

THE J. RAMIREZ LAW FIRM

Attorneys at Law

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February 4, 2014

Hon. Ramon Garcia
County of Hidalgo
100 E. Cano
Edinburg, Texas 78539

Re: Engagement of Bond Counsel

Honorable Judge Garcia:

We are pleased to submit to you a proposed agreement for The J. Ramirez Law Firm to serve as Bond Counsel with respect to one or more series of obligations (including new money bonds, refunding bonds, personal property finance obligations and lease and lease purchase and installment purchase agreements) that the County of Hidalgo (the "Issuer") intends to issue, or may issue in the future, for the purposes, respectively, of construction of improvements, purchase of personal property and/or to refund or restructure its existing debt service or lease-purchase revenue bonds through a public facilities corporation (hereinafter referred to as the "Obligations"). When approved by you, this letter will become effective and will evidence an agreement between the Issuer and The J. Ramirez Law Firm, Bond Counsel. Our fees are billed only if the obligations are issued. Any out-of-pocket costs are reimburseable.

Basic Services

Bond Counsel will prepare, or assist the Issuer in the preparation of, all required legal documents and proceedings and will perform all other necessary legal work in connection with the Issuer's authorization, issuance and sale of each series of the Obligations. Our services as Bond Counsel will include the following Basic Services, which we will carry out directly or in concert with officials, staff, and consultants of the Issuer:

(1) Preparation of all notices (including notices of public meetings, notices and resolutions regarding reimbursement bonds and published notices), resolutions and orders (including those governing calling bond elections), resolutions and other legal proceedings necessary to authorize issuance of each series of the Obligations, and all other instruments which comprise the transcript of legal proceedings of the Issuer pertaining to the authorization, issuance and sale of each such series;

(2) Attendance of all meetings called or arranged by or on behalf of the Issuer or Issuer personnel (or their representatives) who are responsible for the issuance, sale and delivery of the Obligations, to the extent required or requested by such persons, to discuss the legal aspects of the Obligations, including but not limited to the sizing, timing or sale of each series of the Obligations;

(3) Consultation with Issuer officials and staff and the Issuer's financial advisors and independent

auditors to review information to be included in the offering documents for each series of the Obligations;

(4) Preparation and submission, as required by law, of transcripts of legal proceedings pertaining to the issuance of each series of the Obligations to the Attorney General of Texas;

(5) Supervision of the printing of each series of the Obligations and the delivery thereof to the purchasers, including, if requested, solicitation of bids from bond printers under the direction of the County Judge or financial advisor or other Issuer personnel who are responsible for the issuance, sale and delivery of the Obligations, to obtain the lowest responsible printing costs for the Issuer;

(6) At the closing of each series of the Obligations, delivery of an approving opinion, based on facts and law existing as of its date, which shall be fully acceptable in the national public finance field, generally to the effect that such series has been duly issued, executed and delivered in accordance with the Constitution and laws of the State of Texas, that the Obligations of each series constitute valid and legally binding obligations of the Issuer secured by a lien on and pledge of, as appropriate, ad valorem taxes, revenues, or other available funds of the Issuer pledged to their payment in the respective Bond Order (subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws in effect from time to time relating to or affecting the enforcement of rights of creditors, and the Issuer) and that interest on such series of the Obligations is excludable from the gross income of the owners thereof for federal income tax purposes under then existing law; provided that after the closing we do not undertake to provide continuing advice concerning any actions necessary to assure that interest paid on the Obligations will continue to be excluded from gross income for federal income tax purposes; and

(7) Prior to and in connection with the closing of each series of the Obligations, preparation and delivery of a Tax Exemption and No-Arbitrage Certificate that will enable appropriate officials of the Issuer to comply with the arbitrage requirements of the Internal Revenue Code of 1986 as they affect the Obligations, including yield restrictions and rebate requirements.

Compensation

A base fee of \$15,000 for up to \$3,000,000.00 in principal amount of bonds;

\$1,000 for every \$1,000,000 from \$3,000,000 to \$20,000,000;

\$750 for every \$1,000,000 from \$20,000,000 and above

Additional Services

In addition to the foregoing Basic Services, as Bond Counsel, The J. Ramirez Law Firm is prepared to undertake the following Additional Services, as requested by the Issuer or Issuer's personnel who are responsible for the issuance, sale and delivery of the Obligations. Services rendered in connection with calling a bond election limited to preparing a bond election order, preparing an order for appointment of early voting and election personnel, preparing form notices of the election, preparing a letter request for pre-clearance under Section 5 of the Voting Rights Act, and providing advisory opinions to the Issuer related to calling and publicizing the election and to the appointment of early voting and election personnel will be billed at a flat fee of \$3,000.00. The fee for any additional services which do not constitute direct bond counsel fees but are needed in connection with, resolving a legal issue, will be at an hourly rate of \$200.00 or \$175.00, depending on lawyer assigned.

The compensation for legal services stated herein will be contingent on the Issuer's sale of any bonds authorized for issuance.

Bond Counsel will be reimbursed for up to a maximum \$1,000.00 of its reasonable and actual out-of-pocket expenses, such as the cost of reproduction of documents, out-of-town travel, long distance telephone, telegraph, telex and similar expenses, deliveries, and for the actual cost of all items paid for by Bond Counsel on behalf of the Issuer, incurred in connection with the performance of all services hereunder. All of the expenses of Bond Counsel will be reasonable and expenses which may exceed \$1,000.00 will be subject to prior approval of the Issuer. The Attorney General filing fees and the costs of printing the bonds will be the responsibility of issuer.

