



RBC Capital Markets®

Robert Henderson  
Managing Director  
Phone: (210) 805-1118  
Fax: (210) 805-1119  
Cell: (210) 240-4614

September 29, 2009

Honorable Judge and Members of the Commissioner's Court  
C/o Honorable Mike Brown, County Judge  
Tom Green County  
112 W. Beauregard  
San Angelo, TX 76903

Re: Financial Advisory Agreement

Dear Judge Brown:

We appreciate the opportunity to once again be of service to Tom Green County. Attached hereto is a draft of a Financial Advisory Agreement. This agreement reflects our standard fees which are consistent with the fees charged by the Skiles Company. It is our understanding that we will be serving as Co-FA with the Skiles Company on the immediately upcoming transaction.

In that regard, this letter is to also serve as an amendment to the agreement to recognize and agree that our fee on the Tax Note, Series 2009 will be calculated at 50% of the stated fees in the agreement reflecting the Skiles Company involvement. It is our understanding that the Skiles Company has committed to this same arrangement and, therefore, the total professional fees to Tom Green County will not increase over that historically applied.

I trust this is responsive to your needs and, again, we look forward to being of service. If you have any questions, please do not hesitate to call on me.

Sincerely,

A handwritten signature in black ink that reads 'Robert V. Henderson'.

Robert V. Henderson,  
Managing Director

## FA AGREEMENT

### FINANCIAL ADVISORY AGREEMENT

SEPTEMBER 29, 2009

Honorable Judge and Members of the Commissioner's Court  
Tom Green County, Texas  
112 W. Beauregard  
San Angelo, Texas 76903

Ladies and Gentlemen:

1. **Retention of RBC Capital Markets.** We understand that Tom Green County, Texas ("Issuer" or "you") will have under consideration the issuance of obligations evidencing indebtedness ("*Obligations*"), either in a single financing or in a series of financings, and that in connection with the issuance of such Obligations you hereby agree to retain RBC Capital Markets Corporation ("*RBC Capital Markets*") as your financial advisor in accordance with the terms of this financial advisory agreement ("*Agreement*"). This Agreement shall apply to all Obligations that may be authorized and/or issued or otherwise created or assumed during the period in which this Agreement is effective.
2. **Scope of Services.** As financial advisor, we agree to perform the following services:
  - (a) Analyze the financing alternatives available to the Issuer, taking into account its borrowing capacity, future financing needs, policy considerations, and such other factors as we deem appropriate to consider.
  - (b) Recommend a plan for the issuance of Obligations that will include: (1) the type of bonds (current interest, capital appreciation, deferred income, etc.); (2) the date of issue; (3) principal amount; (4) interest structure (fixed or variable); (5) interest payment dates; (6) a schedule of maturities; (7) early redemption options; (8) security provisions; (9) appropriate management fee and takedown; and (10) other matters that we consider appropriate to best serve the Issuer's interests. To the extent appropriate, the plan will address strategies in addition to the issuance of obligations, such as interest rate derivative transactions.
  - (c) Advise you of current conditions in the relevant debt market, upcoming bond issues, and other general information and economic data which might reasonably be expected to influence interest rates, bidding conditions or timing of issuance.
  - (d) Organize and coordinate the financing team. Unless otherwise directed by you, we will select the paying agent, escrow agent and verification agent, as the particular transaction may require, each of whom will be retained and compensated by you. In a negotiated offering, we will solicit and evaluate underwriter proposals upon request and make a recommendation for the hiring of the underwriter(s).
  - (e) Work with counsel on the transaction, including bond counsel whom you retain, who will be recognized municipal bond attorneys, whose fees will be paid by you, and who will prepare the proceedings, provide legal advice concerning the steps necessary to be taken to issue the Obligations, and issue an unqualified opinion (in a form standard for the particular type of financing) approving the

legality of the Obligations and (as applicable) tax exemption of the interest paid thereon. In addition, bond counsel will issue an opinion to the effect that the disclosure document does not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading. Generally, working with counsel will mean coordinating with the attorneys and assisting in the financial advisory aspects of preparing appropriate legal proceedings and documents, including documents concerning any required election.

