

**AGREEMENT
FOR
INVESTMENT ADVISORY SERVICES
BY AND BETWEEN
WILLIAMSON COUNTY TEXAS
AND
FIRSTSOUTHWEST ASSET MANAGEMENT, INC.**

This Investment Advisory Agreement (the “**Agreement**”) is made by and between Williamson County, Texas (the “**Investor**”) and First Southwest Asset Management, Inc. (“**FSAM**”). This agreement shall be effective as of the date of the last party’s execution hereof as indicated on the signature page below.

I. Terms and Conditions

This Agreement sets forth the terms and conditions governing the relationship of the Investor to FSAM with respect to securities and money which the Investor holds, from time to time, and which are available for investment or reinvestment (the “**Portfolio**”). This Agreement shall apply to any and all investable funds and securities in the Investor’s Portfolio during the period in which this Agreement shall be in effect.

II. Investment Advisory Services

- A. **Services.** With respect to the Portfolio, FSAM will endeavor to provide investment advisory services and cause to be executed such trades as determined in accordance with Section II.B below. FSAM agrees to provide professional services and its facilities and to direct and coordinate all programs of investing as may be considered and authorized by the Investor and to assume and pay those expenses incurred by FSAM in connection with the execution of investment decisions. Specifically, FSAM agrees to perform the following duties:
1. Review the Investor’s cash flow projections;
 2. Recommend appropriate investment strategies based upon cash flow requirements;
 3. Advise the Investor on current market conditions and other general information;
 4. Analyze risk/return relationships between various investment alternatives;
 5. Attend meetings of the governing body of the Investor, its staff, representatives, or committees as requested by the Investor, when the subject of investments is to be discussed;
 6. Assist in the selection of investment securities and, as directed by the Investor, cause the transactions to be executed;
 7. Advise on the investment of the Portfolio in a manner consistent with the Investment Policy, the proceedings of the Investor authorizing the investment of the bond funds and applicable state and federal rules and regulations;
 8. Promptly send (or cause to be sent) trade confirmations to the Investor; and
 9. Assist the Investor in creating quarterly investment reports as required by written investment policy, stated procedures and/or state law.
- B. **Scope of Investment Decisions.** In performing the services listed in Section II.A above, FSAM shall not have discretionary authority and, accordingly, shall obtain approval from the Investor for the purchase or sale of securities prior to execution. The Investor hereby represents and acknowledges that its written investment policy and investment strategy includes its investment

objectives and all portfolio limitations and restrictions, including, without limitation, acceptable levels of investment risk. The Investor also agrees to notify FSAM in writing ten business days in advance of the implementation of any changes in the Investor's investment objectives, investment limitations, and/or financial condition. Furthermore, the Investor will give FSAM immediate verbal notice and written notice within five days of receipt of any trade confirmations should the Investor believe that any investment in the Portfolio violates the Investor's investment objectives or limitations.

- C. **Standard of Care.** In the administration of its duties, FSAM shall exercise the judgment and care, under prevailing circumstances, that a prudent person would exercise in the management of the person's own affairs, not for speculation, but for investment, considering, with regard to the entire Portfolio rather than any particular investment or security, the probable safety of capital and the probable income to be derived.
- D. **Settlement of Securities.** The purchase of individual securities shall be executed "delivery versus payment" (DVP) through the Investor's safekeeping agent. By so doing, Investor's funds will be released when and if the Investor has received, through the safekeeping agent, the designated securities purchased.
- E. **Return on the Portfolio.** The Investor expressly affirms and acknowledges that FSAM has not promised or guaranteed any stated or specified return on, or performance of, the Investor's investment portfolio.

