

MUNICIPAL ADVISORY AGREEMENT

This Municipal Advisory Agreement (the "Agreement") is made and entered into by and between Indian River County, Florida (the "Issuer" or the "County") and Masterson Advisors LLC ("Masterson" or "Contractor") effective as of December 18, 2018.

WITNESSETH:

WHEREAS, the Issuer will have under consideration from time to time the authorization and issuance of indebtedness in amounts and forms which cannot presently be determined and, in connection with the authorization, sale, issuance and delivery of such indebtedness, Issuer desires to retain an independent municipal advisor; and

WHEREAS, the Issuer desires to obtain the professional services of Masterson to advise the Issuer regarding the issuance and sale of certain evidences of indebtedness or debt obligations that may be authorized and issued or otherwise created or assumed by the Issuer (hereinafter referred to collectively as the "Debt Instruments") from time to time during the period in which this Agreement shall be effective; and

WHEREAS, Masterson is willing to provide its professional services and its facilities as a municipal advisor in connection with all programs of financing as may be considered and authorized by Issuer during the period in which this Agreement shall be effective.

NOW, THEREFORE, the Issuer and Masterson, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, do hereby agree as follows:

Section 1. Description of Services. Upon the request of an authorized representative of the Issuer, Masterson agrees to perform the municipal advisory services stated in the following provisions of this Section I; and for having rendered such services, the Issuer agrees to pay to Masterson the compensation as provided in Section 5 hereof.

A. Financial Planning. At the direction of Issuer, Masterson shall:

- 1. Survey and Analysis.** Conduct a survey of the financial resources of the Issuer to determine the extent of its capacity to authorize, issue and service any Debt Instruments contemplated. This survey will include an analysis of any existing debt structure as compared with the existing and projected sources of revenues which may be pledged to secure payment of debt service and, where appropriate, will include a study of the trend of the assessed valuation, taxing power and present and future taxing

requirements of the Issuer. In the event revenues of existing or projected facilities operated by the Issuer are to be pledged to repayment of the Debt Instruments then under consideration, the survey will take into account any outstanding indebtedness payable from the revenues thereof, additional revenues to be available from any proposed rate increases and additional revenues, as projected by consulting engineers employed by the Issuer, resulting from improvements to be financed by the Debt Instruments under consideration.

2. **Future Financings.** Consider and analyze future financing needs as projected by the Issuer's staff and consulting engineers or other experts, if any, employed by the Issuer.
3. **Recommendations for Debt Instruments.** On the basis of the information developed by the survey described above, and other information and experience available, submit to the Issuer recommendations regarding the Debt Instruments under consideration, including such elements as the date of issue, interest payment dates, schedule of principal maturities, options of prior payment, security provisions, and such other provisions as may be appropriate in order to make the issue attractive to investors while achieving the objectives of the Issuer. All recommendations will be consistent with the goal of designing the Debt Instruments to be sold on terms which are advantageous to the Issuer, including the lowest interest cost consistent with all other considerations.
4. **Market Information.** Advise the Issuer of our interpretation of current bond market conditions, other related forthcoming bond issues and general information, with economic data, which might normally be expected to influence interest rates or bidding conditions so that the date of sale of the Debt Instruments may be set at a favorable time.
5. **Elections.** In the event it is necessary to hold an election to authorize the Debt Instruments then under consideration, Masterson will assist in coordinating the assembly of such data as may be required for the preparation of necessary petitions, orders, resolutions, ordinances, notices and certificates in connection with the election, including assistance in the transmission of such data to a firm of municipal bond attorneys ("Bond Counsel") retained by the Issuer.

