

September 26, 2023

Mayor and Members of the Town Council
Town of Westlake, Texas
1500 Solana Boulevard
Building 7, Suite 7200
Westlake, Texas 76262

Re: Bond Counsel services related to new and existing Public Improvement Districts

Ladies and Gentlemen:

The purpose of this engagement letter (this “Agreement”) is to set forth certain matters concerning the services McCall, Parkhurst & Horton L.L.P. (“we”, “us” or the “firm”) will perform as Bond Counsel to the Town of Westlake, Texas (“you” or the “Town”), in connection with the Town’s creation, financing, and ongoing maintenance and administration of various public improvement districts (“PIDs”) pursuant to Chapter 372 of the Texas Local Government Code, as amended (the “Act”). As the Town’s existing Bond Counsel, we have assisted the Town in creating one or more PIDs, and we have served as Bond Counsel with respect to one or more series of special assessment revenue bonds (“PID Bonds”) to finance authorized improvements within said PIDs. This Agreement is intended to apply only with respect to issues, questions, and concerns the Town and its consultants may direct toward us in connection with the ongoing maintenance and administration of the Town’s existing PIDs, as well as the creation of new PIDs, but not with regard to the issuance of PID Bonds, for which we are paid a separate fee. It is the parties’ expectation that all fees and expenses hereunder will be paid by the Town initially and then be reimbursed to the Town from special assessments levied against the respective PID, or paid directly to the firm by the owner(s) of the respective PID (collectively, “Developers”).

SCOPE OF ENGAGEMENT

In this engagement, we expect to perform, or have already performed on your behalf, the following duties:

- (1) Attend meetings with Town staff and its consultants, Developers and their representatives, and the Town Council, as requested by the Town or its consultants;
- (2) Draft Town Council resolutions as necessary in connection with the creation and administration of PIDs, and prepayments of PID Bonds;
- (3) Draft legal notices relating to PIDs and special assessments as required by the Act and coordinate the mailing and publication of such notices;
- (4) Draft Town Council ordinances relating to annual updates (“SAP Updates”) to the service and assessment plans (“SAPs”) for each PID, if requested by City staff;



- (5) Coordinate recordation of PID creation resolutions, ordinances levying special assessments, and SAP Updates with the respective county clerk(s), upon request by City staff;
- (6) Review and comment on draft development agreements prepared by Developers and their counsel;
- (7) Review and comment on reimbursement agreements (a.k.a., “funding and reimbursement agreements”, “construction funding agreements”, or similar contracts) prepared by Developers and their counsel;
- (8) Review and provide comments on other documents drafted by other parties that are necessary or appropriate to the creation or ongoing administration or restructuring of PIDs, coordinate the authorization and execution of such documents, and review enabling legislation; and
- (9) Review and advise Town on legal issues relating to the creation and structure of the PIDs.

Our duties in this engagement are limited to those expressly set forth above. Unless we are separately engaged in writing to perform other services, our duties do not include any other services, including the following:

- (1) Rendering any legal opinion;
- (2) Reviewing any procurement requirements, procurement documents, or preparation or review of requests for bids or proposals or preparation or review of construction documents;
- (3) Drafting any real estate documents, including but not limited to any development agreements, deeds, deeds of trust, leases, easements, rights-of-way, etc.;
- (4) Assisting in the preparation of service and assessment plans as required by the Act;
- (5) Assisting in the collection of special assessments or contracts related thereto;
- (6) Assisting in the preparation or review of financial disclosure with respect to the Town, the Developers or the PIDs;
- (7) Assisting in obtaining any approval from any other state or federal agency, including without limitation the Texas Commission on Environmental Quality;
- (8) Drafting state constitutional or legislative amendments;
- (9) Pursuing any litigation;



- (10) Making an investigation or expressing any view as to the creditworthiness of the Developer or the financial viability of any development project;
- (11) Representing the Town in any examination or inquiry by any state or federal agency or authority; or
- (12) Addressing any other matter not specifically set forth above.

ATTORNEY-CLIENT RELATIONSHIP

Upon execution of this Agreement, the Town will be our client and an attorney-client relationship will exist between you and us. We further assume that all other parties in this transaction understand that we represent only the Town in this transaction, we are not counsel to any other party, and we are not acting as an intermediary among the parties. Our services as bond counsel are limited to those contracted for in this letter; the Town's execution of this Agreement will constitute an acknowledgment of those limitations.

NO BOYCOTT OF ISRAEL

The firm hereby represents that during the term of this Agreement we do not, nor will we, boycott Israel, in compliance with and within the meaning of 50 U.S.C. Section 4607 and Section 2271.002, of the Texas Government Code.

NOT ENGAGED IN BUSINESS WITH FOREIGN TERRORIST ORGANIZATION

The firm hereby represents that neither the firm nor any wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of the firm is an entity listed by the Texas Comptroller of Public Accounts under Sections 806.051, 807.051, or 2252.153 of the Texas Government Code.

NO DISCRIMINATION OF FIREARMS INDUSTRY

The firm hereby verifies that it (1) does not have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association; and (2) will not discriminate during the term of this Agreement against a firearm entity or firearm trade association. The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, and only if such statute is applicable to this Agreement.

NO BOYCOTT OF ENERGY COMPANIES

The firm hereby verifies that it does not boycott energy companies and, will not boycott energy companies during the term of this Agreement. The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, and only if such statute is applicable to this Agreement.



