

STATE OF TEXAS §
 §
 COUNTY OF FORT BEND §

ADDENDUM TO ENGAGEMENT LETTER AGREEMENT

THIS ADDENDUM is entered into by and between Fort Bend County, (hereinafter "County"), a body corporate and politic under the laws of the State of Texas, and PFM Financial Advisors LLC, (hereinafter "PFMFA"), a company authorized to conduct business in the State of Texas.

THAT, WHEREAS, PFMFA submitted an engagement letter to memorialize the terms under which it will provide Financial Advisory Services to County in support of evaluating and advising funding alternatives for various economic development projects, (hereinafter the "Agreement"), attached hereto as Exhibit "A" and incorporated by reference; and

WHEREAS, the following terms are incorporated as if a part of the Agreement:

1. **Payment.** Payment shall be made by County within thirty (30) days of receipt of invoice.
2. **Non-appropriation.** It is specifically understood and agreed that in the event no funds or insufficient funds are appropriated by Fort Bend County under this Agreement, Fort Bend County shall notify all necessary parties that this Agreement shall thereafter terminate and be null and void on the last day of the fiscal period for which appropriations were made without penalty, liability or expense to Fort Bend County.
3. **Taxes.** County is a body corporate and politic under the laws of the State of Texas and claims exemption from sales and use taxes. A copy of a tax-exempt certificate will be furnished upon request.
4. **Confidential Information.** PFMFA expressly acknowledges that County is subject to the Texas Public Information Act, TEX. GOV'T CODE ANN. §§ 552.001 *et seq.*, as amended, and notwithstanding any provision in the Agreement to the contrary, County will make any information related to the Agreement, or otherwise, available to third parties in accordance with the Texas Public Information Act. Any proprietary or confidential information marked as such provided to County by PFMFA shall not be disclosed to any third party, except as directed by the Texas Attorney General in response to a request for such under the Texas Public Information Act, which provides for notice to the owner of such marked information and the opportunity for the owner of such information to notify the Attorney General of the reasons why such information should not be disclosed. The terms and conditions of the Agreement are not proprietary or confidential information.

5. **Indemnity.** The parties agree that under the Constitution and laws of the State of Texas, County cannot enter into an agreement whereby County agrees to indemnify or hold harmless another party; therefore, all references of any kind to County defending, indemnifying, holding or saving harmless PFMFA for any reason are hereby deleted.
6. **Attorney Fees.** County does not agree to pay any and/or all attorney fees incurred by PFMFA in any way associated with the Agreement.
7. **Arbitration.** County does not agree to submit disputes arising out of the Agreement to binding arbitration. Therefore, any references to binding arbitration or the waiver of a right to litigate a dispute are hereby deleted.
8. **Applicable Law.** The laws of the State of Texas govern all disputes arising out of or relating to this Agreement. The parties hereto acknowledge that venue is proper in Fort Bend County, Texas, for all legal actions or proceedings arising out of or relating to this Agreement and waive the right to sue or be sued elsewhere. Nothing in the Agreement shall be construed to waive the County's sovereign immunity.
9. **Certain State Law Requirements for Contracts.**
 - A. Agreement to Not Boycott Israel Chapter 2271 Texas Government Code: By signature below, PFMFA verifies that if PFMFA employs ten (10) or more full-time employees and this Agreement has a value of \$100,000 or more, PFMFA does not boycott Israel and will not boycott Israel during the term of this Agreement.
 - B. Texas Government Code Section 2251.152 Acknowledgment: By signature below, PFMFA represents pursuant to Section 2252.152 of the Texas Government Code, that PFMFA is not listed on the website of the Comptroller of the State of Texas concerning the listing of companies that are identified under Section 806.051, Section 807.051 or Section 2253.153.
10. **Human Trafficking.**

BY ACCEPTANCE OF AGREEMENT, PFMFA ACKNOWLEDGES THAT THE COUNTY IS OPPOSED TO HUMAN TRAFFICKING AND THAT NO COUNTY FUNDS WILL BE USED IN SUPPORT OF SERVICES OR ACTIVITIES THAT VIOLATE HUMAN TRAFFICKING LAWS.

