



Septmebr 19, 2022

Honorable Judge Richard F. Cortez  
2802 S. Business Hwy 281  
Hidalgo County Administration Building  
(Southeast of Canton Rd & Business 281)  
Edinburg, TX 78539

*Re: Bond Counsel Services for Hidalgo County*

Dear Judge Cortez:

This letter and the attached Standard Terms of Engagement (the "Agreement") will set out the terms under which Orrick, Herrington & Sutcliffe LLP ("Orrick") and Perez Law Firm PLLC ("Perez Law," and together with Orrick, "Co-Bond Counsel") will serve as bond counsel with respect to bonds that Hidalgo County (the "Issuer") intends to issue, subject to voter approval as necessary, and with respect to any equipment notes or similar contractual obligations, tax and/or revenue notes and for any refunding or variable rate bonds of the Issuer, whether currently outstanding or to be issued. Such bonds, notes and obligations are collectively referred to in this letter as the "Bonds." We are very pleased to have the opportunity to serve as Co-Bond Counsel for the Issuer.

The following is based on our standard form of engagement letter. We do not intend this letter to be difficult to understand or filled with "legalese." Please let us know if there is anything you do not fully understand or if there are any changes you would like us to make in order to better tailor the terms of our engagement to the needs of the Issuer. In accordance with the requirements of the Professional Services Procurement Act, Chapter 2254 Texas Government Code, Hidalgo County (County/Issuer) solicited proposals for professional bond services, to which Orrick provided a response; the County's RFP and Orrick's response are collectively referred to herein to describe the procurement process, are incorporated by reference and made part of this Agreement.

1. Scope of Services. Co-Bond Counsel shall perform the following legal services in connection with any issuance of Bonds:

- (1) Assistance with the conduct of Issuer general obligation elections and the preparation of election documents;
- (2) Analysis of the structure of the Bonds under Texas law and the eligibility to finance with tax-exempt bonds under federal tax law.
- (3) Consultation with representatives of the Issuer, the financial adviser, underwriters, underwriters' counsel, and others, with respect to the timing, terms, and legal structure of the proposed Bonds.

- (4) Preparation of documents to be adopted or entered into by the Issuer required for the authorization, sale and issuance of the Bonds (excluding the Bond Purchase Agreement to be prepared by underwriters' counsel), including preparation of the Bond Order, Paying Agent Registrar Agreement, Escrow Agreement and the other Bond Documents (the "Major Legal Documents").
- (5) Preparation of the Continuing Disclosure Agreement pursuant to United States Securities and Exchange Commission Rule 15c2-12.
- (6) Preparation of summaries of the Major Legal Documents included in the Official Statement.
- (7) Review of any investment agreement entered into at or prior to closing, and the procedures by which bids are solicited, in each case for compliance with federal tax laws related to tax-exemption of interest on the Bonds.
- (8) Attendance at such meetings or hearings of the Issuer and working group meetings or conference calls as Issuer may request.

After the closing of any series of the Bonds and upon specific request of the Issuer, providing assistance to the Issuer concerning questions and issues that may arise prior to the maturity of the Bonds.

In rendering opinions and performing legal services under this Agreement, Co-Bond Counsel shall be entitled to rely on the accuracy and completeness of information provided and certifications made by, and opinions provided by counsel to, the Issuer and other parties and consultants, without independent investigation or verification. Knowledge of attorneys and non-attorneys not working directly any Bond issue will not be imputed to Co-Bond Counsel nor shall there be any duty on the part of Co-Bond Counsel to make any inquiry of such other attorneys or non-attorneys.

Co-Bond Counsel services are limited to those specifically set forth above. Co-Bond Counsel services do not include representation of the Issuer or any other party to the transaction in any litigation or other legal or administrative proceeding, audit or investigation involving any of the Bonds or any related matter. Co-Bond Counsel services do not include any financial advice or analysis or data or mathematical verification. The fee for any services requested by the Issuer that are beyond the scope of services described in this Section 1 would be determined on an hourly rate basis, applying the rates typically charged for the same or similar services performed by attorneys and paralegals of similar experience for other clients, provided that such hourly rates shall not exceed \$300 per hour.