- (f) Assist in the Issuer's preparation of the Preliminary Official Statement ("POS") and the Official Statement ("OS") or equivalent document as the particular transaction may require (such as a private placement memorandum).
- (g) In connection with a competitive sale, we will:
  - i. coordinate the preparation of the Official Notice of Sale, the Uniform Bid Form (containing provisions recognized by the municipal securities industry as being consistent with the securities offered for sale) and other such documents which you may request or deem appropriate;
  - ii. submit all such documents for examination, approval, and certification by appropriate officials, employees, and agents of the Issuer, including bond attorneys;
  - iii. coordinate delivery of these documents to a list of prospective bidders;
  - iv. where appropriate, organize investor meetings;
  - v. coordinate the receipt of bids;
  - vi. advise as to the best bid, including acceptance or rejection of the best bid;
  - vii. if a bid is accepted, coordinate the delivery of and payment for the Obligations;
  - viii. assist in verification of final closing figures;
  - ix. provide copies of documents to the purchaser of the Obligations in accordance with the terms of the Official Notice of Sale and the Uniform Bid Form.
- (h) Make recommendations as to the need for credit rating(s) for the proposed Obligations and, should the Issuer seek a rating, coordinate the process of working with the rating agency or agencies and assist in the preparation of presentations as necessary.
- (i) Make recommendations as to obtaining municipal bond insurance, a liquidity facility or other credit enhancement for the Obligations and, should the issuer seek any such credit enhancement, coordinate the process and assist in the preparation of presentations as necessary.
- (j) Attend meetings of governing bodies of the Issuer, its staff, representatives or committees as requested.
- (k) After closing, we will deliver to the Issuer and the paying agent(s) definitive debt records, including a schedule of annual debt service requirements on the Obligations.

You acknowledge that advice and recommendations involve professional judgment on our part and that the results cannot be, and are not, guaranteed.

3. **Information to be Provided to RBC Capital Markets.** You agree (upon our request) to provide or cause to be provided to us information relating to the Issuer, the security for the Obligations, and other matters that we consider appropriate to enable us to perform our duties under this Agreement. With respect to all information provided by you or on your behalf to us under this Agreement, you agree upon our request to obtain certifications (in a form reasonably satisfactory to us) from appropriate Issuer representatives as to the accuracy of the information and to use your best efforts to obtain certifications (in a form reasonably satisfactory to us) from representatives of parties other than the Issuer. You acknowledge that we are entitled to rely on the accuracy and completeness of all information provided by you or on your behalf.
4. **Official Statement.** You acknowledge that you are responsible for the contents of the POS and OS and will take all reasonable steps to ensure that the governing body of the Issuer has reviewed and approved the content of the POS and OS. You acknowledge that you are subject to and may be held liable under federal or state securities laws for misleading or incomplete disclosure. To the extent permissible by law, you agree to indemnify and hold us harmless against any losses, claims, damages or liabilities to which we may become subject under federal or state law or regulation insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon omission or alleged omission to state in the disclosure document a material fact required to be stated therein or necessary to make the statements therein not misleading; and will reimburse us for any legal or other expenses reasonably incurred by us in connection with investigating or defending any such loss, claim, damage, liability or action.
5. **G-23: Competitive Issue.** In connection with Rule G-23 of the Municipal Securities Rulemaking Board, the Issuer agrees that RBC Capital Markets may submit a bid (either independently or as a member of a syndicate) for any issue of Obligations when offered for sale at competitive bid and prior to submitting any such bid we shall obtain the Issuer's written consent to bid on the particular issue of Obligations.
6. **G-23: Negotiated Issue.** If, during the term of the Agreement, we are asked to serve as underwriter with respect to any issue of Obligations of the Issuer to be sold on a negotiated basis, we will, by written notice to the Issuer and upon the Issuer's written consent, terminate our obligations under this Agreement with respect to that issue of Obligations. This Agreement, however, will stay in effect with respect to other Obligations of the Issuer for which we are not acting as underwriter.
7. **Fees and Expenses.** In connection with the authorization, issuance, and sale of Obligations, you agree that our fee will be computed as shown on the "Fee Schedule" attached hereto. Our fee will become due and payable simultaneously with the delivery of the Obligations to the Purchaser. Our fee does not include and we will be entitled to reimbursement from you for any actual "out-of-pocket" expenses incurred in connection with the provision of our services, including reasonable travel expenses or any other expenses incurred on your behalf. These expenses will be due and payable when presented to the Issuer, which normally will be simultaneously with the delivery of the Obligations to the Purchaser.
8. **Interest Rate Derivatives.** If you decide to consider the use of interest rate derivative products as part of the financing plan for Obligations covered by this Agreement, we will be pleased to provide our assistance upon