B. Debt Management and Financial Implementation. At the direction of Issuer, Masterson shall:

1. **Method of Sale.** Evaluate the particular financing being contemplated,

giving consideration to the complexity, market acceptance, rating, size and structure in order to make a recommendation as to an appropriate method of sale, and:

- a. If the Debt Instruments are to be sold by an advertised competitive sale, Masterson will:
 - i. Supervise the sale of the Debt Instruments;
 - ii. Disseminate information to prospective bidders, organize such informational meetings as may be necessary, and facilitate prospective bidders' efforts in making timely submission of proper bids;
 - iii. Assist the staff of the Issuer in coordinating the receipt of bids, the safekeeping of good faith checks and the tabulation and comparison of submitted bids; and
 - iv. Advise the Issuer regarding the best bid and provide advice regarding acceptance or rejection of the bids.
- b. If the Debt Instruments are to be sold by negotiated sale, Masterson will:
 - i. Recommend for Issuer's final approval and acceptance one or more investment banking firms as managers of an underwriting syndicate for the purpose of negotiating the purchase of the Debt Instruments.
 - ii. Cooperate with and assist any selected managing underwriter and their counsel in connection with their efforts to prepare any Official Statement or Offering Memorandum. Masterson will cooperate with and assist the underwriters in the preparation of a bond purchase contract, an underwriters agreement and other related documents. The costs incurred in such efforts, including the printing of the documents, will be paid in accordance with the terms of the Issuer's agreement with the underwriters, but shall not be or

become an obligation of Masterson except to the extent specifically provided otherwise in this Agreement or assumed in writing by Masterson.

- iii. Assist the staff of the Issuer in the safekeeping of any good faith checks, to the extent there are any such, and provide a cost comparison, for both expenses and interest which are suggested by the underwriters, to the then current market.
- iv. Advise the Issuer as to the fairness of the price offered by the underwriters.

2. **Offering Documents.** Coordinate the preparation of the notice of sale and bidding instructions, official statement, official bid form and such other documents as may be required and submit all such documents to the Issuer for examination, approval and certification. After such examination, approval and certification, Masterson shall provide the Issuer with a supply of all such documents sufficient to its needs and distribute by mail or, where appropriate, by electronic delivery, sets of the same to prospective purchasers of the Debt Instruments. Also, Masterson shall provide copies of the final Official Statement to the purchaser of the Debt Instruments in accordance with the Notice of Sale and Bidding Instructions.
3. **Credit Ratings.** Make recommendations to the Issuer as to the advisability of obtaining a credit rating, or ratings, for the Debt Instruments and, when directed by the Issuer, coordinate the preparation of such information as may be appropriate for submission to the rating agency, or agencies. In those cases where the advisability of personal presentation of information to the rating agency, or agencies, may be indicated, Masterson will arrange for such personal presentations, utilizing such composition of representatives from the Issuer as may be finally approved or directed by the Issuer.
4. **Trustee, Paying Agent, Registrar.** Upon request, counsel with the Issuer in the selection of a Trustee and/or Paying Agent/Registrar for the Debt Instruments and assist in the negotiation of agreements pertinent to these services and the fees incident thereto.
5. **Financial Publications.** When appropriate, advise financial publications of the forthcoming sale of the Debt Instruments and provide them with all pertinent information.

- 6. Consultants.** After consulting with and receiving directions from the Issuer, arrange for such reports and opinions of recognized independent consultants as may be appropriate for the successful marketing of the Debt Instruments.
- 7. Auditors.** In the event formal verification by an independent auditor of any calculations incident to the Debt Instruments is required, make arrangements for such services.
- 8. Issuer Meetings.** Attend meetings of the governing body of the Issuer, its staff, representatives or committees as requested at all times when Masterson may be of assistance or service and the subject of financing is to be discussed.
- 9. Printing.** To the extent authorized by the Issuer, coordinate all work incident to printing of the offering documents and the Debt Instruments.
- 10. Bond Counsel.** Maintain liaison with Bond Counsel in the preparation of all legal documents pertaining to the authorization, sale and issuance of the Debt Instruments.
- 11. Changes in Laws.** Provide to the Issuer copies of proposed or enacted changes in federal and state laws, rules and regulations having, or expected to have, a significant effect on the municipal bond market of which Masterson becomes aware in the ordinary course of its business, it being understood that Masterson does not and may not act as an attorney for, or provide legal advice or services to, the Issuer.
- 12. Delivery of Debt Instruments.** As soon as a bid for the Debt Instruments is accepted by the Issuer, coordinate the efforts of all concerned to the end that the Debt Instruments may be delivered and paid for as expeditiously as possible and assist the Issuer in the preparation or verification of final closing figures incident to the delivery of the Debt Instruments.
- 13. Debt Service Schedule; Authorizing Resolution.** After the closing of the sale and delivery of the Debt Instruments, deliver to the Issuer a schedule of annual debt service requirements for the Debt Instruments and, in coordination with Bond Counsel, assure that the paying agent/registrars and/or trustee has been provided with a copy of the authorizing ordinance, order or resolution.