2. Fees. Co-Bond Counsel will be paid a fixed fee for each series of Bonds issued by the Issuer, equal to a base fee of \$15,000, plus an additional fee of .001% of the principal amount of Bonds issued subject to the following adjustments and assumptions described in this Section 2. The fixed fee would be adjusted by adding \$10,000 for additional federal tax work required in the event of the issuance of refunding Bonds and \$10,000 for work relating to the conduct of a Bond election (contingent on voter approval of such election and to be paid at the time of the issuance of the Bonds approved in such election).

3. Expenses. In addition to the fees provided above, Issuer will pay Co-Bond Counsel for costs and expenses (direct and indirect) incurred in connection with the services, including (without limitation) Texas Attorney General review fees, third-party translation services related to a bond election, filing and publication, document reproduction and delivery, long distance telephone, telecopy, word processing, computer research, secretarial overtime, closing transcripts and other similar expenses. Any filing, publication, translation or printing costs required in connection with the Bonds shall be paid directly by Issuer, but if paid by the Co-Bond Counsel on behalf of Issuer, shall be reimbursed to Co-Bond Counsel on demand. Payment in respect of such costs and expenses will be fixed at \$1,000, exclusive of the Texas Attorney General review fees, third-party translation services related to a bond election and extraordinary

expenses, provided, however, that any extraordinary expenses shall be approved by the Issuer prior to such expenses being incurred.

4. Payment. Fees and expenses shall be payable by Issuer at or after issuance of each series of Bonds. Payment of all fees and expenses hereunder shall be made from proceeds of the Bonds, or otherwise as mutually determined by the Issuer and Co-Bond Counsel and shall be entirely contingent upon issuance of each series of Bonds.

5. Termination of Agreement, Legal Services and Other Obligations. This Agreement and all legal services to be rendered under it may be terminated at any time by 30 days written notice from either party, with or without cause.

6. Nature of Engagement; Client Relationships with Other Parties. The role of bond counsel, generally, is to prepare or review the proceedings for issuance of the bonds, notes or other evidence of indebtedness and to provide a legal opinion with respect to the validity thereof and other subjects (usually including the tax status of interest thereon) addressed by the opinion. Consistent with the historical origin and unique role of bond counsel, and reliance thereon by the public finance market, Co-Bond Counsel's role as bond counsel under this Agreement is to provide opinions and related legal services that represent an objective judgment on the matters addressed rather than the partisan position of an advocate. Orrick and Perez Law will serve as Co-Bond Counsel and will divide the responsibilities of Co-Bond Counsel between the firms in a manner that is most efficient for the Issuer. Orrick and Perez Law are separate law firms providing separate legal services, are not part of a common partnership or joint venture and each firm is not legally authorized to act on behalf of or bind the other. The obligations of each firm under this Agreement are several and not joint.

Issuer acknowledges that Co-Bond Counsel regularly performs legal services for many private and public entities in connection with a wide variety of matters. For example, Co-Bond Counsel has represented, is representing or may in the future represent other public entities, underwriters, trustees, rating agencies, insurers, credit enhancement providers, lenders, contractors, suppliers, financial and other consultants/advisors, accountants, investment and swap providers/brokers, providers/brokers of derivative products and others who may have a role or interest in the Bond financing or that may be involved with or adverse to the Issuer in this or some other matter. Co-Bond Counsel agrees not to represent any such entity in connection with the any Bond financing, during the term of this Agreement, without the consent of the Issuer. Given the special, limited role of bond counsel described above, Issuer acknowledges and agrees that no conflict of interest exists or would exist, and waives any actual or potential conflict of interest that might be deemed to arise, now or in the future, from this Agreement or any such other relationship that Co-Bond Counsel may have had, have or enter into, and the Issuer specifically consents to any and all such relationships.

7. Limitation of Rights to Parties. Nothing in this Agreement or in any of the documents contemplated hereby, expressed or implied, is intended or shall be construed to give any person other than Issuer and Co-Bond Counsel any legal or equitable right or claim under or in respect of this Agreement, and this Agreement shall inure to the sole and exclusive benefit of the Issuer and Co-Bond Counsel.

8. Counterparts. This Agreement may be executed in any number of counterparts and each counterpart shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same Agreement.

9. Anti-Boycott Verification. Each of Orrick and Perez Law represents and warrants that (1) it does not, and shall not for the duration of this Agreement, boycott Israel or (2) the verification required by Section 2271.002 of the Texas Government Code does not apply to this Agreement. If circumstances

relevant to this provision change during the course of this Agreement, Co-Bond Counsel shall promptly notify the Issuer.

