



BLX Group LLC

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February 8, 2024

Via Email

Williamson County
D. Scott Heselmeyer
Williamson County Treasurer
710 Main Street, Suite 105
Georgetown, TX 78626

Re: Williamson County, Texas
Limited Tax Notes, Series 2021
Liquidation of Open Market Securities

Dear Mr. Heselmeyer:

This letter will confirm the engagement by the Williamson County, Texas (the "Client") of BLX Group LLC ("BLX") for the purpose of providing cash flow analyses and bidding agent services in connection with the investment portfolio (the "Portfolio") allocable to the gross proceeds ("Proceeds") of the above-referenced obligations. BLX will provide the following services under this agreement:

- (A) BLX will perform cash flow and projected arbitrage analyses to evaluate the potential benefits of liquidating the Portfolio, in whole or in part, and in lieu of re-investing the Proceeds in the Client's Project Fund, re-investing the Proceeds in State and Local Government Series - Demand Deposit securities ("DD SLGs"). The expected potential benefits of this investment strategy for the Client is based upon the expected increase in retainable earnings (i.e. net of required arbitrage rebate and/or yield restriction payments to the IRS pursuant to the Treasury Regulations) over the expected retainable earnings of the current Portfolio (and re-investment of Portfolio receipts in the Project Fund). For purposes of quantifying the expected benefits, BLX will work with the Client to establish appropriate expected drawdown schedules of the expenditure of the Proceeds and assumptions for the rate of earnings in the Project Fund and DD SLGs.
- (B) As part of implementing the DD SLGs investment strategy, BLX will act as bidding agent for the purpose of liquidating the open market securities contained in the Portfolio.
- (C) BLX will work with the Client to establish the key individuals involved in executing the transaction, including individuals from the critical parties involved in completing the transaction (i.e., Client, bond counsel, etc.).
- (D) BLX will prepare a Request for Bids ("RFB") to be reviewed and approved by the Client and its financing team prior to use. The RFB will be used to sell the open market securities.

- (E) BLX will prepare a proposed list of qualified entities to receive the RFB to be approved by the Client.
- (F) BLX will coordinate a competitive solicitation of bids. A summary of the bids received will be provided to the Client via BLXBid.com. The Client will have the right to reject any and all bids and will have full discretion to award or not award the sale of the securities.
- (G) If awarded, BLX will work with the Client, bond counsel, trustee, and the purchaser (the "Provider") to close the transaction.

BLX is registered with both the U.S. Securities and Exchange Commission ("SEC") and the Municipal Securities Rulemaking Board ("MSRB") as a Municipal Advisor. As a Municipal Advisor, BLX is subject to certain rules and regulations of those organizations. Pursuant to MSRB rules, BLX is required to deal fairly with all persons. SEC rules also confirm that we are to uphold a fiduciary duty to Municipal Advisory clients.

The services provided by BLX will be limited to those set forth above. The term of this engagement remains effective during BLX's services and will terminate upon closing of the transaction. Either party may terminate this engagement without cause upon giving prior written notice to the other party of its intention to terminate. The rights and obligations of BLX under this engagement may not be assigned without prior written consent of the Client. BLX will have no discretion or control over final decisions regarding solicitation and selection of the investment providers and execution of the sale of securities. All such final decisions will be made by the Client. BLX shall neither take possession of nor act as Custodian for any cash or securities of the Client at any time during the term of this engagement.

BLX Fees and Compensation

Bidding Agent Services: BLX's fee to act as bidding agent in the sale of securities will be \$46,000 and will be due and payable contingent upon the settlement of the sale of the securities. The fee paid to BLX for bidding agent services, at the Client's option, shall be paid either by the Client or on behalf of the Client, directly by the Provider to BLX.

The fee paid to BLX as compensation for its services effectively reduces the proceeds realized from the sale of the securities.