Section 2. Other Available Services. In addition to the services set forth and described in Section I herein above, Masterson agrees to make available to Issuer the following services, when so requested by the Issuer and subject to the agreement by Issuer and Masterson regarding the compensation, if any, to be paid for such services, it being understood and agreed that the services set forth in this Section II shall require further agreement as to the compensation to be received by Masterson for such services:

- A. Exercising Calls and Refunding.** Provide advice and assistance with regard to exercising any call and/or refunding of any outstanding Debt Instruments.
- B. Capital Improvements Programs.** Provide advice and assistance in the development of any capital improvements programs of the Issuer.
- C. Long-Range Planning.** Provide advice and assistance in the development of other long-range financing plans of the Issuer.
- D. Post-Sale Services.** Subsequent to the sale and delivery of Debt Instruments, review the transaction and transaction documentation with legal counsel for the Issuer, Bond Counsel, auditors and other experts and consultants retained by the Issuer and assist in developing appropriate responses to legal processes, audit procedures, inquiries, internal reviews and similar matters.

Section 3. Term of Agreement. This Agreement shall become effective as of December 18, 2018 and, unless sooner terminated by either party pursuant to the terms of this Agreement, shall remain in effect thereafter for a period of five (5) years from such date. Unless Masterson or the Issuer shall notify the other party in writing at least forty-five (45) days in advance of the applicable anniversary date that this Agreement will not be renewed, this Agreement will be automatically renewed on the fifth anniversary of the date hereof for an additional one (1) year period, and thereafter will be automatically renewed on each anniversary date for successive one (1) year periods, for a maximum term, including all renewals, of ten (10) years.

Section 4. Termination. This Agreement may be terminated with or without cause by the Issuer or Masterson upon the giving of at least forty-five (45) days prior written notice to the other party of its intention to terminate, specifying in such notice the effective date of such termination. In the event of such termination, it is understood and agreed that only the amounts due Masterson for services provided and expenses incurred to the date of termination will be due and payable. No penalty will be assessed for termination of this Agreement

TERMINATION IN REGARDS TO F.S. 287.135: Contractor certifies that it and those related entities of respondent as defined by Florida law are not on the Scrutinized Companies that Boycott Israel List, created pursuant to s. 215.4725 of the Florida Statutes, and are not engaged in a boycott of Israel. In addition, if this agreement is for goods or services of one million dollars or more, Contractor certifies that it and those

related entities of respondent as defined above by Florida law are not on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, created pursuant to Section 215.473 of the Florida Statutes and are not engaged in business operations in Cuba or Syria.

County may terminate this Contract if Contractor is found to have submitted a false certification as provided under section 287.135(5), Florida Statutes, been placed on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, or been engaged in business operations in Cuba or Syria, as defined by section 287.135, Florida Statutes.

County may terminate this Contract if Contractor, including all wholly owned subsidiaries, majority-owned subsidiaries, and parent companies that exist for the purpose of making profit, is found to have been placed on the Scrutinized Companies that Boycott Israel List or is engaged in a boycott of Israel as set forth in section 215.4725, Florida Statutes.

Section 5. Compensation and Expense Reimbursement. The fees due to Masterson for the services set forth and described in Section I of this Agreement with respect to each issuance of Debt Instruments during the term of this Agreement shall be calculated in accordance with the schedule set forth on Appendix A attached hereto. Unless specifically provided otherwise on Appendix A or in a separate written agreement between Issuer and Masterson such fees, together with any other fees as may have been mutually agreed upon and all expenses for which Masterson is entitled to reimbursement, shall become due and payable concurrently with the delivery of the Debt Instruments to the purchaser.