FORT BEND COUNTY

KP George
County Judge KP George

KP George, County Judge

1-11-2021

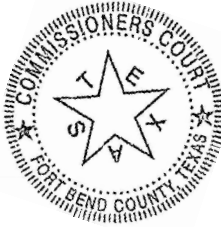
Date

*Approved by Commissioners Court on
December 15, 2020*

ATTEST:

Laura Richard

Laura Richard, County Clerk



PFM Financial Advisors LLC

Dennis Waley

Dennis Waley, Managing Director

12/11/2020

Date

AUDITOR'S CERTIFICATE

I hereby certify that funds in the amount of \$ 250,000.00 are available to pay the obligation of Fort Bend County within the foregoing Agreement.

Robert Ed Sturdivant

Robert Ed Sturdivant, County Auditor

EXHIBIT A



December 11, 2020

Ed Sturdivant
Fort Bend County
301 Jackson
Richmond, TX 77469

pfm

1200 Smith Street.
Suite 1000
Houston, TX 77002

Dear Mr. Sturdivant

The following is PFM Financial Advisors LLC (“PFMFA”) engagement letter to provide Financial Advisory Services to Fort Bend County, Texas (the “County”) in support of the evaluating projects and funding alternatives of various economic development project (the “Project”).

A general outline of the financial advisory services PFMFA will perform for the County as it proceeds with this Project is provided below.

- General
 - Identification of goals and objectives of all County stakeholders;
 - Review of industry best practices utilized across the country for comparable projects;
 - Development of comprehensive cash flow models that can independently evaluate the quantitative aspects of the proposed project under various financing alternatives;
 - Market sounding with potential investors to understand their desired structure and return objectives;
 - Evaluation of potential impact to the County’s credit ratios, and assistance with proactive engagement with the rating agencies to understand their view of the potential rating for the project (if applicable) and the potential rating impact of the project on the County.
- Feasibility, valuation and alternative analysis
 - Provide independent financial analysis of contemplated Project;
 - Independently develop alternative ownership and financial structures for consideration;
 - Identify potential financial covenants or requirements of a private partner that may be in conflict with the County’s strategic mission;



- Assess proposed governance structures and key business terms of the assets to be included in the Project, including potential compensation to be received by the County and the level of support the Project may receive from its association with the County;
- Assess overall Project strategic objectives and the related impact on the County's financial statements, governance, credit ratings and strategic mission.
- If needed, Project procurement and partner selection process
 - Develop detailed timeline for Project procurement;
 - Procurement documentation: assist in preparation and review;
 - Advise on procurement strategy and procedures;
 - Assist in preparing due diligence for potential private partners;
 - Provide market sounding from potential investors to understand desired structure and return objectives;
 - Participate and assist with interviews / communications with potential private partners;
 - Updates to County staff and leadership: preparation of presentations and support materials as needed;
 - Evaluation and award: assist County evaluation committee in evaluation of bids.
- Implementation
 - Advise in negotiations with private partner on key business terms;
 - Advise in development of governance and finance structure;
 - Manage rating process for project capital raise (if necessary);
 - Manage rating agency evaluation of project on University credit ratings;
 - Provide pricing guidance on project capital raise (if necessary).

Team

Dennis Waley, Managing Director, will provide engagement oversight for PFMFA's proposed team. Bruce Rideaux, Director, and Karlos C. Allen, Senior Managing Consultant, will serve as Engagement Managers for the Project. The team will be supported by Ryan Conway, Director, and Alex Theissen, Senior Managing Consultant, in the Alternative Delivery / P3 Group. Additional PFMFA resources, including, but not limited to, additional members of our Texas Group, Alternative Delivery Group and



Quantitative Strategies Group, will be available throughout the engagement with the County as needed.