Most forms of compensation for Municipal Advisors have some sort of potential conflict of interest inherent in the payment arrangement. Hourly fees are the product of the number of hours worked by BLX personnel times an agreed-upon hourly billing rate. This form of compensation presents a potential conflict of interest because it could create an incentive for BLX to recommend alternatives that would result in more hours worked. Under a contingent fee form of compensation, payment of an advisor's fee is dependent upon the successful completion of a financing or other transaction. Although this form of compensation may be customary for the client, it presents a conflict because the advisor may have an incentive to recommend unnecessary financings or financings that are disadvantageous to the client. For example, when facts or circumstances arise that could cause the financing or other transaction to be delayed or fail to close, an advisor may have an incentive to discourage a full consideration of such facts and circumstances, or to discourage consideration of alternatives that may result in the cancellation of the financing or other transaction. These conflicts of interest will not impair BLX's ability to render unbiased and competent advice or to fulfill its regulatory duty to the Client.

Conflict of Interest Disclosures

The Client is aware that BLX is a subsidiary of Orrick, Herrington & Sutcliffe LLP ("Orrick"). Although Orrick is a law firm, BLX does not provide legal services.

BLX and/or Orrick may have client relationships with other parties involved in some manner with the Client or the financing transaction relating to the funds being invested (for example, underwriters, trustees, rating agencies, insurers, credit providers, lenders, contractors, developers, advisors, other Municipal Advisors, investment advisors/providers/brokers, public entities, other Municipal Advisory clients and others) whether with respect to the Client or some unrelated matter. However, to the extent that a potential attorney-client conflict-of-interest is created by this engagement, the Client hereby waives any such conflict.

BLX has taken steps to identify potential conflicts of interest that may impact its ability to fulfill its duty under this Agreement. Please also note that some of the investment providers that receive the RFB/RFO and may win the bidding may have been, may be or may become clients of BLX or BLX's parent company Orrick, Herrington & Sutcliffe LLP ("Orrick"). However, none is or shall be a client of BLX or Orrick with respect to this transaction. To the extent that, because of any other relationship between BLX or Orrick and any investment provider, there may appear to be or is any conflict, actual or potential, with respect to the Client engagement of BLX, the Client hereby waives the conflicts and consents to any such other relationship. During this engagement, BLX will notify the Client if it becomes aware of any relationship with an investment provider that may pose a material conflict.

BLX serves a wide variety of other clients that may from time to time have interests that could have a direct or indirect impact on the interests of another BLX client. For example, BLX serves as Municipal Advisor to other Municipal Advisory clients and, in such cases, owes a regulatory duty to such other clients just as it does to the Client. These other clients may, from time to time and depending on the specific circumstances, have competing interests. In acting in the interests of its various clients, BLX could potentially face a conflict of interest arising from these competing client interests. BLX fulfills its regulatory duty and mitigates such conflicts through dealing honestly and with the utmost good faith with the Client.

If BLX becomes aware of any additional potential or actual conflict of interest after this disclosure, BLX will disclose the detailed information in writing to the Client in a timely manner.

SEC and MSRB Filings and History

BLX does not have any legal events or disciplinary history on BLX's Form MA and Form MA-I, which includes information about any criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation. The Client may electronically access BLX's most recent Form MA and each most recent Form MA-I filed with the SEC at the following website using CIK 0001610628 in the fast search field: www.sec.gov/edgar/searchedgar/companysearch.html.

There have been no material changes to a legal or disciplinary event disclosure on any Form MA or Form MA-I filed with the SEC. If any material legal or regulatory action is brought against BLX,

BLX will provide complete disclosure to the Client in detail allowing the Client to evaluate BLX, its management and personnel.

Pursuant to MSRB Rule G-10, on Investor and Municipal Advisory Client Education and Protection, Municipal Advisors are required to provide certain written information to their municipal entity and obligated person clients which include the following:

- BLX is currently registered as a Municipal Advisor with the SEC and the MSRB.
- Within the MSRB website at www.msrb.org, the Client may obtain the Municipal Advisory client brochure that is posted on the MSRB website. The brochure describes the protections that may be provided by the MSRB Rules along with how to file a complaint with financial regulatory authorities.

If the foregoing is acceptable to the Client, please so indicate by returning a signed copy of this letter and retain the original for your files. Thank you again for this opportunity to be of service. We look forward to working with you.

Very truly yours,
BLX GROUP LLC

By: 

Jeff Higgins
Managing Director

ACCEPTED AND AGREED:
Williamson County, Texas

The undersigned hereby acknowledges that he/she 1) is authorized to enter into this agreement on behalf of the Client, and 2) that she/he has been given the opportunity to raise questions and discuss this engagement letter with BLX.

By: _____

Date: _____