Section 6. Personnel. Edward D. Stull, Jr., Managing Director, will be assigned to work with County as Municipal advisor. If, for any reason, personnel assigned is changed or replaced, the County has the right to immediately terminate this Agreement. The County has the right to approve, disapprove, or request, for any reason, Masterson to replace any personnel assigned by Masterson to the account. Should the County make such a request, Masterson shall promptly suggest a substitute until a satisfactory substitute is selected.

Section 7. Indemnification. To the fullest extent permitted by law, Masterson shall indemnify and hold harmless the County, its commissioners, officers, and employees from liabilities, damages, losses and costs including, but not limited to, reasonable attorney's fees, to the extent caused by the negligence, recklessness, or intentional wrongful conduct of Masterson and other persons employed or utilized by Masterson in the performance of this Agreement.

Section 8. Insurance. Masterson shall not commence to perform the Services or Additional Services under this Agreement until it has obtained all of the insurance

required under this Agreement and such certificates of insurance have been approved by the County's Risk Manager. A certificate of insurance shall be provided to the County's Risk Manager for review and approval ten days prior to commencement of any work under this Agreement. The insurance company must have a rating by AM. Best Company of at least A: V. Such certificates of insurance or an endorsement provided by Masterson must state that the County will be given thirty days' prior written notice prior to cancellation or material change in coverage. The County shall be named as an additional insured on all policies except workers' compensation and professional liability. Masterson shall procure and maintain, for the duration of this Agreement, the minimum insurance coverage as set forth herein, and the cost of such insurance shall be included in Masterson fee.

- A. Workers Compensation and Employers Liability:** Workers Compensation limits as required by the State of Florida and employers Liability limits of \$500,000.00 disease (policy limit) and \$100,000 disease (each employee).
- B. Commercial General Liability:** Minimum combined single limit of \$500,000 per occurrence for bodily injury and property damage. This is to include premises/operations, products/completed operations, contractual liability and independent contractors' coverage.
- C. Business Auto Liability:** Minimum combined single limit of \$500,000 per occurrence for bodily injury and property damage. This is to include owned, hired, and non-owned autos.
- D. Professional liability:** Minimum limit of \$1,000,000 per occurrence.

The County, through its Risk Manager, reserves the right to periodically review any and all policies of insurance and reasonably adjust the limits of coverage required hereunder, from time to time throughout the term of this Agreement. In such event, the County shall provide Masterson with separate written notice of such adjusted limits and Masterson shall comply within thirty days of receipt thereof. The failure of Masterson to provide such additional coverage shall constitute a default by Masterson and shall be grounds for termination of this Agreement by the County.

Section 9. Miscellaneous.

- A. Background Recitals.** The Background recitals are true and correct and form a material part of this Agreement
- B. County Designee.** The County Administrator is hereby designed as the representative of the County. All work performed by Masterson pursuant to this Agreement shall be by the direction of the County acting through the County Administrator or his or her designee.
- C. Independent Contractor.** It is specifically acknowledged and agreed by the parties hereto that Masterson is and shall be, in the performance of all Services and activities under this Agreement, an independent contractor, and

not an employee, agent or servant of the County. All persons engaged in any of the Services performed pursuant to this Agreement shall at all times, and in all places, be subject to Masterson's sole discretion, supervision, and control. Masterson shall exercise control over the means and manner in which Masterson and its employees perform the Services, and in all respects Masterson's relationship and the relationship of its employees to the County shall be that of an independent contractor performing solely under the terms of the Agreement and not as employees, agents, or servants of the County.