Each of Orrick and Perez Law represents and warrants that: (1) it does not, and will not for the duration of this Agreement, boycott energy companies or (2) the verification required by Section 2274.002 of the Texas Government Code does not apply to this Agreement. If circumstances relevant to this provision change during the course of this Agreement, Co-Bond Counsel shall promptly notify the Issuer.

10. No Discrimination Against Firearms Entities. Each of Orrick and Perez Law verifies that: (1) it does not, and will not for the duration of this Agreement, have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association or (2) the verification required by Section 2274.002 of the Texas Government Code does not apply to this Agreement. If circumstances relevant to this provision change during the course of this Agreement, Co-Bond Counsel shall promptly notify the Issuer.

11. Not Prohibited Companies. Pursuant to Section 2252.152, Texas Government Code, Orrick and Perez Law are not a companies currently listed by the Texas Comptroller of Public Accounts under Sections 806.051, 807.051, or 2252.153 of the Texas Government Code.

If the foregoing is acceptable to the Issuer, please so indicate by returning the enclosed copy of this letter, signed by an authorized officer, and retain an original for your files.

**ORRICK HERRINGTON & SUTCLIFFE, LLP**

**PEREZ LAW FIRM PLLC**

By: \_\_\_\_\_

Marcus Deitz, Partner

By: \_\_\_\_\_

Name: Ricardo Perez, Partner

**HIDALGO COUNTY**

By: \_\_\_\_\_

Name: \_\_\_\_\_

## STANDARD TERMS OF ENGAGEMENT

Except as modified in writing by the engagement letter accompanying these Standard Terms of Engagement (the "Engagement Letter") or in another agreement signed by Issuer (as defined in the Engagement Letter) and Orrick, Herrington & Sutcliffe LLP ("Orrick") and Perez Law Firm PLLC ("Perez Law," and together with Orrick, "Co-Bond Counsel") the following provisions shall apply to the relationship between Co-Bond Counsel and Issuer. Orrick and Perez Law are separate law firms providing separate legal services, are not part of a common partnership or joint venture and each firm is not legally authorized to act on behalf of or bind the other. The obligations of each firm under this Agreement are several and not joint.

### 1. Issuer

Co-Bond Counsel's engagement is only on behalf of Issuer. In performing the services set forth in the Engagement Letter, Co-Bond Counsel will act as special counsel to Issuer with respect to issuance of the Bonds; Co-Bond Counsel will assist Issuer's counsel in representing Issuer with respect to the Bonds in a manner consistent with Co-Bond Counsel's role set forth in the Engagement Letter. Co-Bond Counsel's representation of Issuer does not encompass any governing board member, officer or employee of Issuer; any agency, department or office part of or affiliated with Issuer; or any other person or entity affiliated with Issuer. If any of these persons or entities require the services of counsel in connection with the Bonds, Co-Bond Counsel would be pleased to discuss whether Co-Bond Counsel might be able to represent any of them, but any such representation would need its own engagement letter, and would depend on Co-Bond Counsel's review and disclosure to all concerned of any conflicts of interest that may arise in connection with any such concurrent representation, and on appropriate consents being obtained from Issuer and from those seeking such additional representation.

### 2. Scope of Engagement

The scope of Co-Bond Counsel's representation of Issuer is limited to the specific services identified in the Engagement Letter and such additional matters as Issuer and Co-Bond Counsel may in their mutual discretion agree to in writing from time to time (collectively, the "Matter"). In each case, Co-Bond Counsel's agreement to any expansion of the scope of its representation of Issuer will be subject, among other things, to such additional conflict checks, waivers, approvals and other arrangements as Co-Bond Counsel may in their professional judgment deem necessary or appropriate in the circumstances and may be conditioned upon such fee adjustments or retainers as Co-Bond Counsel may require. Except as otherwise expressly provided in any written engagement letter (or a written amendment of a prior engagement letter) between Co-Bond Counsel and Issuer entered into in connection with such expansion of the scope of Co-Bond Counsel's representation, the agreement reflected in these Standard Terms of Engagement and in the Engagement Letter applies to Co-Bond Counsel's current representation of Issuer and, to the fullest extent practicable, to any subsequent matters that Co-Bond Counsel agrees to undertake on Issuer's behalf. Co-Bond Counsel's services will not extend to other business or legal affairs of Issuer or to any other aspect of Issuer's activities. Co-Bond Counsel's receipt or use of confidential or other information from Issuer or others in the course of the representation described in the Engagement Letter does not mean that Co-Bond Counsel will render any advice or services other than those described in the Engagement Letter.

