

Christie,

Currently, we do not have a Financial Advisory Services Agreement with Titus County. Our last agreement expired on December 6, 2008. In order for us to be in compliance with all the regulatory requirements we have these days, we would appreciate your consideration of entering into a new agreement with our firm.

Since we are getting ready to assist you with the annual EMMA (15c2-12) Continuing Disclosure filings, the timing is upon us to take care of this as soon as we can. Things were much easier when a relationship was understood with a handshake. Unfortunately, the compliance folks and regulators do not see it that way and require that we have written evidence of our relationship in order to assist you; whether that be on bond issues or with the assistance of EMMA filings.

I have provided a draft of our agreement for your consideration. As you can see, Paragraph 6 addresses SEC Rule 15c2-12. I have left the date blank as I am not sure when you want to put this on the Commissioner's Court agenda. Assuming you are OK with that attached draft, I will send you copies for execution with the appropriate dates filled in. I look forward to continuing to work with you.

Please feel free to contact me if you have any questions.

Thanks,

John

John L. Martin, Jr.

Senior Vice President

Southwest Securities

1201 Elm St. Suite 3500

Dallas, TX 75270

A Hilltop Holdings Company

FINANCIAL ADVISORY SERVICES AGREEMENT

March __, 2014

Honorable Judge and Commissioners Court
Titus County, Texas
100 West First Street
Mount Pleasant, Texas 75455

Gentlemen:

1. We understand that Titus County, Texas, and/or any of its political creations (the "Issuer") will have under consideration from time to time the authorization and issuance of obligations evidencing indebtedness (all such obligations shall be referred to as "Obligations") and that in connection with the issuance of such Obligations you hereby agree to retain Southwest Securities ("Southwest") to perform professional services as your Financial Advisor in accordance with the terms of this Financial Advisory Services Agreement ("Agreement"). This Agreement shall apply to all Obligations that may be authorized and/or issued during the period in which this Agreement is effective.
2. As Financial Advisor, we agree to perform the following duties:
 - a) We will conduct a review of the financial resources of the Issuer to determine the extent of the borrowing capacity of the Issuer. This review will include an analysis of:
 - 1) the existing debt structure in relation to sources of income projected by the Issuer which may be pledged to secure payment of the Obligations to be issued, and
 - 2) where appropriate, the trends (as estimated by representatives of the Issuer) of assessed valuation, taxing power, and future financing needs.
 - b) On the basis of the information and estimates developed through our review and other information that we consider appropriate, we will submit written recommendations with respect to a plan of finance for the issuance of Obligations that will include:
 - 1) the date of issuance,
 - 2) interest payment dates,
 - 3) a schedule of maturities,
 - 4) early redemption options, and
 - 5) other matters that we consider appropriate to increase the marketability of the Obligations.

- c) In order to assist you in selecting a date for the sale of the Obligations, we will 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 or bidding conditions.
- d) The Issuer will retain a recognized bond counsel, whose fees you will pay, who will prepare the proceedings, who will provide advice concerning the steps necessary to be taken to issue the Obligations, and who will issue an opinion approving the legality of the Obligations. We will maintain liaison with bond counsel and shall assist in all financial advisory aspects involved in the preparation of appropriate legal proceedings and documents.
- e) If it is necessary to hold an election to authorize the Obligations, we will assist in coordinating the assembly and transmittal to the bond attorneys of information provided by or on behalf of the Issuer that is requested by the bonds attorneys in connection with the preparation of the documents evidencing the legal proceedings that are necessary to conduct the election.
- f) In connection with a public offering of Obligations, we will supervise the preparation of the Official Statement, the disclosure documents, the uniform bid form (containing provisions recognized by the municipal securities industry as being consistent with the securities offered by sale), and such other market documents which you may request or we deem appropriate. We will post certain of these documents (a copy of which shall be submitted to the Issuer upon request) to the internet and notify a list of prospective bidders of accessibility. We will also provide copies of these documents to the purchaser of the Obligations in accordance with standard industry practice.
- g) We will make recommendations to the Issuer on the matter of credit rating(s) for the proposed issue of Obligations. Upon the request of the Issuer, we will coordinate the preparation of information to be submitted to any rating agency. In those cases where it is appropriate to present personally information to any rating agency, we will arrange for such presentation. In the event credit enhancement, such as bond insurance, will provide a more cost effective transaction, we will provide all the necessary services to apply for such enhancement.
- h) In connection with each competitive sale, we will
 - 1) disseminate bidding and disclosure information to prospective bidders,
 - 2) where appropriate, organize meetings to present information relating to the Obligations,
 - 3) assist prospective bidders in submitting proper bids,
 - 4) coordinate the receipt of bids (and good faith checks where indicated),
 - 5) advise you as to the best bid,
 - 6) advise you concerning the acceptance or rejection of the best bid,
 - 7) if a bid is accepted, coordinate the delivery of and payment for the Obligations, and

