



City Of Hamilton

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Richard Buchanan, *Mayor*
Todd Jordan *Mayor Pro-Tem*
Doug Baker, *Councilperson*
George Beard, *Councilperson*
Michele Cathey, *Councilperson*
Jeffrey Timmons, *Councilperson*
Bruce Mills, *Interim City Administrator*
Brooke Waters, *City Secretary*

February 24, 2025

To Whom It May Concern:

The City of Hamilton (Hamilton County, TX) (the "Issuer") is represented by Government Capital Securities Corporation (our "Municipal Advisor") to provide advice on recommendations and other advice from financial services firms concerning the issuance of municipal securities, the investment of bond proceeds and escrow investments. The Issuer will rely on our municipal advisor by seeking and considering its advice, analysis, and perspective before acting on any such recommendation or other advice, although the Issuer may not necessarily follow our municipal advisor's advice and may also rely on representations, if any, made by financial services firms in proposals or otherwise.

By posting this letter on our website and/or Texas MAC's website, the Issuer intends that market participants may use and rely on this letter for purposes of qualifying for the so-called IRMA exemption afforded by SEC Rule 15Ba1-1(d)(3)(vi) until the Issuer removes the letter from, or replaces it with an updated or correcting letter posted at, the same page on our website and Texas MAC's internet site.

Financial services firms that wish to learn the identity of individuals at our municipal advisor who will participate in advising the Issuer (so that they may determine whether our municipal advisor is independent) should contact Ted Christensen, President, Government Capital Securities Corporation, 559 Silicon Drive, Suite 102, Southlake, TX, 76092, (817) 722-0239. A copy of written representations to us regarding the exemption may also be sent to our municipal advisor at the same address.

Sincerely,

Richard Buchanan
Mayor



MUNICIPAL ADVISORY AGREEMENT

This Municipal Advisory Agreement is agreed upon this the 24th day of February 2025, by and between the CITY OF HAMILTON (the “Client”) and GOVERNMENT CAPITAL SECURITIES CORPORATION (“GCSC”).

WHEREAS, the Client periodically desires to issue debt securities or related indebtedness (“Securities”) and is in need of advice on such issuances;

WHEREAS, GCSC has advised a variety of governmental entities and maintains expertise in that area; and will have a fiduciary responsibility to the Client; and

WHEREAS, the Client and GCSC desire to establish a relationship, which is terminable as provided herein, pursuant to which GCSC will advise the Client on the issuance of Securities, as well as provide advice pertaining to the structuring and sale of the Securities and other matters.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions referenced and exchanged herein, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound, covenant and agree as follows:

1. Scope of Municipal Advisory Activities to be Performed. GCSC shall serve as the Client’s Municipal Advisor for the issuance of the Client’s Securities. Such advice can include, as applicable to the Securities to be issued, the following:

Assist in the selection of bond counsel and any other professional services entity in connection with the issuance of the Securities.

Advise as to the obligation structure, considering such factors as, terms, features, maturity amounts and dates, coupon rates, call features, reserve requirements, administrative costs, security features, credit enhancements and other pertinent factors, and make recommendations to the Client with respect to the appropriateness and adequacy of the obligation structure and features.

Advise the Client generally on alternative financing and loan practices, structures and programs.

Confer with bond and tax counsel concerning all necessary legal documents and proceedings and obtain their opinion relative to the compliance with limitations and constraints of federal tax regulations applicable to tax-exempt obligations.

Assist in the preparation of preliminary and final official statements, if requested.

Arrange for purchase of escrow securities, if applicable.

Select a paying agent or trustee, as required, or an escrow agent to hold the escrow securities and make payments on bonds refunded, if applicable.

Meet with the Client and personnel to assist in explaining the Client’s Securities, if requested.

Advise the Client of the prevailing bond market conditions and recommend timing of any public sale or private placement of Securities.

Coordinate the preparation of materials for submission to rating agencies for municipal bond rating.

Attend the bond sale, review the bids received and provide recommendations to the Client and its governing board as to acceptance of a bid; and, if applicable, structure the refunding issue based on the bid accepted.

Assist in the preparation and filing of annual continuing disclosure reports, if applicable, with the MSRB.

Advise, assist, negotiate on behalf of, and make recommendations to the Client regarding the terms and pricing for the Client's securities or other obligations with (a) state or national banks, (b) accredited investors, or (c) qualified institutional buyers.

Advise and assist in preparation and filing of Arbitrage Rebate reports if needed.

Perform all other duties usually performed by a Municipal Advisor incidental to a financing program as may be requested by the Client. However, GCSC will NOT accept or hold "Good Faith" deposits to Client provided by Underwriters.

2. **Independent Registered Municipal Advisor ("IRMA")**. If acting in the capacity of an Independent Registered Municipal Advisor ("IRMA") with regard to the IRMA exemption of the SEC Rule, GCSC will review all third-party recommendations submitted to GCSC in writing by the Client.

3. **Compensation**. Issuer shall pay a fee for each issuance of Securities which shall be equal to or less than the fee schedule below, plus reasonable expenses to GCSC as compensation for advising the Issuer on the Issuance of Securities. Said payment will be due and payable upon the funding of said Securities. ⁱ

Government Capital Securities Fee Structure*					
(Based on total proceeds of issue)					
*TWDB, TCEQ, & USDA will be based on the total financial assistance received and will be 25% higher than the table below.					
From	\$0	to	\$1,000,000	fee is	\$15,000
From	\$1,000,001	to	\$3,000,000	fee is	\$15,000 + \$12.50 per \$1,000 over \$1,000,000
From	\$3,000,001	to	\$5,000,000	fee is	\$40,000 + \$11.00 per \$1,000 over \$3,000,000
From	\$5,000,001	to	\$10,000,000	fee is	\$62,000 + \$8.00 per \$1,000 over \$5,000,000
From	\$10,000,001	to	\$20,000,000	fee is	\$102,000 + \$7.00 per \$1,000 over \$10,000,000
From	\$20,000,001	to	\$30,000,000	fee is	\$172,000 + \$6.00 per \$1,000 over \$20,000,000
From	\$30,000,001	to	\$50,000,000	fee is	\$232,000 + \$5.00 per \$1,000 over \$30,000,000
From	\$50,000,001	to	\$100,000,000	fee is	\$332,000 + \$3.00 per \$1,000 over \$50,000,000

Other services:

MSRB Continuing Disclosure (if required) preparation & filing \$2,000 per year. House Bill 1378 preparation \$250 per year.