III. Representations

- A. FSAM represents that it is registered as an investment advisor under the Investment Advisers Act of 1940 (the "**Advisers Act**") and is authorized and empowered to enter into this Agreement.
- B. The Investor represents and confirms that (1) the Investor has full power and authority to enter into this agreement; (2) the terms hereof do not violate any obligation by which the Investor is bound, whether arising by contract, operation of law, or otherwise; and (3) this Agreement has been duly authorized and will be binding on Investor according to its terms.
- C. The Investor agrees to:
 - 1. Provide FSAM with the schedule of estimated cash flow requirements related to the Portfolio, and promptly notify FSAM as to any changes in such estimated cash flow schedule;
 - 2. Provide FSAM, not less than monthly, with all relevant custodian, safekeeping and bank statements relating to all of the Portfolio; and
 - 3. Allow FSAM to rely upon all information regarding schedules or other information pertaining to the Portfolio as provided to it by the Investor as being true and accurate. FSAM shall have no responsibility to verify, through audit or investigation, the accuracy or completeness of such information and FSAM will not undertake to authenticate any such information.
- D. The Investor recognizes that there may be loss or depreciation of the current liquidation, immediate and ongoing value of any investment due to the fluctuation of market values. The Investor represents that no party to this Agreement has made any guarantee, either oral or written, that the Investor's investment objectives will be achieved. FSAM shall not be liable for any error in judgment and/or for any investment losses in the Portfolio in the absence of willful malfeasance, gross negligence, or violation of applicable law. Nothing in this Agreement shall constitute a waiver or limitation of any rights that the Investor may have under applicable state or federal law including without limitation, the state and federal securities laws.

- E. Investor represents and acknowledges that Investor has reviewed and understands the risk factors and fees associated with the Portfolio.

IV. Fees and Costs of FSAM

As consideration for the services provided by FSAM under this Agreement, FSAM will be entitled to a fee (the “**Advisor Fee**”) determined in accordance with the schedule set forth in the fee schedule (“**Schedule A**”), a copy of which is attached hereto, is incorporated herein for all purposes and is being delivered to the Investor simultaneously with the execution, and as an integral part, of this Agreement. The obligation of FSAM to pay or incur expenses shall not include any costs incident to litigation, mandamus action, regulatory investigation, test case or other similar legal actions.

V. Reporting and Account Statements

FSAM will deliver or cause to be delivered to the Investor confirmation of transactions and/or periodic statements for the Portfolio as set forth in this Agreement. FSAM will also provide the Investor with an annual valuation of the Investor’s Portfolio and any additional statements that may be required by applicable law, including the reporting provisions of the Public Funds Investment Act, or other applicable state law, with respect to transactions effected under this Agreement.

VI. Other Services

The investment advisory services provided hereunder by FSAM to the Investor are exclusive of any other services that FSAM may provide to the Investor.

VII. Execution of Investment Transactions

- A. **Affiliated Broker.** FSAM is affiliated through common ownership and control with First Southwest Company (“**FSC**”), a registered broker/dealer with the National Association of Securities Dealers, Inc. (“**NASD**”), the U.S. Securities and Exchange Commission (“**SEC**”), and various state and territorial regulatory authorities. Investor hereby authorizes FSAM to effect transactions for the Portfolio by execution through FSC. Where transactions are effected through FSC, FSC may act on an agency or principal basis to the extent permitted by law. Pursuant to Rule 206(3) of the Advisers Act, FSAM will obtain the Investor’s consent on each investment transaction to allow FSC to act as a principal in acquiring a security to facilitate a trade. Fees for advisory services will be billed separately in accordance with the terms of this Agreement.
- B. **Bundling of Investment Transactions.** Transactions for each Investor account generally will be effected independently unless FSAM decides to purchase or sell the same securities for several Investors at approximately the same time. FSAM may (but is not obligated to) combine or “batch” such orders to obtain best execution. Under this procedure, transactions will be averaged as to price and will be allocated among FSAM’s investors included in the “batch” group in proportion to the purchase and sale orders placed for each Investor in batch transactions.

