

June 27, 2022

The Honorable County Judge of El Paso County
and Members of the Commissioners Court of El Paso County
El Paso County, Texas
500 E. San Antonio
El Paso, Texas 79901

Re: Proposed Issuance of El Paso County, Texas Tax Note, Taxable Series 2022

Honorable Judge Samaniego and Commissioners:

The purpose of this engagement letter is to set forth certain matters concerning the services we will perform as bond counsel to El Paso County, Texas (the "Issuer") in connection with the issuance of certain tax notes (the "Notes") of the Issuer. We understand that the Notes are being issued for the purpose of constructing various improvements throughout the County and will be taxable for federal income tax purposes. The Notes will be secured by a pledge of the Issuer's ad valorem tax. We further understand that the Notes will be sold in a private bank placement without the use of any offering or disclosure document.

SCOPE OF ENGAGEMENT

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

- (1) Prepare and review documents necessary or appropriate to the authorization, issuance and delivery of the Notes, coordinate the authorization and execution of such documents, and review enabling legislation.
- (2) Assist the Issuer in seeking from other governmental authorities such approvals, permissions and exemptions as we determine are necessary or appropriate in connection with the authorization, issuance and delivery of the Notes, except that we will not be responsible for any required federal or state securities law filings.
- (3) Review legal issues relating to the structure of the Note issue.
- (4) Review the purchase agreement.
- (5) Subject to the completion of proceedings to our satisfaction, render our legal opinion (the "Bond Opinion") regarding the validity and binding effect of the Notes and the source of payment and security for the Notes.

Our Bond Opinion will be delivered by us on the date the Notes are exchanged for their purchase price (the "Closing"). The Issuer will be entitled to rely on our Bond Opinion.



The Bond Opinion will be based on facts and law existing as of its date. In rendering our Bond Opinion, we will rely upon the certified proceedings and other certifications of public officials and other persons furnished to us without undertaking to verify the same by independent investigation, and we will assume continuing compliance by the Issuer with applicable laws relating to the Notes. During the course of this engagement, we will rely on you to provide us with complete and timely information on all developments pertaining to any aspect of the Notes and the security therefor. We understand that you will direct members of your staff and other employees of the Issuer to cooperate with us in this regard.

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:

- (a) Assisting in the preparation or review of an official statement or any other disclosure document with respect to the Notes, or performing an independent investigation to determine the accuracy, completeness or sufficiency of any such document or rendering advice that the official statement or other disclosure document does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.
- (b) Preparing requests for tax rulings from the Internal Revenue Service, or no action letters from the Securities and Exchange Commission.
- (c) Preparing state securities law memoranda or investment surveys with respect to the Notes.
- (d) Drafting state constitutional or legislative amendments.
- (e) Pursuing test cases or other litigation.
- (f) Making an investigation or expressing any view as to the creditworthiness of the Issuer or the Notes.
- (g) Assisting in the preparation of, or opining on, a continuing disclosure undertaking pertaining to the Notes or, after Closing, providing advice concerning any actions necessary to assure compliance with any continuing disclosure undertaking.
- (h) Representing the Issuer in Internal Revenue Service examinations or inquiries, or Securities and Exchange Commission investigations.
- (i) Negotiating the terms of, or opining as to, any investment contract.
- (j) Addressing any other matter not specifically set forth above that is not required to render our Bond Opinion.



ATTORNEY-CLIENT RELATIONSHIP

Upon execution of this engagement letter, the Issuer will be our client and an attorney-client relationship will exist between us. We further assume that all other parties in this transaction understand that we represent only the Issuer 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 Issuer's execution of this engagement letter will constitute an acknowledgment of those limitations. Our representation of the Issuer will not affect, however, our responsibility to render an objective Bond Opinion.