D. Governing Law; Venue; Attorney Fees. This Agreement shall be construed, governed and interpreted according to the laws of the State of Florida. Venue for any lawsuit brought by either party against the other party or arising out of this Agreement shall be in Indian River County, Florida or, in the event of federal jurisdiction, in the United States District Court for the Southern District of Florida. Each party shall bear its own attorney fees in any dispute arising under this Agreement

E. Remedies; No Waiver. All remedies provided in this Agreement shall be deemed cumulative and additional, and not in lieu or exclusive of each other or of any other remedy available to either party, at law, or in equity. Each right, power, remedy of the parties provided in this Agreement shall be cumulative and concurrent and shall be in addition to every other right, power or remedy provided for in this Agreement or now or hereafter existing at law or in equity or by statute or otherwise. The failure of either party to enforce any provision of this Agreement, or the waiver thereof, in any specific instance by either party shall not be construed as a general waiver or relinquishment on its part of such provision in any other instance, and such provision shall nevertheless remain in full force and effect.

F. Severability. If any term or provision of this Agreement, or the application thereof to any person or circumstance shall, to any extent, be held invalid or unenforceable for the remainder of this Agreement, then the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected, and every other term and provision of this Agreement shall be deemed valid and enforceable to the extent permitted by law.

G. Availability of Funds. The obligations of the County under this Agreement are subject to the availability of funds lawfully appropriated for its purpose by the Board of County Commissioners of Indian River County.

H. No Pledge of Credit. Masterson shall not pledge the County's credit or make it a guarantor of payment or surety for any contract, debt, obligation, judgment, lien or any form of indebtedness.

I. Public Records Compliance.

- a. Indian River County is a public agency subject to Chapter 119, Florida Statutes. Masterson shall comply with Florida's Public Records Law. Specifically, Masterson shall:
 - i. Keep and maintain public records that ordinarily and necessarily would be required by the County in order to perform the service.
 - ii. Upon request from the County's Custodian of Public Records, provide the County with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119 or as otherwise provided by law.
 - iii. Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of the contract if the contractor does not transfer the records to the County.
 - iv. Upon completion of the contract, transfer, at no cost, to the County all public records in possession of the Contractor or keep and maintain public records required by the County to perform the service. If the Contractor transfers all public records to the County upon completion of the contract, the Contractor shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the contractor keeps and maintains public records upon completion of the contract, the Contractor shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the County, upon request from the Custodian of Public Records, in a format that is compatible with the information technology systems of the County.

b. IF THE CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE CONTRACTOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT:

(772) 226-1424

publicrecords@ircgov.com

Indian River County Office of the County Attorney

1801 27th Street

Vero Beach, FL 32960

c. Failure of Masterson to comply with these requirements shall be a material breach of this Agreement.

J. Notices. Any notice, request, demand, consent, approval, or other communication required or permitted by this Agreement shall be given or made in writing and shall be served, as elected by the party giving such notice, by any of the following methods: (a) Hand delivery to the other party; (b) Delivery by commercial overnight courier service; or (c) Mailed by registered or certified mail (postage prepaid), return receipt requested at the addresses of the parties shown below:

If to County:

County Administrator
Indian River County
1801 27th Street
Vero Beach, Florida 32960

If to Masterson:

Edward D. Stull, Jr.
Managing Director
Masterson Advisors, LLC
5323 Millenia Lakes Blvd, Suite 300
Orlando, FL 32839

Notices shall be effective when received at the address as specified above. Either party may change its address, for purposes of this section, by written notice to the other party given in accordance with the provisions of this section.

- K. Survival.** Except as otherwise expressly provided herein, each obligation in this Agreement to be performed by Masterson shall survive the termination or expiration of this Agreement.
- L. Construction/Interpretation of Agreement.** Each party has participated equally in the negotiation and drafting of this Agreement. In the event that an arbitration panel or court is required to interpret any provision of this Agreement, the provision shall not be interpreted for or against either party upon the basis that such party was or was not the preparer of this Agreement.
- M. Sovereign Immunity.** Nothing herein shall constitute a waiver of the County's sovereign immunity.
- N. No Third-Party Beneficiaries.** Except as otherwise expressly provided herein, this Agreement is solely for the benefit of the named parties, and no enforceable right or cause of action shall accrue hereunder to or for the benefit of any entity or individual not a named party hereto.
- O. Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all which together will constitute one and the same instrument.
- P. Entire Agreement; Amendments.** This Agreement constitutes the entire agreement between the parties and supersedes all previous discussions, understandings, and agreements between the parties relating to the subject matter of this Agreement. Amendments to and waivers of the provisions of this Agreement shall be made by the parties only in writing by written amendment or other appropriate written document.