Payment to Bond Counsel for all services shall be payable only out of the proceeds of the sale of each series of the Obligations and shall be contingent upon the sale and delivery of each series of the Obligations during the term of this agreement.

The term of this agreement shall be for one year from the date of its approval by the Issuer, but shall be automatically extended for successive one year terms unless the Issuer gives us notice of termination during the last month of any term. Additionally, the Issuer may at any time terminate this agreement by giving us 30 days written notice of termination.

No provision of this agreement shall be deemed to be an agreement or undertaking of any member of the Commissioners Court or any official or employee of the Issuer, and no such member, official or employee shall be personally liable in connection herewith or be subject to any personal liability or accountability by reason of the terms hereof.

If this proposed agreement for the services of The J. Ramirez Law Firm as Bond Counsel is satisfactory, please evidence your acceptance and approval by executing two copies in the space provided below.

Sincerely,

THE J. RAMIREZ LAW FIRM

By: _____
JESUS RAMIREZ

APPROVED AND ACCEPTED:

COUNTY OF HIDALGO

Judge

County Clerk

(SEAL)

Zimbra

evangelina.garcia@co.hidalgo.tx.us

Re: Letter Of Engagement and renewal notice -Bond Counsel-Hidalgo County

From : Evangelina Garcia

<evangelina.garcia@co.hidalgo.tx.us>

Fri, Jan 31, 2014 10:59 AM

Subject : Re: Letter Of Engagement and renewal notice -Bond
Counsel-Hidalgo County**To** : Steve Crain <scrain@atlashall.com>**Cc** : Martha Salazar <martha.salazar@co.hidalgo.tx.us>

Thank you.....

From: "Steve Crain" <scrain@atlashall.com>**To**: "Evangelina Garcia" <evangelina.garcia@co.hidalgo.tx.us>**Sent**: Friday, January 31, 2014 10:57:59 AM**Subject**: RE: Letter Of Engagement and renewal notice -Bond Counsel-Hidalgo County

The engagement letter is OK.

From: Evangelina Garcia [mailto:evangelina.garcia@co.hidalgo.tx.us]**Sent**: Friday, January 31, 2014 10:14 AM**To**: Steve Crain**Cc**: Martha Salazar**Subject**: Fwd: Letter Of Engagement and renewal notice -Bond Counsel-Hidalgo County

Good Morning Mr. Crain:

The document has been revised as requested, please review as to form.

Thank you

From: "David Cepeda" <dcepeda@rg-legal.com>**To**: "Evangelina Garcia" <evangelina.garcia@co.hidalgo.tx.us>**Sent**: Friday, January 31, 2014 9:32:55 AM**Subject**: RE: Letter Of Engagement and renewal notice -Bond Counsel-Hidalgo County

Please see revised agreement attached. "President and Superintendent" were replaced with County Judge.

From: Evangelina Garcia [mailto:evangelina.garcia@co.hidalgo.tx.us]**Sent**: Friday, January 31, 2014 9:02 AM**To**: David Cepeda**Subject**: Re: Letter Of Engagement and renewal notice -Bond Counsel-Hidalgo County

Good Morning David:

Okay and going back to the agreement sent, County's legal counsel, that being Atlas, Hall & Rodriguez reviewed the document as to form for approval and it was returned back with a comment. Legal is requesting that the verbage in number 5 to be revised; the terms of President and Superintendent is not appropriate. Therefore, please revise the document and send back.

Appreciate your assistance on this.

Thank you

From: "David Cepeda" <dcepeda@rg-legal.com>
To: "Evangalina Garcia" <evangelina.garcia@co.hidalgo.tx.us>
Sent: Friday, January 31, 2014 8:24:23 AM
Subject: RE: Letter Of Engagement and renewal notice -Bond Counsel-Hidalgo County

We are getting that. Will forward to you once we receive it.

From: Evangalina Garcia [<mailto:evangelina.garcia@co.hidalgo.tx.us>]
Sent: Thursday, January 30, 2014 4:17 PM
To: dcepeda@rg-legal.com
Subject: Fwd: Letter Of Engagement and renewal notice -Bond Counsel-Hidalgo County

David:

I also need the updated insurances to be provided (see attached document).

Thank you

From: "Evangalina Garcia" <evangelina.garcia@co.hidalgo.tx.us>
To: "David Cepeda" <dcepeda@rg-legal.com>
Sent: Thursday, January 30, 2014 1:58:38 PM
Subject: Re: Letter Of Engagement and renewal notice -Bond Counsel-Hidalgo County

Thank you....will proceed with agenda item. Will forward a set once the agreement has been executed.

From: "David Cepeda" <dcepeda@rg-legal.com>
To: "Evangalina Garcia" <evangelina.garcia@co.hidalgo.tx.us>

Sent: Thursday, January 30, 2014 12:10:16 PM

Subject: RE: Letter Of Engagement and renewal notice -Bond Counsel-Hidalgo County

Vangie:

Please see attachments.

From: Evangelina Garcia [<mailto:evangelina.garcia@co.hidalgo.tx.us>]

Sent: Saturday, January 25, 2014 9:26 AM

To: dcepeda@rg-legal.com

Subject: Letter Of Engagement and renewal notice -Bond Counsel-Hidalgo County

Importance: High

Good Morning David:

For some reason I'm having trouble sending this email, could be our system here at work. Anyway, here's hoping you do receive this email. Attached is the letter of engagement we currently have in place however as customary, I place the notice on the agenda on yearly basis to inform Commissioners Court therefore I need the notice letter signed and returned back with the updated insurances as applicable including an updated letter of engagement due to the changing of the law firm's name. I believe this is the only change of the agreement.

Appreciate your assistance on this matter and do not hesitate to contact me should you have any questions.

Thank you