The parties agree that Co-Bond Counsel is not acting in a staff capacity or otherwise assuming the responsibilities for any public official currently designated in Issuer's conflict of interest code. The parties also agree that Co-Bond Counsel is not being retained to, has no duty to, and will not, advise Issuer or otherwise be involved in Issuer's decisions as to (a) whether Issuer should issue the Bonds, (b) the principal amount, interest rate or other pricing terms of the Bonds, (c) what project(s) is/are to be financed or

refinanced through the issuance of the Bonds (the "Project"), (d) whether Issuer should enter into contracts related to the possible issuance of the Bonds or (e) the financial terms to be included in the Bonds and/or any such contracts (collectively, the "Governmental Decisions"). Instead, Co-Bond Counsel is being retained to advise and to render opinions as to the validity of or other legal matters respecting the issuance or sale of the Bonds Issuer determines to issue and certain contracts Issuer determines to enter into in connection with the Bonds, as set forth in the Engagement Letter. Issuer also agrees that Co-Bond Counsel is not being retained, and has no duty, to provide financial advice of any kind to Issuer in connection with the foregoing. Issuer, through its governing board, staff and independent legal counsel, will be exercising its independent judgment regarding the Governmental Decisions. Issuer acknowledges that Co-Bond Counsel has not been involved with the preliminary discussions, evaluation, planning, drawing of plans and specifications and solicitation of bids related to the Project.

### **Customary Bond Counsel Services**

When Co-Bond Counsel's role is Bond Counsel to Issuer, Co-Bond Counsel shall perform the following legal services to Issuer:

- (1) Analysis of eligibility of the Project under state law and for interest on the Bonds to be excluded from gross income for federal income tax purposes.
- (2) Consultation with representatives of Issuer, Issuer's counsel, and any financial advisor or underwriters, and others, with respect to the timing, terms, and legal structure of the proposed Bonds.
- (3) Preparation of the resolution of the governing board of Issuer approving the issuance and sale of the Bonds and the documents to be adopted or entered into by Issuer required for the issuance of the Bonds, including the bond resolution or the indenture of trust or trust agreement between Issuer and a trustee (or, if applicable, the supplement to an existing bond resolution, indenture or trust agreement) (the "Major Legal Documents").
- (4) If the Bonds are to be sold through a competitive sale, preparation of the official notice of sale and the notice of intention to sell.
- (5) In the case of a refunding, preparation of the refunding escrow agreement.
- (6) Preparation of summaries of the Major Legal Documents included in the official statement for the Bonds (the "Official Statement").
- (7) Participation in such meetings of Issuer and working group meetings or conference calls as Issuer may request.
- (8) Preparation of final closing papers to be executed by Issuer required to effect delivery of the Bonds (including the Tax Agreement).
- (9) Rendering of Co-Bond Counsel's customary forms of final legal opinion to Issuer on the validity of the Bonds and the tax-exempt status of interest thereon, and, if required by the underwriters of the Bonds, Co-Bond Counsel's customary forms of supplemental opinion to the underwriters on the accuracy of summaries contained in the Official Statement of the Major Legal Documents and the tax portion of said final legal opinion and certain other matters and, in the case of a refunding, Co-Bond Counsel's customary forms of defeasance opinion.
- (10) Providing, in electronic form, closing transcripts.