IN WITNESS THEREOF, Issuer and Masterson have caused this Agreement to be executed in their respective names as of the date entered below.

ATTEST: Jeffrey R. Smith, Clerk
of
Court and Comptroller

**BOARD OF COUNTY COMMISSIONERS,
INDIAN RIVER COUNTY ("Indian River
County")**

By: _____

By: _____

Bob Solari, Chairman

(Affix Seal)

Approved by BCC:_____.

Approved:

Approved as to form and legal sufficiency:

By: _____

Jason E. Brown
County Administrator

By: _____

Dylan Reingold
County Attorney

MASTERTON ADVISORS, LLC

By: _____

Edward D. Stull, Jr.
Managing Director

APPENDIX A

The fees due Masterson for the services set forth and described in this Agreement with respect to each issuance of Debt Instruments during the term of the Agreement shall be calculated in accordance with the schedules set forth below.

- A. With respect to compensation on a time and expenses basis, for non-bond related services, Masterson's hourly fee schedule, excluding out-of-pocket expenses, is as follows:

<u>Position</u>	<u>Rate per Hour</u>
Managing Director/Director:	\$175/hr.
Vice President:	\$120/hr.
Assistant Vice President:	\$120/hr.
Analyst/Associate:	\$120/hr.
Administrative:	\$ 40/hr.

- B. The fees due the Masterson for the services with respect to each issuance of Debt Instruments (bonds, bank loans, etc.) during the term of this Agreement shall be calculated in accordance with the schedule set forth below. Unless specifically provided otherwise herein or in a separate written agreement between the Issuer and Masterson, such fees, together with any other fees and may have been mutually agreed upon and all expenses, for which Masterson is entitled to reimbursement, shall become due and payable concurrently with the delivery of the Debt Instruments to the purchaser.

Debt Transaction Fee

\$1.20 per \$1,000 for the first \$20,000,000 of debt instruments, plus
\$0.75 per \$1,000 for amounts greater than \$20,000,000 of debt instruments

Minimum \$15,000 per transaction

- C. The County shall be responsible for typical transaction related expenses, if and when applicable, whether they are charges directly to the County as expenses or charged to the County by Masterson as reimbursable expenses. The payment of reimbursable expenses that Masterson has assumed on behalf of the County shall NOT be contingent upon the delivery of bonds and shall be due at the time that services are rendered and payable upon receipt of an invoice submitted by Masterson. Proposed charges may include items as listed below.
- Travel, lodging and meals, provided travel occurs in coach
 - Courier services, facsimile, and photocopies
 - Conference call charges
 - Third party expenses, such as advertising, incurred on behalf of the County
- D. Fees for ancillary services including continuing disclosure, arbitrage rebate, asset management, structured products, pension and OPEB trusts, and non-traditional services will be based on a mutual agreed upon fee.

DISCLOSURE STATEMENT OF MUNICIPAL ADVISOR

This Disclosure Statement is provided by **MASTERTON ADVISORS LLC** (the “**Municipal Advisor**”) to you (the “**Client**”) in connection with our current municipal advisory agreement, (the “**Agreement**”). This Disclosure Statement provides information regarding conflicts of interest and legal or disciplinary events of Municipal Advisor that are required to be disclosed to Client pursuant to MSRB Rule G- 42(b) and (c)(ii).

PART A - Disclosures of Conflicts of Interest

MSRB Rule G-42 requires that municipal advisors provide to their clients disclosures relating to any actual or potential material conflicts of interest, including certain categories of potential conflicts of interest identified in Rule G-42, if applicable.

Material Conflicts of Interest – Municipal Advisor makes the disclosures set forth below with respect to material conflicts of interest in connection with the Scope of Services under the Agreement with the Municipal Advisor together with explanations of how the Firm addresses or intends to manage or mitigate each conflict.