4. **Term of Engagement.** Client agrees to utilize GCSC as its Municipal Advisor for a period of one (1) year from and after the date of this Agreement or for such period of time until the aforementioned Securities have been successfully funded. It is understood that this agreement shall automatically renew for subsequent one (1) year periods of time. It is recognized that both the Client and GCSC possess the right to terminate this Agreement anytime with or without cause upon thirty (30) days' prior written notice.

5. **Fiduciary Duty.** GCSC is registered as a Municipal Advisor with the SEC and Municipal Securities Rulemaking Board ("MSRB"). As such, GCSC has a Fiduciary duty to Client and must provide both a Duty of Care and a Duty of Loyalty that entails the following.

Duty of Care:

- a) exercise due care in performing its municipal advisory activities;
- b) possess the degree of knowledge and expertise needed to provide Client with informed advice;
- c) make a reasonable inquiry as to the facts that are relevant to Client determination as to whether to proceed with a course of action or that form the basis for any advice provided to Client; and
- d) undertake a reasonable investigation to determine that GCSC is not forming any recommendation on materially inaccurate or incomplete information; GCSC must have a reasonable basis for:
 - i. any advice provided to or on behalf of the Client;
 - ii. any representations made in a certificate that it signs that will be reasonably foreseeably relied upon by the Client, any other party involved in the municipal securities transaction or financial product, or investors in Client's securities; and
 - iii. any information provided to Client or other parties involved in the municipal securities transaction in connection with the preparation of an official statement.

Duty of Loyalty:

GCSC must deal honestly and with the utmost good faith with the Client and act in Client's best interests without regard to the financial or other interests of GCSC. GCSC will eliminate or provide full and fair disclosure (included herein) to Client about each material conflict of interest (as applicable). GCSC will not engage in municipal advisory activities with Client as an financial entity, if it cannot manage or mitigate its conflicts in a manner that will permit it to act in Client's best interests.

6. **Authority to Execute.** The individuals signing this Agreement on behalf of GCSC and the Client each represents and warrants that he or she is duly authorized to execute and deliver this Agreement on such party's behalf.

This Agreement is entered into on the date first written above.

CITY OF HAMILTON

GOVERNMENT CAPITAL SECURITIES CORPORATION

By: 
Title: Mayor

By: 
Title: President



ⁱ Required Disclosures:

Disclosure of Conflicts of Interest and Legal or Disciplinary Events

Pursuant to Municipal Securities Rulemaking Board (“MSRB”) Rule G-42, on Duties of Non-Solicitor Municipal Advisors, Municipal Advisors are required to make certain written disclosures to clients and potential clients which include, amongst other things, Conflicts of Interest and any Legal or Disciplinary events of GCSC and its associated persons.

Conflicts of Interest

Compensation

GCSC represents that in connection with the issuance of municipal securities, GCSC may receive compensation from a Client or Obligated Person for services rendered, which compensation is contingent upon the successful closing of a transaction and/or is based on the size of a transaction. Consistent with the requirements of MSRB Rule G-42, GCSC hereby discloses that such contingent and/or transactional compensation may present a potential conflict of interest regarding GCSC’s ability to provide unbiased advice to enter into such transaction. The contingent fee arrangement creates an incentive for the firm to recommend unnecessary financings or financings that are disadvantageous to the Client, or to advise Client to increase the size of the issue. GCSC mitigates such conflict through its adherence to its fiduciary duty to Client, which includes a duty of loyalty to Client in performing all municipal advisory activities to Client. This duty of loyalty obligates GCSC to deal honestly and with the utmost good faith with Client and act in the Client’s best interests without regard to GCSC’s financial or other interests.

Other Municipal Advisor Relationships

GCSC 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 GCSC Client. For example, GCSC serves as municipal advisor to other municipal advisory Clients and, in such cases, owes a regulatory duty to such other Clients. 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, GCSC could potentially face a conflict of interest arising from these competing Client interests. GCSC fulfills its regulatory duty and mitigates such conflicts through dealing honestly and with the utmost good faith with all of its Clients. GCSC fulfills its regulatory duty and mitigates such conflicts through dealing honestly and with the utmost good faith with Client receiving this disclosure.

GCSC does not engage in any fee-splitting arrangement involving GCSC and any provider of investments. GCSC as an administrative task and on behalf of the Issuer, will pay various participants involved in a municipal bond transaction from monies received from the Issuer. GCSC does not consider its administrative task for the Issuer to have any impediment to GCSC’s ability to render unbiased and competent advice or to fulfill its regulatory duty to its clients.

The fee paid to GCSC increases the cost of issuance to Client. The increased cost occurs from compensating GCSC for municipal advisory services provided.

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

Legal or Disciplinary Events

GCSC does not have any legal events or disciplinary history on GCSC’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 GCSC’s most recent Form MA and each most recent Form MA-I filed with the Commission at the following website: 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 GCSC, GCSC will provide complete disclosure to the Client in detail allowing the Client to evaluate GCSC, its management and personnel.

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:

- GCSC 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, 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.