- 8) assist in the verification of final closing figures.
 - i) Recommend (based on information provided by representatives of the Issuer regarding the estimated timing of the application of proceeds of the Obligations) a program of temporary investment of such proceeds.
 - j) As your agent, we will assist bond counsel to:
 - 1) arrange for the printing of the Obligations,
 - 2) submit the Obligations for execution and impression of a seal, and
 - 3) cause the Obligations to be delivered to the Attorney General for approval and the Comptroller of Public Accounts for registration. The Issuer shall maintain ownership of the Obligations until they are sold and delivered to the purchaser.
 - 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.
3. While this Agreement is in effect, the Issuer agrees (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 or on behalf of the Issuer to us under this Agreement, the Issuer agrees to use its best efforts to obtain certifications (in a form reasonably satisfactory to us) from appropriate representatives as to the accuracy of such information. The Issuer acknowledges that we shall be entitled to rely on the accuracy of all information provided by or on behalf of the Issuer. In the event that such information is inaccurate, the Issuer agrees that it shall assume full responsibility (from any funds that are lawfully available for such purpose) for all losses suffered by us as a result of the inaccuracy of such information.
4. All actions taken and all recommendations made by us in performing our duties under this Agreement will be based on our best professional judgment with the goal of obtaining the most favorable terms for the Issuer. Southwest shall be responsible, to the level of competency presently maintained by other practicing financial advisors in the same type work, for professional and technical soundness, accuracy and adequacy of all work and materials furnished under this Agreement.

5. In consideration for the services rendered by us pursuant to this Agreement in connection with the authorization, issuance, and sale of Obligations, the Issuer agrees that our fee will be computed as shown on the "Fee Schedule" attached hereto. Our fee and reimbursable expenses shall become due and payable simultaneously with the delivery of the Obligations except that our reimbursable expenses, not included in the attached Fee Schedule, shall be payable upon our submission of a written statement. Our fees shall include the following costs:
 - a) Postage, overnight mail and courier delivery;
 - b) Travel to and from the Issuer;
 - c) Telephone, including long distance, conference calling, facsimile and internet usage;
 - d) Preparation costs of the Notice of Sale, Official Bid Forms and Managing Underwriter Certificates;
 - e) Preparation costs associated with the Preliminary Official Statement;
 - f) Preparation costs associated with the Final Official Statement.
6. Upon your request, we will assist you, for a separate fee outside the scope of this Agreement, in complying with any required undertaking relating to continuing disclosure agreements under SEC Rule 15c2-12. It is understood that such filings are the sole responsibility of the Issuer and our assistance shall be limited to guidance in any filing requirements. As long as Southwest serves as Financial Advisor to the Issuer under this Agreement, the Issuer will receive the benefit of our assistance at the lower client rate.
7. It is acknowledged that the purchase and sale of securities, at the request of the Issuer, and for ultimate use in defeasing outstanding obligations of the Issuer does not constitute the rendering of financial advisory services under the terms of this Agreement.
8. If, during the term of this Agreement, we are asked to serve as a consultant or advisor on projects for the Issuer outside the scope of this Agreement, then our fee for such services shall be negotiated prior to the commencement of each assignment. This fee may be hourly, flat fee, hourly with a ceiling, or any other arrangement that shall be mutually agreed upon.
9. The following expenses are specifically excluded from the Fee Schedule shown in this agreement and will either be paid by the Issuer or reimbursed to us:
 - a) The cost of any personal appearance on behalf of the Issuer outside a 100 mile radius of the Issuer;
 - b) Cost of any required publication in a newspaper;
 - c) Fees and expenses of Bond Counsel;