### *Limitations*

Bond Counsel services are limited to those specifically set forth above. For example, Bond Counsel services do not include representation of Issuer or any other party in any litigation or other legal or administrative proceeding, audit or investigation involving the Bonds or any use or investment of the proceeds thereof, or any related matter. Additionally, Bond Counsel services do not include any responsibility for the preparation or content of any Official Statement or other disclosure document or presentation (other than preparation of a summary of the Major Legal Documents and of the portion of the opinion to be rendered by Bond Counsel concerning certain tax matters) or any rating agency or investor presentation or the preparation of any credit enhancement agreement, investment agreement or swap agreement. Bond Counsel services also do not include any responsibility for compliance with any federal or state securities laws, environmental, land use, procurement, real estate, construction, insurance or (except as required for tax exemption of the Bonds) tax laws or for title to, recording, filing or perfection or continuation of any liens or security interests in real or personal property. It is not the role or responsibility of Bond Counsel to assure that the interests of any parties other than Issuer are addressed or that any conditions to closing the transaction, other than as necessary in Bond Counsel's judgment to render the legal opinions delivered by Bond Counsel, have been satisfied or addressed. Neither Bond Counsel's role in the Bond closing nor Bond Counsel's provision of closing transcripts shall imply the completeness or adequacy of any items included in the closing transcript for any purpose other than as expressly addressed in the legal opinions delivered by Bond Counsel. Bond Counsel services are limited to legal advice and do not include any financial advice or analysis, including advice concerning whether or not to issue the Bonds, or adopt any Bond related resolutions or enter into any Bond related agreements. Bond Counsel services do not extend past the date of issuance of the Bonds and do not, for example, include services related to rebate or other post-issuance tax compliance, continuing disclosure, amendments to any of the Bond related documents, post-issuance investments, interest rate swaps or management contracts entered into after the date of issuance of the Bonds, or redemption or defeasance of the Bonds. Any involvement by Bond Counsel in any of the matters referred to in this paragraph shall not constitute a waiver of any of the foregoing limitations on Bond Counsel's responsibilities unless otherwise agreed to in writing.

### **Customary Disclosure Counsel Services**

When Co-Bond Counsel's role is Disclosure Counsel to Issuer, Co-Bond Counsel shall perform the following legal services to Issuer:

(1) Assistance in preparing a preliminary official statement (the "Preliminary Official Statement") and a final official statement (the "Official Statement") for the Bonds. Such assistance will consist of participation in conferences with the Issuer, the underwriters of the Bonds (the "Underwriters"), their respective counsel, Issuer's financial advisor and other relevant participants, assistance in the preparation of information about the Bonds, Issuer and other material information and assistance in coordinating posting, printing or reproduction of the Preliminary Official Statement and the Official Statement, the cost of which shall be the responsibility of Issuer.

(2) Rendering, in Co-Bond Counsel's customary form, addressed only to the Underwriters, of a so-called "10b-5 letter" (subject to customary limitations and exclusions).

Unless Co-Bond Counsel is also bond counsel, Issuer will rely upon, and Co-Bond Counsel will assume the accuracy of, the opinion of bond counsel with respect to the validity of the Bonds and the Bond documents, the federal and state tax-exempt status of interest on the Bonds, exemption from registration of the Bonds under applicable securities laws, and other matters customarily covered by opinions of bond counsel and counsel to other parties, and Co-Bond Counsel will not undertake any independent consideration thereof or have any other responsibility therefor. Bond counsel will also be responsible for

preparing summaries of legal documents for inclusion in the Preliminary Official Statement and the Official Statement and giving an opinion as to the accuracy of the summaries of the legal documents and the Bonds and of Co-Bond Counsel's tax opinion contained in the Official Statement.

In performing Disclosure Counsel services, in addition to relying on the opinions described above, Co-Bond Counsel will be entitled to rely on the accuracy and completeness of information provided and certifications made by Issuer, the financial advisor, consultants, accountants, the underwriters, various counsel and other parties, without independent investigation or verification. While Co-Bond Counsel will undertake certain activities in order to provide the negative conclusion that constitutes the so-called "10b-5 letter", such activities are inherently limited in character and in scope. They cannot and will not encompass all of the activities an underwriter may be required to undertake in order to establish a due diligence or reasonable investigation defense (if available), and the securities laws do not permit an underwriter to delegate completely duties of due diligence or reasonable investigation it may have to counsel.

#### *Limitations*

Disclosure Counsel services will be limited to those specifically set forth above and, for example, will not include other services, including but not limited to matters relating to the mode or manner of dissemination of the official statement, the accuracy of any printing or posting of the official statement, registration or qualification of the Bonds under federal or state securities laws, derivative products, regulatory matters (such as compliance with FINRA or MSRB rules or other broker-dealer regulations) or independent investigation of prior compliance with continuing disclosure undertakings, and will not include preparation or review of any rating agency or investor presentation or representation in any litigation or other legal or administrative proceeding, audit or investigation involving the Official Statement, the Bonds, the Project or any related matter. Disclosure Counsel services do not include any financial advice or analysis. Disclosure Counsel services are limited to legal advice and do not extend past the date of issuance of the Bonds and do not, for example, include services related to any post-issuance amendment of or supplement to the Official Statement or to any continuing disclosure. Any involvement by Disclosure Counsel in any of the matters referred to in this paragraph shall not constitute a waiver of any of the foregoing limitations on Disclosure Counsel's responsibilities unless otherwise agreed to in writing.

