



**GOVERNMENT CAPITAL
SECURITIES**

FINANCIAL ADVISORY AGREEMENT

This Financial Advisory Agreement is agreed upon this the — day of August, 2019, by and between CLAY COUNTY (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. However, GCSC will NOT accept or hold "Good Faith" deposits to Issuer provided by Underwriters.

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. ¹

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.

CLAY COUNTY

GOVERNMENT CAPITAL SECURITIES
CORPORATION

By: 
Title: County Judge

By: 
Title: President



**Government Capital Securities Fee Structure
(Based on total proceeds of issue)***

*Excludes TWDB, USDA and Conduit transactions which will be negotiated on a case by case basis.

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

Other services:

MSRB Continuing Disclosure (if required) preparation & filing \$1,250 per year.

House Bill 1378 preparation & filing assistance at No Charge.

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.

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.



RESOLUTION ADOPTED BY
REGARDING
DECLARATION OF OFFICIAL INTENT PURSUANT TO
SECTION 1.150-2 OF THE TREASURY REGULATIONS

WHEREAS, the _____ (the "Borrower") intends to finance the capital project described in *Exhibit A* hereto (the "Project"); and

WHEREAS, it is anticipated that the Borrower will borrow, on a tax-exempt or tax credit basis, funds (the "Obligations") for the purpose of financing the Project;

NOW, THEREFORE, BE IT:

RESOLVED, that the Borrower intends that expenditures paid from its own funds for the Project will be reimbursed with proceeds of the Obligations.

RESOLVED, that the maximum principal amount of the Obligations is \$_____.

RESOLVED, that the expenditures intended to be reimbursed pursuant to this declaration include capital expenditures for the Project and costs of issuing the Obligations.

RESOLVED, that the reimbursement of expenditures contemplated by this declaration is consistent with the Borrower's present budgetary and financial circumstances, and no funds of the Borrower have been reserved, allocated, or otherwise set aside with the specific intent or expectation of payment of the expenditures intended to be reimbursed with proceeds of the Obligations pursuant to this declaration. The Borrower is not aware of other, similar declarations of intent of the Borrower that did not result in the reimbursement of the expenditures described therein. Based on the foregoing and other circumstances relating to the costs of the Project, the Borrower reasonably expects that it will reimburse expenditures paid for such Project with the proceeds of the Obligations.

PASSED AND APPROVED this _____ day of _____, 201__.

Board President

ATTEST:

Board Secretary

EXHIBIT A

DESCRIPTION OF PROJECT