VIII. Selection of Brokers

The Investor agrees that when FSAM effects or places orders for the execution of transactions for the Portfolio (other than situations where the Investor specifically instructs otherwise in writing), FSAM may allocate such transactions to such brokers and dealers for execution on such markets, at such prices as in the judgment of FSAM will be in the best interests of the Investor, taking into consideration, in the selection of such brokers and dealers, the available prices and rates of brokerage commissions and other relevant factors, without having to demonstrate that such factors are of a direct benefit to the Investor. Subject to the foregoing, FSAM will arrange for the execution of securities transactions for the Portfolio through brokers or dealers that FSAM reasonably believes will provide best execution.

IX. Non-Exclusive Relationship

- A. The Investor hereby acknowledges that FSAM's services under this Agreement are nonexclusive, and that FSAM shall be free to render the same or similar services to other Investors. The Investor further acknowledges that FSAM's advice is specific to each individual Investor's investment objectives, limitations and financial condition. Therefore FSAM, in the performance of its investment advisory duties, may give advice to, and take action on behalf of, other Investors that may differ from the advice given, or the timing and nature of the action taken, with respect to the Investor's Portfolio. Nothing in this Agreement shall be deemed to impose upon FSAM any obligation to purchase or sell, or to recommend for purchase or sale for the Investor's Portfolio, any security that FSAM or its affiliates may purchase or sell, for their own account or for the accounts of any other Investor if, at the sole discretion of FSAM, it is for any reason undesirable or impractical to take such action or make such recommendation for the Investor's Portfolio. The Investor also acknowledges that FSAM has varying fee structures and arrangements with other investors and may charge their investors different fees, which may be higher or lower than the fees charged with respect to the Investor's Portfolio for similar services.
- B. FSAM agrees and acknowledges that it shall not be considered a sole provider of the types of services described herein and that Investor may contract with other providers of such services if Investor deems, at its sole discretion, that multiple providers of the same services will serve the best interest of Investor.

X. Instructions from the Investor

FSAM may rely on all instructions (whether oral or written) given by the Investor or its agents that FSAM believes to be genuine. FSAM's records of such a transaction will be conclusive as to the content of any instruction. Instructions may be given to FSAM by any officer or agent authorized by (1) the investment policy; (2) a duly executed "Authorization to Trade Public Funds" form provided by FSAM; or (3) a resolution of the governing body of Investor. FSAM may rely on such authorization until written notice to the contrary is delivered to FSAM by the Investor; and if the Investor does not deliver appropriate authorizing documentation, FSAM may accept instructions from any person reasonably believed by FSAM to be an officer of the Investor. To the extent permitted by law, the Investor agrees to hold harmless, and to indemnify and defend, FSAM, as well as any of its officers, directors, shareholders, affiliates, general partners, employees, agents, and trustees, against any and all losses sustained by FSAM resulting from or by reason of any and all claims, liabilities, losses, damages, charges, costs, fees, and expenses (including, without limitation, attorneys fees and costs, including fees of attorneys who may be FSAM employees or employees of FSAM's affiliates) arising out of or in connection with any action taken in reliance upon any instruction or inquiry believed genuine.

XI. Transactions Subject to Industry Regulations and Standards

All transactions shall be subject to the regulations of all applicable government authorities and self-regulatory agencies including, but not limited to, the constitutions and rules of the clearing agent, exchange, or market where executed. The Investor understands that FSAM is registered as an investment advisor under the Advisers Act, and as such is obligated to comply with all applicable laws and regulations, including those of the SEC and other regulatory and self-regulatory agencies, and agrees that FSAM shall not be liable to the Investor as a result of any action taken by FSAM to comply with any ruling, interpretation, or directive of such organizations. Further, Investor understands and agrees that FSAM will not accept any instructions from Investor which would require a violation of any such rules or regulations.

XII. Assignment

Neither FSAM nor the Investor may assign any of its rights, authorizations, or obligations under this Agreement without the prior written consent of the other party.