Titus County, Texas
March __, 2015

- d) Preliminary and Final Official Statement Printing Fees;
 - e) Filing fees (ie Attorney General of Texas)
 - f) Salaries of the election officials;
 - g) Paper and ink cost for voter information materials;
 - h) The cost of ballots and election supplies for the use in an election authorizing any Obligations;
 - i) Cost of proving up boundaries of the Issuer;
 - j) Cost of any litigation between the Issuer and any third parties;
 - k) Credit rating fees, if any;
 - l) The cost of any credit enhancement, and
 - m) Underwriting fees.
10. This Agreement is intended to comply with SEC Rule 15Ba1-1, commonly known as the Municipal Advisor Rule (the "Rule"). "Municipal Advisors", as defined by the Rule, are persons that provide advice to or on behalf of a municipal entity or obligated person (i.e., conduit borrower) with respect to (i) the issuance of municipal securities or (ii) municipal financial products. In addition to being subject to the MSRB's "fair dealing" rule, Municipal Advisors also owe a fiduciary duty to any municipal entity for whom they are acting as a Municipal Advisor and may not engage in any act, practice, or course of business which is not consistent with a Municipal Advisor's fiduciary duty to that municipal entity.
11. This Agreement may be modified in writing from time to time as agreed to by parties or as required by law, including but not limited to regulations of the SEC and MSRB applicable to municipal advisors.
12. This Agreement may be terminated by either party upon 30 days written notice. It is understood that if the Issuer shall exercise its option to terminate this Agreement, or the Issuer should breach this Agreement and Southwest has expenses outstanding relating to any services provided to the Issuer, such expenses shall be reimbursed Southwest.
13. This Agreement is submitted in duplicate originals. When accepted by you, it will constitute the entire Agreement between you and ourselves for the purpose and consideration herein specified. Your acceptance will be indicated by proper signatures of your authorized representative on both copies and the returning of one executed copy to us.

Titus County, Texas
March 9, 2015

Respectfully submitted,

SOUTHWEST SECURITIES

By: _____
Name: John L. Martin, Jr.
Title: Senior Vice President

ACCEPTANCE

ACCEPTED pursuant to motion adopted by the governing body of Titus County, Texas on
March 9, 2015.

By: *Brian P. Lee*
County Judge, Titus County, Texas

ATTEST:

By: *Jean Newman*
County Clerk, Titus County, Texas



Titus County, Texas
 March __, 2015

FEE SCHEDULE

<u>For Proceeds Received</u>	<u>Our Fee Will Be:</u>
Up to \$1,000,000	\$20,000
\$1,000,000 to \$2,500,000	\$20,000 plus \$10.00 per \$1,000 over \$1,000,000
\$2,500,000 to \$5,000,000	\$35,000 plus \$7.50 per \$1,000 over \$2,500,000
\$5,000,000 to \$7,500,000	\$53,750 plus \$5.00 per \$1,000 over \$5,000,000
\$7,500,000 to \$10,000,000	\$66,250 plus \$2.50 per \$1,000 over \$7,500,000
\$10,000,000 to unlimited	\$72,500 plus \$1.00 per \$1,000 over \$10,000,000

Refundings:

In addition to the above fees, refunding Obligations will be charged an analytical fee calculated as follows:

<u>From</u>	<u>To</u>	<u>Analytics</u>
\$0.00	\$4,999,999.00	\$2,500.00
5,000,000.00	9,999,999.00	4,500.00
10,000,000.00	19,999,999.00	7,500.00
20,000,000.00	and up	9,500.00

Fees due Southwest will be wired to Southwest at closing as well as reimbursable costs and expenses, where applicable, incurred on behalf of the Issuer.