request. The nature of our assistance will be set forth in an amendment to this Agreement or in another separate document.

9. **Other Conditions.** In addition to the terms and obligations herein contained, this Agreement is subject to the following special conditions: None
10. **Term of Agreement and Waiver of Sovereign Immunity.** This Agreement shall be for a period of 60 months (the "Term") from its date; however, this Agreement may be terminated by either party upon 30 days written notice. If neither party provides written termination prior to the end of the Term, this Agreement will automatically renew for another Term. You agree and understand that this Agreement is a contract for services and waive any claims you may have that you are immune from suit by virtue of any law, statute, or claim for any matter arising from or relating to this Agreement. Paragraphs 4, 7 (insofar as it concerns reimbursable expenses) and 10 (insofar as it concerns waiver of sovereign immunity) will survive any termination of this Agreement.
11. **Miscellaneous Provisions.** This Agreement is submitted in duplicate originals. Your acceptance of this Agreement will occur upon the return of one original executed by an authorized Issuer representative, and you hereby represent that the signatory below is so authorized. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of the Agreement, which shall remain in full force and effect. This Agreement constitutes the entire agreement between the parties as to the subject matter thereof and supersedes any prior understandings or representations. This Agreement may be amended or modified only by a writing signed by both parties. This Agreement is solely for the benefit of you and RBC Capital Markets, and no other person. RBC Capital Markets may not assign this Agreement without your prior written consent.

Respectfully submitted,

RBC CAPITAL MARKETS CORPORATION

By:  \_\_\_\_\_

Name: Robert V. Henderson

Title: Managing Director

Date: September 29, 2009



## FEE SCHEDULE

In consideration for the services rendered by RBC Capital Markets, the Issuer agrees that our fee for each issue of Obligations will be as follows:

Base Fee - Any Issue				\$ 6,250
Plus				
\$7.00 per	\$1,000 up to	\$ 500,000 or	\$ 9,750 for	\$ 500,000 Bonds
Plus				
\$7.00 per	\$1,000 next	\$ 500,000 or	\$13,250 for	\$ 1,000,000 Bonds
Plus				
\$ 4.75 per	\$1,000 next	\$ 1,500,000 or	\$20,375 for	\$ 2,500,000 Bonds
Plus				
\$ 2.75 per	\$1,000 next	\$ 2,500,000 or	\$27,250 for	\$ 5,000,000 Bonds
Plus				
\$ 1.50 per	\$1,000 next	\$ 5,000,000 or	\$34,750 for	\$10,000,000 Bonds
Plus				
\$ 1.00 per	\$1,000 over	\$10,000,000		

For any issue of refunding Obligations and/or other Obligations involving escrow Agreements, Revenue Bonds or Bonds issued to State or Federal Agencies, our fees shall be as computed from the above schedule, plus 25% (or 125% of the scheduled amount). It is also understood and agreed that, we will charge a document preparation fee to be negotiated on a case-by-case basis, not to exceed \$7,500.00.

It is also understood and agreed that when appropriate under the circumstances (depending on time and resources expended in the transaction), we will charge an additional fee to be negotiated on a case-by-case basis, not to exceed 25% of the scheduled Financial Advisory fee set out above.

RBC Capital Markets will bill the Issuer at Closing for each issue of Obligations a net amount which will include a fee calculated on the above schedule as well as any "out-of-pocket" expenses incurred on behalf of the Issuer.