XIII. Term and Investor's Right of Cancellation

This Agreement shall become effective as of the date hereof and continue for a two-year period after which time this contract may be renewed for additional two-year periods upon approval by both parties. Either party may terminate this Agreement upon delivering to the other party thirty (30) calendar days' prior written notice. In addition, the Investor may terminate this Agreement without penalty and for convenience after the date it is executed by the Investor. The Investor may exercise this right by giving written notice to FSAM within the required time period. In the event of termination, it is understood and agreed that only the amounts due to FSAM for services provided and expenses incurred to and including the date of termination, plus those costs and expenses incurred or sustained as a result of the termination, will be due and payable. No penalty will be assessed for termination of this Agreement. In addition, the parties hereto agree that upon termination of this Agreement FSAM shall have no continuing obligation to the Investor regarding the investment of funds or performing any other services contemplated herein.

XIV. Custodial Arrangements

Custody of Portfolio assets will be maintained with a custodian selected by Investor and identified to FSAM (the "Custodian"). FSAM will not have custody of any assets in the Portfolio. Investor will be solely responsible for paying all fees or charges of the Custodian. Investor authorizes FSAM to give Custodian instructions for the purchase, sale, conversion, redemption, exchange or retention of any security, cash or cash equivalent or other investment for the Portfolio.

XV. Miscellaneous

- A. **Notices to the Investor.** All written communication to the Investor shall be sent to the Investor's address set forth on the signature page hereof or as directed in writing to FSAM by the Investor. Any notice, statement, or other communication mailed to the Investor by FSAM in accordance with this section will be deemed to be given to the Investor personally on the date it is so mailed, whether or not it is actually received by the Investor.
- B. **Notices to FSAM.** Any notice, statement, or other communication from the Investor to FSAM under this Agreement must be in written form and will be deemed to be given to FSAM upon actual receipt thereof by FSAM, whether such notice was mailed, personally delivered, or telecopied to:

FirstSouthwest Asset Management, Inc.
300 West 6th Street, Suite 1940
Austin, TX 78701
Attention: Scott McIntyre
Fax Number: (512) 481-2020

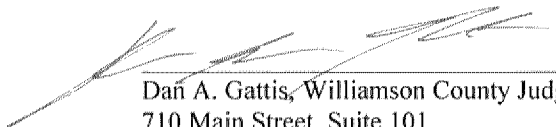
- C. **Confidential Relationship.** All of the information and advice furnished by either party to the other under this Agreement, including their respective agents and employees, will be treated as strictly confidential by each party and will not be disclosed to third parties under any circumstances except as required by law.
- D. **Texas Public Information Act.** To the extent, if any, that any provision in this Agreement is in conflict with Tex. Gov't Code 552.001 et seq., as amended (the "Public Information Act"), the same shall be of no force or effect. Furthermore, it is expressly understood and agreed that Investor, its officers and employees may request advice, decisions and opinions of the Attorney General of the State of Texas in regard to the application of the Public Information Act to any items or data furnished to Investor as to whether or not the same are available to the public. It is further understood that Investor's officers and employees shall have the right to rely on the advice, decisions and opinions of the Attorney General, and that Investor, its officers and employees shall have no liability or obligation to any party hereto for the disclosure to the public, or to any person or persons, of any items or data furnished to Investor by a party hereto, in reliance of any advice, decision or opinion of the Attorney General of the State of Texas.
- D. **Limitations of Liability.** Federal and state securities laws impose liabilities under certain circumstances on persons who do not act in good faith and, therefore, nothing in this Agreement shall in any way

constitute a waiver or limitation of any rights that the Investor may have under federal and state securities laws.

