures of Conflicts of Interest

MSRB Rule G-42 requires that municipal advisors provide to their client 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. If no such material conflicts of interest are known to exist based on the exercise of reasonable diligence by the municipal advisor, municipal advisors are required to provide a written statement to that effect.

Material Conflicts of Interest – Municipal Advisor makes the disclosures set forth below with respect to material conflicts of interest in connection with the Scope of Services under this Agreement, together with explanations of how Municipal Advisor addresses or intends to manage or mitigate each conflict.

General Mitigations – As general mitigations of Municipal Advisor’s conflicts: 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. The disclosures below describe, as applicable, any additional mitigations that may be relevant with respect to any specific conflict disclosed below.

I. Compensation-Based Conflicts. The fees due under this Agreement will be based on the size of the Issue and the payment of such fees shall be contingent upon the delivery of the Issue. While this form of compensation is customary in the municipal securities market, this may present a conflict because it could create an incentive for 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.

II. Other Municipal Advisor 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 regulatory 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. None of these other engagements or relationships would impair Municipal Advisor’s ability to fulfill its regulatory duties to Client.

PART B – Disclosures of Information Regarding Legal Events and Disciplinary History

MSRB Rule G-42 requires that municipal advisors provide to their client 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.

Accordingly, Municipal Advisor sets out below required disclosures and related information in connection with such disclosures.

I. Material Legal or Disciplinary Event. There are no legal or disciplinary events that are material to Client's evaluation of Municipal Advisor or the integrity of Municipal Advisor's management or advisory personnel disclosed, or that should be disclosed, on any Form MA or Form MA-I filed with the SEC.

II. How to Access Form MA and Form MA-I Filings. Municipal Advisor's most recent Form MA and each most recent Form MA-I filed with the SEC are available on the SEC's EDGAR system. For purposes of accessing reports, Municipal Advisor's CIK is 0001733757 and MSRB ID is K1220.

III. Most Recent Change in Legal or Disciplinary Event Disclosure. Municipal Advisor has not made any material legal or disciplinary event disclosures on Form MA or any Form MA-I filed with the SEC.

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.