### **3. Costs and Expenses**

Unless otherwise provided in the Engagement Letter, Issuer will pay Co-Bond Counsel for costs and expenses (direct and indirect) incurred in connection with the services set forth in the Engagement Letter, including (without limitation) filing and publication, document reproduction and delivery, telecopy, word processing, computer research, secretarial overtime, closing transcript and other similar expenses. Indirect costs, such as word processing, document reproduction and transcript costs, shall be payable at the actual cost thereof.

Any filing, publication or printing costs required in connection with the Bonds shall be paid directly by the Issuer, but if paid by Co-Bond Counsel on behalf of Issuer, Issuer shall reimburse Co-Bond Counsel for such costs upon demand.

If any claim or action is brought against Orrick or Perez Law or any of its personnel which alleges negligence or wrongdoing of Issuer, or if Orrick or Perez Law or any current or former attorney or employee of Orrick or Perez Law is asked or required by a third party to testify or produce documents as a result of Orrick's representation or Perez Law's of Issuer, Issuer agrees to pay Orrick or Perez Law for any resulting costs or expenses, including Orrick's time or Perez Law's time, even if Orrick's representation or Perez

Law's of Issuer has ended. This paragraph is not intended to apply to any claim brought by or on behalf of Issuer alleging wrongdoing by Orrick or Perez Law.

**4. Waiver of Conflicts of Interest**

Co-Bond Counsel's agreement to represent Issuer in connection with the Matter is conditioned upon the understanding that Co-Bond Counsel is free to represent any clients (including entities that may be adverse to the Issuer) and to take positions adverse to either Issuer or an affiliate in any matters (whether involving the same substantive area(s) of law for which Issuer has retained Co-Bond Counsel or some other unrelated area(s), and whether involving business transactions, patent prosecution and patent validity and infringement opinion work, counseling, litigation or otherwise). Co-Bond Counsel agrees, however, to not represent any party other than Issuer in connection with the Bond financing prior to the date of termination determined in accordance with Paragraph 9 hereof without the consent of Issuer. In this connection, Issuer should be aware that Co-Bond Counsel regularly provides legal services for many private and public entities in connection with a wide variety of matters. For example, Co-Bond Counsel has represented, is representing or may in the future represent other public entities, underwriters, trustees, rating agencies, insurers, credit enhancement providers, lenders, borrowers, developers, contractors, suppliers, financial and other consultants/advisors, accountants, investment and swap providers/brokers, providers/brokers of derivative products and others who may have a role or interest in the bond financings or that may be involved with or adverse to Issuer. In addition, Orrick's wholly-owned subsidiary BLX Group LLC may provide financial advisory services, including arbitrage rebate compliance and other post-issuance compliance services, to other parties involved in the Bond financing and Orrick may provide legal advice to such other parties in connection with such BLX Group LLC services. Co-Bond Counsel will, of course, hold in confidence Issuer's secrets and confidences. Similarly, Issuer understands that while Co-Bond Counsel may obtain confidential information from other clients that may be of interest to Issuer, Co-Bond Counsel cannot share such information with Issuer. Issuer acknowledges that it has had the opportunity to consult with its counsel about the consequences of the waiver set forth in this paragraph. Issuer consents to these other representations, agrees that it will not seek to disqualify Co-Bond Counsel from any such present or future representations, and waives any actual or potential conflict of interest that might arise or be deemed to arise, now or in the future, from this engagement of Co-Bond Counsel in the Matter and any past, current or future representations.

**5. Internal Communications**

The occasion might arise for Orrick or Perez Law, at each firm's own expense, to consult regarding the Matter or this engagement with its own counsel (e.g., each firm's general counsel, other firm lawyers working with Co-Bond Counsel's respective general counsel who do not perform work for Issuer in connection with the services provided pursuant to this Engagement Agreement, or Orrick's own outside counsel). To the extent that each firm is addressing its own rights or responsibilities, a conflict of interest might be deemed to exist between such firm and Issuer as to such consultation or resulting communications, particularly if a dispute were ever to arise between such firm and Issuer regarding the Matter. A condition of this engagement is that Issuer hereby consents to such consultation occurring, and waives any claim of conflict of interest based on such consultation or resulting communications that could otherwise disqualify each firm from continuing to represent Issuer or from acting in each firm's own behalf, even if such consultation or communications might be deemed adverse to the interests of Issuer. Issuer acknowledges and agrees that any such consulting and communications are protected from disclosure to Issuer by each firm's own attorney-client privilege.