Fees, schedule, and expenses

PFMMA's proposed fee structure for the Project is not to exceed \$250,000 and shall be billable hourly. PFMFA's fees will be due upon 45 days of invoice date. To the extent the County elects not to proceed with the Project at any point, the amounts that have been accrued will be due and payable at that time. In consideration of full and satisfactory performance of required services, the County shall pay PFM in accordance with the schedule of fees set forth in Schedule I.

In addition to the above fee structure, PFM would also ask to be reimbursed for expenses incurred on behalf of the County, such as travel, telephone, facsimile, photocopying, express delivery services. Travel expenses submitted for reimbursement must be incurred in accordance with County's current Travel Policy and are subject to approval by the County Auditor prior to reimbursement.

The fees cited in this letter reflect our understanding of the Project as discussed and assume a financial close by December 31, 2022. Any material change in the scope of the services or the financial close date of the Project could impact the fee.

Registered Municipal Advisor

Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") makes it unlawful for municipal advisors to provide advice regarding municipal financial products or the issuance of municipal securities without being registered with the Municipal Securities Rulemaking Board ("MSRB").

Conflict of Interest

Attached, please find a copy of the DISCLOSURE OF CONFLICTS OF INTEREST AND OTHER INFORMATION we have prepared for the County.

This engagement may be terminated by either party with 30 days' notice. If the termination occurs mid-transaction, the County would pay PFMFA a mutually agreeable amount for services rendered on the Project up the point of termination.



Should you have any questions or require additional information, please call. Thank you for the opportunity to continue to advise the County.

Respectfully submitted,

Dennis Waley
Managing Director
PFM Financial Advisors LLC

Ryan Conway
Director
PFM Financial Advisors LLC

Accepted by:
Fort Bend County, Texas

x

Date: _____



Schedule I

Fort Bend County, Texas P3 Agreement Fee Schedule

To the extent the County has specific non-transaction projects and tasks not associated with a bond financing, PFM would propose to use the following hourly rates:

PFM Title	Hourly Rate
Managing Director	\$500
Director	\$475
Senior Managing Consultant	\$450
Senior Analyst / Analyst	\$350
Administrative Assistant	\$100

Any additional services are at the complete discretion of the County. For non-transaction projects or tasks, PFM will provide services at an hourly rate with a not-to-exceed maximum or a fixed fee as determined by the County. PFM is willing to consider capping these annual fees at \$250,000 or, additionally, to negotiate a fixed fee for any specific engagement outside of debt issuances. Non-transaction fees for specific projects will be split with TGL based on the hours incurred.

We want to reiterate that PFM considers an engagement with the County to be of highest importance to the firm, and we are committed to providing an exceptional level of service that surpasses the County's expectations. While PFM sincerely believes the proposed fee structure is reasonable and transparent, we do not want it to be an impediment to our ability to serve the County; therefore, we are open to a discussion with the County to develop a mutually agreeable fee arrangement for our financial advisory partnership.

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

**OFFICE USE ONLY
CERTIFICATION OF FILING**

Certificate Number:
2020-698295

Date Filed:
12/11/2020

Date Acknowledged:
12/11/2020

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.
PFM Financial Advisors LLC
Austin, TX United States

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.
Fort Bend County, Texas

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.
21-Aud-100352
To provide Financial Advisory Services to Fort Bend County, Texas in support of the evaluating projects and funding alternatives of various economic development projects.

4	Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
			Controlling	Intermediary
	PFM I, LLC	Philadelphia, PA United States	X	
	Moore, David	Orlando, FL United States	X	
	Bonow, John	Philadelphia, PA United States	X	

5 Check only if there is NO Interested Party.

6 UNSWORN DECLARATION

My name is _____, and my date of birth is _____.

My address is _____, _____, _____, _____, _____.
(street) (city) (state) (zip code) (country)

I declare under penalty of perjury that the foregoing is true and correct.

Executed in _____ County, State of _____, on the _____ day of _____, 20____.
(month) (year)

Signature of authorized agent of contracting business entity
(Declarant)