General Mitigations - As general mitigations of the Municipal Advisor conflicts, with respect to all of the conflicts disclosed below, Municipal Advisor mitigates such conflicts through its adherence to its fiduciary duty to Client, which includes a duty of loyalty to Client in performing all municipal advisory activities for Client. This duty of loyalty obligates the Municipal Advisor to deal honestly and with the utmost good faith with Client and to act in Client’s best interests without regard to the Municipal Advisor’s financial or other interests. The disclosures below describe, as applicable, any additional mitigations that may be relevant with respect to any specific conflict disclosed below.

- I. **Other Municipal Advisor Relationships**. Municipal Advisor 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 Client. For example, Municipal Advisor 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 Client. These other clients may, from time to time and depending on the specific circumstances, have competing interests, such as accessing the new issue market with the most advantageous timing and with limited competition at the time of the offering. In acting in the interests of its various clients, Municipal Advisor could potentially face a conflict of interest arising from these competing client interests. None of these other engagements or relationships would impair Municipal Advisor’s ability to fulfill its regulatory duties to Client.
- II. **Compensation-Based Conflicts**. Fees that are based on the size of the issue are contingent upon the delivery of the Issue. While this form of compensation is customary in the municipal securities market, this may present a conflict because it could create an incentive for the Firm to recommend unnecessary financings or financings that are disadvantageous to Client, or to advise Client to increase the size of the issue. This conflict of interest is mitigated by the general mitigations described above.

Fees based on a fixed amount are usually based upon an analysis by Client and Municipal Advisor of, among other things, the expected duration and complexity of the transaction and the Scope of Services to be performed by Municipal Advisor. This form of compensation presents a potential conflict of interest because, if the transaction requires more work than originally contemplated, Municipal Advisor may suffer a loss. Thus, Municipal Advisor may recommend less time-consuming alternatives, or fail to do a thorough analysis of alternatives. This conflict of interest is mitigated by the general mitigations described above.

Hourly fees, if any, are calculated with, the aggregate amount equaling the number of hours worked by Municipal Advisor personnel times an agreed upon hourly billing rate. This form of compensation presents a potential conflict of interest if Client and Municipal Advisor do not agree on a reasonable maximum amount at the outset of the engagement, because the Municipal Advisor does not have a financial incentive to recommend alternatives that would result in fewer hours worked. This conflict of interest is mitigated by the general mitigations described above.

PART B - Disclosures of Information Regarding Legal Events and Disciplinary History

MSRB Rule G-42 requires that municipal advisors provide to their clients certain disclosures of legal or disciplinary events material to its client's evaluation of the municipal advisor or the integrity of the municipal advisor's management or advisory personnel.

Accordingly, Municipal Advisor sets out below required disclosures and related information in connection with such disclosures.

- I. **Material Legal or Disciplinary Event.** There are no legal or disciplinary events that are material to Client's evaluation of Municipal Advisor or the integrity of Municipal Advisor's management or advisory personnel disclosed, or that should be disclosed, on any Form MA or Form MA-I filed with the SEC.

- II. **How to Access Form MA and Form MA-I Filings.** Municipal Advisor's most recent Form MA and each most recent Form MA-I filed with the SEC are available on the SEC's EDGAR system at the following website, www.sec.gov/edgar/searchedgar/companysearch.html. For purposes of accessing reports, Municipal Advisor's CIK number is 0001733756 and SEC number is 867-02338.

PART C - Future Supplemental Disclosures

As required by MSRB Rule G-42, this Municipal Advisor Disclosure Statement may be supplemented or amended, from time to time as needed, to reflect changed circumstances resulting in new conflicts of interest or changes in the conflicts of interest described above, or to provide updated information with regard to any legal or disciplinary events of the Municipal Advisor. The Municipal Advisor will provide Client with any such supplement or amendment as it becomes available throughout the term of the Agreement.

Municipal Securities Rulemaking Board Rule G-10 Disclosure

Pursuant to Municipal Securities Rulemaking Board 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:

- Masterson Advisors LLC is currently registered as a Municipal Advisor with the U.S. Securities and Exchange Commission and the Municipal Securities Rulemaking Board.
- Within the Municipal Securities Rulemaking Board (“MSRB”) website at www.msrb.org, County 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.