**6. Responsibilities of Co-Bond Counsel and Issuer**

Issuer shall have and will rely on Issuer's elected, appointed or retained chief legal officer or on outside counsel (other than Co-Bond Counsel) ("Issuer Counsel") to render day-to-day and ongoing general legal services and to advise Issuer with respect to all Governmental Decisions. Co-Bond Counsel shall circulate documents to and coordinate its services with Issuer Counsel to the extent requested by Issuer or Issuer Counsel. Co-Bond Counsel shall be entitled to assume that Issuer Counsel has reviewed all documents and matters submitted to Issuer for adoption or approval or to officers of Issuer for execution prior to such adoption, approval or execution.

In rendering opinions and performing legal services, Co-Bond Counsel shall be entitled to rely on the accuracy and completeness of information provided and certifications made by, and opinions provided by counsel to, Issuer and other parties, counsel and consultants, without independent investigation or verification. Knowledge of attorneys and non-attorneys at Co-Bond Counsel not working directly on the Matter will not be imputed to Co-Bond Counsel nor shall there be any duty on Co-Bond Counsel's part to make any inquiry of such other attorneys or non-attorneys.

Co-Bond Counsel will provide to Issuer legal counsel and assistance in accordance with the Engagement Letter and this Standard Terms of Engagement. Issuer will not look to or rely upon Co-Bond Counsel for any investment, accounting, financial or other non-legal advice or for any advice with respect to Governmental Decisions, including without limitation any advice regarding the character or credit of any person with whom Issuer may be dealing. Although Co-Bond Counsel will at times communicate with Issuer by e-mail, letter, or other written form, Co-Bond Counsel may provide much of its counsel and assistance in telephone conversations and meetings with Issuer. In addition, Co-Bond Counsel shall have the right, subject to applicable rules of professional responsibility, to discard any files or other materials relating to the Matter either before or after termination of Co-Bond Counsel's representation of Issuer.

For Co-Bond Counsel to represent Issuer effectively, Co-Bond Counsel needs Issuer to provide Co-Bond Counsel with complete and candid information regarding matters relating to the Bonds and the Project, and, if Co-Bond Counsel is providing Disclosure Counsel Services, regarding financial, operating and other information material to prospective investors in the Bonds, to keep Co-Bond Counsel informed of relevant developments, to make decisions necessary for Co-Bond Counsel to fulfill its responsibilities with respect to the Bonds and otherwise to provide to Co-Bond Counsel Issuer's reasonable assistance and cooperation.

Each of Orrick and Perez Law shall separately maintain errors and omissions insurance coverage applicable to the services to be rendered pursuant to the Engagement Letter.

The Engagement Letter and these Standard Terms and Conditions shall not be the basis of any breach of contract claim that would have the effect of extending any statute of limitations pertaining to legal malpractice to the statute of limitations pertaining to breach of contract.

Each of Orrick and Perez Law will not be responsible for any services performed by, or acts or omissions of, Perez Law (with respect to Orrick), Orrick (with respect to Perez Law), any co-counsel or other transaction participant.

**7. Client Files (Cloud Storage, Retention and Disposition)**

Co-Bond Counsel recognizes that cloud computing services offer valuable tools to its clients and has entered into arrangements with certain providers of those services to host, process, and analyze data,

including client data. Orrick's primary Data Management System is cloud based in all permissible jurisdictions.

Upon request, all client records will be delivered to Issuer. If Issuer has a records retention policy in place with which outside counsel will need to comply, Issuer shall advise Co-Bond Counsel so that Co-Bond Counsel may so inform its records department.

Issuer understands that "materials" include paper files as well as information in other forms of storage, including voicemail, e-mail, printer files, electronic document files, facsimiles, dictation recordings, video files, and other formats. Co-Bond Counsel reserves the right, at Co-Bond Counsel's expense, to make copies of documents generated or received by Co-Bond Counsel in the course of Co-Bond Counsel's representation of Issuer. Co-Bond Counsel will maintain the confidentiality of all documents throughout this process.