- E. **Indemnity.** To the extent permitted by law, the Investor will indemnify FSAM for any loss, liability, or expense (including attorney's fees) which FSAM may incur as a result of, or arising from, any claims asserted by any third party with respect to the Portfolio or the services rendered by FSAM under this Agreement, except in cases of gross negligence or willful misconduct by FSAM in managing the Investor's Portfolio.
- F. **Inconsistent Provisions; Agreements.** If any provisions of this Agreement should become or be found to be inconsistent with laws, rules, or regulations of any government or regulatory body having jurisdiction over the subject matter herein, such provisions shall be deemed modified or rescinded in accordance with any such laws, rules, or regulations. To the extent that the provisions of this Agreement are inconsistent with the provisions of any account agreement or clearing agreement with FSAM or its clearing agent, as the case may be, then the terms of such account agreement or clearing agreement shall govern and such terms shall supersede the inconsistent terms herein.
- G. **Invalid Provisions.** If any provision or condition of this Agreement shall be held to be invalid or unenforceable by any Court, or regulatory or self-regulatory agency or body, such invalidity or unenforceability shall attach only to such provision or condition. The validity of the remaining provisions and conditions shall not be affected, and this Agreement shall be carried out as if any such invalid or unenforceable provision or condition were not contained herein.
- H. **Waiver of Terms.** FSAM's failure to insist at any time upon strict compliance with any terms of this Agreement shall not constitute a waiver of any of FSAM's rights as described herein.
- I. **Venue and Governing Law.** Each party to this Agreement hereby agrees and acknowledges that venue and jurisdiction of any suit, right, or cause of action arising out of or in connection with this Agreement shall lie exclusively in either Williamson County, Texas or in the Austin Division of the Western Federal District of Texas, and the parties hereto expressly consent and submit to such jurisdiction. Furthermore, except to the extent that this Agreement is governed by the laws of the United States, this Agreement shall be governed by and construed in accordance with the laws of the State of Texas, excluding, however, its choice of law rules.
- J. **Extraordinary Events.** Neither FSAM nor any of its officers, directors, shareholders, affiliates, general partners, employees, agents, or trustees shall be liable for losses caused directly or indirectly by government restrictions, exchange or market actions, suspensions of trading, wars, strikes, delays in the transmission of orders due to breakdown or failure of transmission or communication facilities, or any other causes beyond FSAM's reasonable control or anticipation.
- K. **Written Disclosure Statement.** Simultaneously with the execution of this Agreement, FSAM has delivered to the Investor Part II of its Form ADV as filed with the SEC, or a similar disclosure document, as its brochure pursuant to Rule 204.3 of the Advisers Act. The Investor's execution of this Agreement shall be deemed acknowledgment of receipt thereof.
- L. **Verification of Information.** The Investor represents and warrants to FSAM that all information furnished to FSAM in connection with the opening of the Portfolio (and all documents supplied by the Investor in this regard, including financial statements) are true, complete, and correct. FSAM is entitled to rely on this information until FSAM receives written notice of any change, which the Investor agrees to furnish promptly should any material changes occur.
- M. **Relationship of the Parties.** Each party to this Agreement, in the performance of this Agreement, shall act in an individual capacity and not as agents, employees, partners, joint ventures or associates of one another. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purposes whatsoever.

By signing this Agreement, the undersigned Investor acknowledges receipt of a copy of this Agreement, including Schedule A.

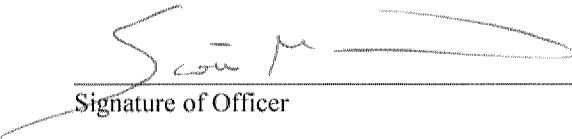
WILLIAMSON COUNTY, TEXAS



Dan A. Gattis, Williamson County Judge
710 Main Street, Suite 101
Georgetown, Texas 78626

03-25-2013
Date

FIRSTSOUTHWEST ASSET MANAGEMENT, INC.