TEXAS GOVERNMENT CODE VERIFICATIONS

As required by Chapters 2271 and 2252, and Section 2274.002 of the Texas Government Code, we hereby verify and certify that the firm, including any of its wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate, (a) does not and will not "boycott Israel" during the term of this agreement, (b) is not a company listed by the Texas Comptroller of Public Accounts under Sections 2270.0201 or 2252.153 of the Texas Government Code, (c) does not have a practice, policy, guidance, or directive that discriminates against a "firearm entity" or "firearm trade association", (d) will not discriminate during the term of this agreement against a firearm entity or firearm trade association, and (e) does not and will not boycott "energy companies" during the term of this agreement. Any defined terming in this paragraph is as defined in the Texas Government Code, as amended.

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 Issuer, one or more of our present or future clients will have transactions with the Issuer. It is also possible that we may be asked to represent, in an unrelated matter, one or more of the entities involved in the issuance of the Notes. 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 issuance of the Notes 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 issuance of the Notes. Execution of this letter will signify the Issuer'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 Issuer that we are not a "Municipal Advisor" within the meaning of the Municipal Advisor Rule or the Dodd-Frank Act (collectively, the "MA Rule"). In the course of performing our services as Bond Counsel in this



transaction, we may engage in analysis, discussion, negotiation, and advice to the Issuer regarding the legal ramifications of the structure, timing, terms, and other provisions of the financial transaction that culminates with the planned issuance of the Notes, and such services and advice may be essential to the development of the plan of finance for the issuance of the Notes. In turn, these services become, among other things, the basis for the transaction's basic legal documents, the preparation and delivery of the official statement or any other disclosure document that describes the material terms and provisions of the transaction, if an offering document is used in the offering of the Notes, the preparation of the various closing certificates that embody the terms and provisions of this transaction and the preparation and delivery of our Bond Opinion. Moreover, legal advice and services of a traditional legal nature in the area of municipal finance inherently involve a financial advice component; but we hereby advise the Issuer 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. As Bond Counsel, we provide only legal advice, not purely financial advice that is not inherent in our legal advice to the Issuer. The Issuer should seek the advice of its financial advisor with respect to the financial aspects of the issuance of the Notes. By signing this engagement letter, the Issuer acknowledges receipt of this information, and evidences its understanding of the limitations of our role to the Issuer as Bond Counsel with respect to the MA Rule, as discussed in this paragraph.

FEES

Based upon: (i) our current understanding of the terms, structure, size and schedule of the financing represented by the Notes; (ii) the duties we will undertake pursuant to this engagement letter; (iii) the time we anticipate devoting to the financing; and (iv) the responsibilities we will assume in connection therewith, our fee will be \$10,000 for the first \$1,000,000, plus \$1 per \$1,000 in excess of \$1,000,000, based upon the amount of net sale proceeds received by the County at Closing. In addition, the County will reimburse us for out-of-pocket expenses actually incurred in connection with the proposed transaction, such as travel costs, photocopying, deliveries, long distance telephone charges, telecopier charges, filing fees and other expenses. Our statement for payment of our fee and reimbursement for out-of-pocket expenses will be billed on the date of the Closing. If the financing is not consummated, the County agrees to pay us a reduced fee of \$500 and further agrees to reimburse us for the Attorney General filing fee, if we have advanced such fee on behalf of the County, as described below.

State law requires that the Notes must be submitted to the Attorney General of Texas for review and approval and that a statutory fee (an amount equal to 0.1% principal amount of the Obligations, subject to a minimum of \$750 and a maximum of \$9,500) be paid upon the submission of the transcript of proceedings for the Notes to the Attorney General. The County hereby authorizes us to submit such transcript of proceedings to the Attorney General on the County's behalf. The Attorney General filing fee is nonrefundable. Our firm hereby agrees to advance a wire in such amount on behalf of the County, which wire will be submitted to the Attorney General when we submit the transcript of proceedings for the Notes to the Attorney General. If for any reason the transcript of proceedings is submitted to the Attorney General, but the financing is not consummated, we will be entitled to reimbursement from the County for the Attorney General filing fee



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 engagement letter dated and signed by an authorized officer, retaining the original for your files. We look forward to working with you.

Respectfully yours,

McCall, Parkhurst & Horton L.L.P.

By: 
Rodolfo Segura Jr

Accepted and Approved

El Paso County, Texas

By: _____
County Judge

Date: June 27, 2022