Co-Bond Counsel's own files pertaining to the Matter will be retained by Issuer. These files include, for example, internal communications, firm administrative records, time and expense reports, personnel and staffing materials, and credit and account records. For various reasons, including the minimization of unnecessary storage expenses, Co-Bond Counsel reserves the right to destroy or otherwise dispose of any of Co-Bond Counsel's own files within a reasonable time after Co-Bond Counsel's engagement pertaining to the Matter has concluded upon written consent of the Issuer.

Co-Bond Counsel will not retain, use, or disclose the personal information we receive in connection with our representation of Issuer for any (i) purpose other than for the specific purpose of our representing Issuer and for our performance under the Engagement Letter, or as otherwise permitted by applicable privacy laws, or (ii) other commercial purpose unless otherwise required or permitted by outside counsel guidelines or specific Issuer instruction.

#### **8. Use of Artificial Intelligence Tools and Machine Learning**

Co-Bond Counsel strives to maximize the benefits that innovative tools and approaches can provide for Issuer. Co-Bond Counsel recognizes that cloud-based tools that use artificial intelligence or machine learning can be used to improve the efficacy and accuracy of legal services. Use of artificial intelligence and machine learning tools can also help to reduce the cost of providing legal services. Orrick has entered into arrangements with certain providers of artificial intelligence and machine learning tools to host, process, and analyze data, including client data, and, depending on the nature of the matter, will assess whether the use of such tools would benefit Issuer. Like online services or platforms, such tools are not immune from security or quality compromises, but all are subject to Orrick's cyber security vendor risk management program. Additionally, artificial intelligence or machine learning tools may not be configured to the precise parameters of the required work, as many have pre-built machine learning models that vary as the tool ingests data. Orrick may use data gathered by using these tools to improve budgeting, precedent libraries, template documents, and other data sets to improve client service. Data that is processed into artificial intelligence tools may also be used to improve machine learning algorithms at Orrick or in the tools of third-party vendors. Issuer hereby consents to the use of cloud-based artificial intelligence or machine learning tools unless Issuer has advised Co-Bond Counsel not to do so.

#### **9. Termination**

Issuer may terminate Co-Bond Counsel's representation of Issuer at any time, with or without cause upon 30 days written notice, subject to applicable rules of professional responsibility, including if, among other things, Issuer fails to cooperate or follow Co-Bond Counsel's advice on a material matter, or any fact or circumstance arises that, in Co-Bond Counsel's view, renders Co-Bond Counsel's continuing

representation unlawful or unethical. Co-Bond Counsel may terminate or suspend its representation of Issuer, subject to applicable rules of professional responsibility, if the Issuer fails to make timely payment on any invoice. In the event of termination by either Issuer or Co-Bond Counsel, Issuer shall pay Co-Bond Counsel fees and costs for work performed prior to termination and Co-Bond Counsel will have no responsibility or liability whatsoever for any subsequent use of documents prepared or advice provided by Co-Bond Counsel prior to termination. Issuer acknowledges that it has had an opportunity to consult with its counsel about the consequences of Co-Bond Counsel's disclaimer of responsibility and liability herein.

**10. Date of Termination**

Co-Bond Counsel's representation of Issuer will be considered terminated at the earliest of (i) Issuer's termination of the representation, (ii) Co-Bond Counsel's withdrawal from the representation, (iii) the substantial completion of Co-Bond Counsel's substantive work for Issuer; (iv) the issuance of the Bonds; or (vi) the Issuer's abandonment of the Bond financing.

**11. Disclosure for Promotional Purposes**

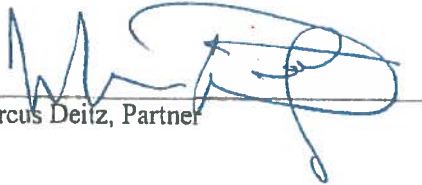
Except as Issuer may otherwise inform Co-Bond Counsel, and subject to any confidentiality arrangements or agreements of which Co-Bond Counsel is made aware between Issuer and any other party with respect to the Matter, Issuer agrees that Co-Bond Counsel may include, in a list of transactions and litigations which Co-Bond Counsel uses for promotional (including press releases and social media posting) and internal purposes, a summary description of publicly disclosed aspects of the Matter.

**ORRICK HERRINGTON & SUTCLIFFE, LLP**

**PEREZ LAW FIRM PLLC**

By: \_\_\_\_\_

Marcus Deitz, Partner



By: \_\_\_\_\_

Name: Ricardo Perez, Partner



**HIDALGO COUNTY**

By: \_\_\_\_\_

Name: \_\_\_\_\_