Signature of Officer

2/28/13

Date

Scott McIntyre

Print Name

Senior Vice President

Capacity of Signatory

- N. **Non-Appropriation and Fiscal Funding.** The obligations of the parties under this Agreement do not constitute a general obligation or indebtedness of either party for which such party is obligated to levy, pledge, or collect any form of taxation. It is understood and agreed that Investor shall have the right to terminate this Agreement at the end of any Investor fiscal year if the governing body of Investor does not appropriate sufficient funds as determined by Investor's budget for the fiscal year in question. Investor may effect such termination by giving written notice of termination at the end of its then-current fiscal year.
- O. **No Waiver of Immunities.** Nothing in this Agreement shall be deemed to waive, modify or amend any legal defense available at law or in equity to Investor, its past or present officers, employees, or agents, nor to create any legal rights or claim on behalf of any third party. Investor does not waive, modify, or alter to any extent whatsoever the availability of the defense of governmental immunity under the laws of the State of Texas and of the United States.
- P. **Investor's Right to Audit.** FSAM agrees that Investor or its duly authorized representatives shall, until the expiration of three (3) years after final payment under this Agreement, have access to and the right to examine and photocopy any and all books, documents, papers and records of FSAM which are directly pertinent to the services to be performed under this Agreement for the purposes of making audits, examinations, excerpts, and transcriptions. FSAM agrees that Investor shall have access during normal working hours to all necessary FSAM facilities and shall be provided adequate and appropriate work space in order to conduct audits in compliance with the provisions of this section. Investor shall give FSAM reasonable advance notice of intended audits.

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SCHEDULE A

FEE SCHEDULE AND EXPENSE ITEMS

In consideration for the services rendered by First Southwest Asset Management, Inc. ("FSAM") in connection with the investment of the Portfolio for the Investor, it is understood and agreed that its fee will be at fixed quarterly rate of \$10,000.

Approximately thirty (30) days following the conclusion of each calendar quarter, FSAM shall provide Investor with an invoice that adequately sets forth the fees claimed to be due to FSAM for the prior calendar quarter. Said fee includes all costs of services related to the investment services provided under this Agreement. Any other fees earned by FSAM relating to Investor transactions, shall be described in advance of any transaction and fully disclosed to the Investor. Investor's payment for services shall be governed by Chapter 2251 of the Texas Government Code. An invoice shall be deemed overdue the 31st day after the later of (1) the date the performance of the service under the contract is completed; or (3) the date the Williamson County Auditor receives an invoice for the services. Interest charges for any overdue payments shall be paid by Investor in accordance with Texas Government Code Section 2251.025. More specifically, the rate of interest that shall accrue on a late payment is the rate in effect on September 1 of Investor's fiscal year in which the payment becomes due. The said rate in effect on September 1 shall be equal to the sum of one percent (1%); and (2) the prime rate published in the Wall Street Journal on the first day of July of the preceding fiscal year that does not fall on a Saturday or Sunday.

In the event that an error appears in an invoice submitted by FSAM, Investor shall notify FSAM of the error not later than the twenty first (21st) day after the date Investor receives the invoice. If the error is resolved in favor of FSAM, FSAM shall be entitled to receive interest on the unpaid balance of the invoice submitted by FSAM beginning on the date that the payment for the invoice became overdue. If the error is resolved in favor of the Investor, FSAM shall submit a corrected invoice that must be paid in accordance within the time set forth above. The unpaid balance accrues interest as provided by Chapter 2251 of the Texas Government Code if the corrected invoice is not paid by the appropriate date.

Fee Calculation for Investment of Bond Proceeds into Flexible Repurchase Agreements ("Flex Repos") and Guaranteed Investment Contracts ("GIC's"): In the event that specific bond proceeds are invested by FSAM *as per Investor instruction* into either a Flex Repo or GIC, FSAM shall be entitled to the lesser of \$35,000 or 0.2 percent (0.002) of the aggregate amount reasonably expected as of the issue date to be deposited over the term of the contract. This *fully disclosed fee* would be paid to FSAM by the winning bidder and not the Investor.

