



BLX Group LLC

4925 Greenville Avenue, Suite 880

Dallas, Texas 75206

Ph 214 989 2700 Fx 214 989 2712

blxgroup.com

September 14, 2023

Richard F. Cortez
County Judge
Hidalgo County, Texas
100 E. Cano 2nd Floor
Edinburg, Texas 78539

Re: Arbitrage Rebate Compliance Services

Dear Mr. Cortez:

Enclosed please find a proposed engagement letter between BLX Group LLC and Hidalgo County, Texas for the purposes of providing arbitrage rebate compliance services for the transaction listed on Exhibit A. If it meets with your approval, please sign and email the attached Exhibit A to sstallings@blxgroup.com at your earliest convenience.

Thank you for this opportunity to be of service to the Hidalgo County, Texas. We look forward to working with you! If you have any questions, I can be reached at (214) 989-2701.

Very truly yours,

A handwritten signature in black ink that reads "Sandra Fuller Stallings".

Sandra Fuller Stallings
Chief Operating Officer / Managing Director
sstallings@blxgroup.com

Enclosure

cc: Claire Martinez



BLX Group LLC

4925 Greenville Avenue, Suite 880
Dallas, Texas 75206
Ph 214 989 2700 Fx 214 989 2712
blxgroup.com

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E-signed 2023-10-06 08:17AM CDT
daniela.garza@co.hidalgo.tx.us

C-23-0283-10-03

September 14, 2023

Richard F. Cortez
County Judge
Hidalgo County, Texas
100 E. Cano 2nd Floor
Edinburg, Texas 78539

Re: Arbitrage Rebate Compliance Services

Dear Mr. Cortez:

This letter is to confirm the engagement of BLX Group LLC ("BLX") by the Hidalgo County, Texas (the "Obligor") for the purpose of performing calculations relating to the arbitrage and rebate requirements contained in the Internal Revenue Code (the "Code") and the legal advice described below. The calculations are to be performed with respect to the bond issue(s) listed on Exhibit A hereto (the "Bonds") applying applicable federal tax rules.

BLX will calculate the amount of rebate liability with respect to the Bonds as of the end of each fifth bond year (unless specifically directed in writing otherwise by the Obligor) and as of the final maturity or redemption of the Bonds (each such date on which a rebate calculation is performed is referred to herein as a "Rebate Calculation Date") applying regulations of the United States Department of the Treasury ("Treasury") in effect on such Rebate Calculation Date. In addition, if a "penalty in lieu of rebate" election under Code Section 148(f)(4)(C)(vii) has been made by the Obligor with respect to the Bonds, BLX will calculate, every six months, the amount of such "penalty" as of the end of each six-month period beginning on the date of issue of the Bonds (each such date on which a penalty calculation is performed is referred to herein as a "Penalty Calculation Date"). (The term "Calculation Date" as used herein shall refer to a Rebate Calculation Date or a Penalty Calculation Date, as appropriate.) In addition, if required or requested by the Obligor, BLX will include in each report delivered to the Obligor an analysis of compliance with applicable arbitrage yield restrictions. With respect to each Calculation Date, BLX will prepare or cause to be prepared schedules reflecting the relevant calculations and the assumptions involved and will deliver a rebate or penalty liability report addressed to the Obligor as to the amount of the rebate or penalty liability as of such Calculation Date.

At the Obligor's election, which election is made by the Obligor's signature of this engagement letter, each such rebate or penalty liability report will include a legal opinion provided by the law firm, Orrick, Herrington & Sutcliffe LLP ("Orrick"). BLX will engage Orrick to represent BLX for the purpose of providing legal oversight and review as it deems necessary to render its opinion that the computations shown in the report are mathematically accurate and were performed in accordance with applicable federal law and regulations. No attorney-client relationship exists between Orrick and the Obligor by virtue of this engagement or the provision of the Orrick legal opinion. BLX is not a law firm and is not providing any legal advice to you. The Obligor undertakes to provide or cause to be provided to BLX all such relevant data, as specified by BLX from time to time, and shall cooperate with all reasonable requests of BLX in connection therewith. The Obligor also agrees to inform BLX of any actual or planned early redemption of the Bonds at its earliest opportunity.



BLX is not being engaged hereunder, and BLX is not hereby obligated, to undertake any of the following: (1) independently determine whether securities allocable to proceeds of the bonds were purchased at fair market value within the meaning of the Treasury Regulations; (2) perform an audit or review of the investments acquired with gross proceeds or the payment of debt service on the Bonds; (3) perform calculations or other research as to the desirability of elections or selections that may be available under applicable federal tax law; (4) review the tax-exempt status of interest on the Bonds or any other aspect of the Bond program except for rebate and penalty liability to the extent set forth in this engagement letter; (5) consider any information obtained by BLX pursuant to this engagement for any purpose other than determining such rebate and penalty liability; and (6) update any report delivered hereunder because of events occurring, changes in regulations, or data or information received, subsequent to the date of delivery of such report. Should the Obligor desire BLX to undertake any of the foregoing, such work will be the subject of a separate engagement and a separate fee, if any. In addition, BLX will be entitled to rely entirely on information provided by the Obligor and the Trustee and/or their agents and assigns without independent verification. The fee with respect to the Bonds will be determined pursuant to Exhibit B hereto. Engagement Fees are due upon each engagement and Report Fees are due upon delivery of each report by BLX. This engagement is terminable by either party by 30 day's written notice to the other, such termination to be effective as of such 30th day. BLX shall be entitled to assign its rights and obligations under this engagement in whole or in part upon prior written consent of the Obligor. No additional fees will be charged by Orrick for providing the legal services described herein. BLX will separately compensate Orrick for such services.

BLX and/or Orrick may have client relationships with other parties involved in some manner with the Bonds or the Obligor (for example, underwriters, trustees, rating agencies, insurers, credit providers, lenders, contractors, developers, advisors, investment advisors/providers/brokers, public entities and others) whether with respect to the Bonds or some unrelated matter(s). Upon the commencement of this engagement, BLX will notify the Obligor of any conflicts of interest created by this engagement by and between BLX, Orrick, and the Obligor. If this engagement letter is satisfactory, please have an authorized official execute one copy and return it to the undersigned.

Very truly yours,

BLX GROUP LLC

Sandra Fuller Stallings
Chief Operating Officer / Managing Director

Accepted:

HIDALGO COUNTY, TEXAS

By:

Print Name/Title:

Richard F. Cortez

Date:

E-mail Address:

EXECUTED as of the day and year first written above.

APPROVED BY COMMISSIONERS' COURT ON October 03, 2023.

Agenda Item No. 92504

Executive Office: *MS*
MS

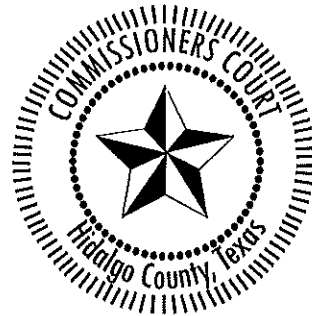
VENDOR:
BLX Group, LLC

Sandra F. Stallings
Sandra F. Stallings (Oct 3, 2023 14:22 CDT)
Sandra F. Stallings, Chief Operating Director

APPROVED AS TO FORM
Office of the Criminal District Attorney,
Toribio "Terry" Palacios

Robert Vina III
Robert Vina III (Oct 3, 2023 14:57 CDT)
Robert Vina III, Assistant District Attorney

ATTEST:



Arturo Guajardo, Jr.
Arturo Guajardo, Jr., County Clerk