CONFLICTS

As you are aware, our firm represents many political subdivisions and investment banking firms, among others, who do business with political subdivisions. It is possible that during the time that we are representing the Town, one or more of our present or future clients will have transactions with the Town. It is also possible that we may be asked to represent, in an unrelated matter, one or more of the entities involved in the proposed transaction. We do not believe such representation, if it occurs, will adversely affect our ability to represent you as provided in this letter, either because such matters will be sufficiently different from the proposed transaction so as to make such representations not adverse to our representation of you, or because the potential for such adversity is remote or minor and outweighed by the consideration that it is unlikely that advice given to the other client will be relevant to any aspect of the proposed transaction. Execution of this letter will signify the Town's consent to our representation of others consistent with the circumstances described in this paragraph.

FIRM NOT A MUNICIPAL ADVISOR

As a consequence of the adoption of Rule 15Ba1-1 pursuant to the Securities Exchange Act of 1934 (the "Municipal Advisor Rule"), which has been promulgated by the Securities and Exchange Commission as a result of the enactment of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), we hereby inform the Town that we are not a "Municipal Advisor" within the meaning of the Municipal Advisor Rule or the Dodd-Frank Act (collectively, the "MA Rule"). The MA Rule pertains to activities of persons and entities that provide financial advice to issuers of municipal securities, such as the PID bonds, and establishes a regimen of registration and compliance activities, and also establishes a regulatory fiduciary duty to the issuer of municipal securities, for persons and entities that are subject to the MA Rule.

The MA Rule exempts attorneys from its provisions with respect to the provision of legal advice or services of a traditional legal nature involving the issuance of municipal securities or a municipal financial product. In its release promulgating the MA Rule, the Securities and Exchange Commission noted that it "recognizes that legal advice and services of a traditional legal nature in the area of municipal finance inherently involves a financial advice component." The Securities and Exchange Commission also stated that it "recognizes that analysis, discussion, negotiation, and advice regarding the legal ramifications of the structure, timing, terms, and other provisions of a financial transaction by an attorney to a client are essential to the development of a plan of finance. In turn, these services become, among other things, the basis for a transaction's basic legal documents, the preparation and delivery of the official statement or other disclosure document that describes the material terms and provisions of the transaction, the preparation of the various closing certificates that embody the terms and provisions of the transaction, the preparation and delivery of the attorney's legal opinion." We agree with those statements, and we hereby advise the Town that while we have expertise with respect to the legal aspects relating to the issuance of municipal securities, we are not "financial advisors" or "financial experts" in a manner that would subject us to the provisions of the MA Rule. We provide only legal advice, not purely financial advice that is not an inherent in our legal advice to the Town as Bond Counsel, as the Securities and Exchange Commission has acknowledged. The Town should seek the advice of its



financial advisor with respect to the financial aspects of the issuance of any PID bonds. By signing this Agreement, the Town acknowledges receipt of this information, and evidences its understanding of the limitations of our role to the Town as Bond Counsel with respect to the MA Rule, and, further acknowledges that we are relying on the attorney exclusion provision of the MA Rule.

FEES

Based upon: (i) the duties we will undertake pursuant to this Agreement; (ii) the time we anticipate devoting to the proposed transactions; and (iii) the responsibilities we will assume in connection therewith, the Town shall pay our firm for each hour of work performed (calculated in ¼-hour increments) according to the following schedule:

Partners:	\$600 per hour
Associate Attorneys:	\$400 per hour

In addition, the Town will reimburse us for out-of-pocket expenses incurred in connection with the proposed representation, such as travel costs, translation costs, newspaper publication costs, recording fees, photocopying, deliveries, telecopier charges, filing fees and other expenses. Our statements for payment of the above hourly fees and reimbursement for out-of-pocket expenses will be billed on or after the last business day of each calendar month, but only to the extent we have been asked to provide services hereunder during such calendar month. The Town hereby expressly agrees to pay the above hourly rates and expenses for hours actually worked and expenses actually incurred retroactively through August 1, 2023.

With respect to the creation of any new PID not in existence as of the date hereof, the Town agrees we are to be paid a fee of \$35,000 for each new PID hereafter created; provided, however, that such fee shall be paid directly to us by the respective Developer of said PID, and the Town shall not be obligated to pay such PID creation fee from its own funds.

TERM AND TERMINATION

This Agreement is considered executed once both parties have signed and continues in full force and effect until termination of this Agreement as follows: either party shall have the right to terminate this Agreement by giving thirty (30) calendar days written notice to the other party. In the event of any such termination, within thirty (30) calendar days after such notice, the Town shall pay us all sums earned and due to the firm hereunder up to the date of termination, and all fees, accrued time, and out-of-pocket expenses to the date of termination, including any time associated with transferring files and records to the Town or to third parties at the Town's request.

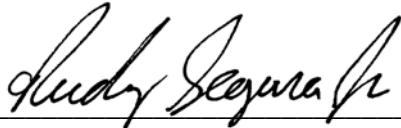


RECORDS

At your request, papers and property furnished by you will be returned promptly upon receipt of payment for outstanding fees and client charges. Our own files, including lawyer work product, pertaining to the transaction will be retained by us. For various reasons, including the minimization of unnecessary storage expenses, we reserve the right to dispose of any documents or other materials retained by us after the termination of this engagement.

If the foregoing terms are acceptable to you, please so indicate by returning the enclosed copy of this Agreement dated and signed by an authorized officer, retaining the original for your files. We look forward to working with you.

McCall, Parkhurst & Horton L.L.P.

By: 
Rodolfo "Rudy" Segura Jr

Accepted and Approved

Town of Westlake, Texas

By: _____
Mayor

Date: _____, 2023