



APPROVED BY HAMILTON SCHOOL BOARD

ON

6/20/17

SUPERINTENDENT

Ford & Associates ("Municipal Advisor") appreciates the opportunity to serve as municipal advisor to the School Board of Hamilton County, Florida, (the "Board"). Upon your acceptance, this engagement letter (the "Agreement") will serve as our mutual agreement with respect to the terms and conditions of our continuing engagement as your municipal advisor, effective on the date this Agreement is approved by the Board and executed by the Superintendent (the "Effective Date").

Prior to engaging the Municipal Advisor, the Board entered into a loan with the First Federal Bank of Florida (the "Bank") in the approximate amount of \$4.5 million (the "Initial Loan"). The purpose of the Initial Loan was to provide financing necessary to bridge a portion of the construction cost of the new school the Board is currently constructing. At present, the Board requires additional bridge financing (the "Additional Financing") to complete the construction project. The Board has elected to obtain the Additional Financing from the Bank. Upon completion of the school, the Board has represented that it will receive monies from the State necessary to retire the bridge loans entered into for the project. The Municipal Advisor did not assist the Board with the Initial Loan and has no role in the selection of the provider of the Additional Financing, nor in the negotiation of the terms and conditions of either financing.

1. Scope of Services.

The Scope of Services to be provided under this Agreement shall limited to, the activities described below and shall be provided solely with respect to the Board's outstanding and proposed debt with the Bank during the term of this Agreement (the "Loan(s)").

Activities

Municipal Advisor shall or may undertake some or all of the following activities for or on behalf of the Board with respect to the Additional Financing in carrying out this engagement, as directed by the Board:

A. **New Issues.** Provide some or all of the following services with respect to the Additional Financing:

1. Evaluate options or alternatives with respect to the proposed financing
2. Review recommendations made by other parties to the Board with respect to the financing
3. Review financial and other information regarding the Board, the proposed Issue and any source of repayment of or security for the financing
4. Consult with and/or advise the Board on actual or potential changes in market place practices, market conditions, regulatory requirements or other matters that may have an impact on the Board and its financing plans
5. Assist the Board in establishing a plan of financing
6. Assist the Board in establishing the structure, timing, terms and other similar matters concerning the financing
7. Consult and meet with representatives of the Board and its agents or consultants with respect to the financing

8. Attend meetings of the Board's governing body, if requested
9. Coordinate with, and respond to questions from the Bank as directed by the Board
10. Work with Board Counsel, Special Counsel and other transaction participants to prepare and/or review necessary authorizing documentation of the Board and other documents necessary to finalize and close the Additional Financing
11. Provide such other usual and customary financial advisory services related to the Additional Financing as may be requested by the Board

B. ***The Initial Loan.*** Provide some or all of the following services with respect to the Board's Initial Loan as required by the Board:

1. Review recommendations made by other parties to the Board with respect to the Initial Loan
2. Evaluate options or alternatives for the Board with respect to the retirement, restructuring, and/or refinancing of the Initial Loan
3. Review documentation of the Initial Loan with Special Counsel, Board Counsel, and other district personnel
4. Provide all services outlined in 1.A. above as requested by the Board for the purpose of prepayment, refinancing or modification of the Initial Loan.

2. **Limitations on Scope of Services.**

The Scope of Services is subject to the following limitations:

- A. The Scope of Services is limited solely to the services described therein and is subject to any limitations set forth within the description of the Scope of Services.
- B. The Municipal Advisor will not participate in any public offering on behalf of the Board.
- C. The Scope of Services does not include tax, legal, accounting or engineering advice with respect to any Issue or Product or in connection with any opinion or certificate rendered by counsel or any other person at closing, and does not include review or advice on any feasibility study.

3. **Amendment to Scope of Services.**

The Scope of Services may be changed only by written amendment or supplement to the Scope of Services described herein. The parties agree to amend or supplement the Scope of Services described herein promptly to reflect any material changes or additions to the Scope of Services.

5. **Compensation.**

Fees and expenses. The fees due to Municipal Advisor hereunder shall be \$7,500.00, plus reasonable out-of-pocket expenses incurred by Municipal Advisor in connection with any services provided hereunder and shall be payable upon the closing of the issue with Bank by wire. The Board will be responsible for payment of the fees and expenses of the Municipal Advisor unless the financing is not consummated for reasons beyond the control of the Board. In such event, the Board shall pay the Municipal Advisor the out-of-pocket expenses incurred on the Board's behalf.

6. Municipal Advisor's Regulatory Duties When Servicing the Board.

MSRB Rule G-42 requires that Municipal Advisor make a reasonable inquiry as to the facts that are relevant to the Board's determination whether to proceed with a course of action or that form the basis for and advice provided by Municipal Advisor to the Board. The rule also requires that Municipal Advisor undertake a reasonable investigation to determine that it is not basing any recommendation on materially inaccurate or incomplete information. Municipal Advisor is also required under the rule to use reasonable diligence to know the essential facts about the Board and the authority of each person acting on the Board's behalf.

7. Responsibilities of the Board.

The Board agrees to cooperate, and to cause its agents to cooperate, with Municipal Advisor in carrying out the regulatory duties identified above, including providing to Municipal Advisor accurate and complete information and reasonable access to relevant documents, other information and personnel needed to fulfill such duties. In addition, the Board agrees that, to the extent the Board seeks to have Municipal Advisor provide advice with regard to any recommendation made by a third party, the Board will provide to Municipal Advisor written direction to do so as well as any information it has received from such third party relating to its recommendation. In so doing, the Board agrees:

- A. To make available to the Municipal Advisor from its files and records, all data on hand referring to the proposed financing.
- B. To provide the services of the School Board Attorney and of Special Counsel for the preparation of resolutions and all documents required for the authorization, validation and issuance of Obligations, including final legal opinion at the time of delivery of the Obligations.

8. Term of this Engagement.

The term of this Agreement begins on the Effective Date and ends, unless earlier terminated as provided below, on the earlier of December 31, 2017 or 60 days following the closing of the anticipated loan with the Bank. However, should either of the parties to the Agreement elect to terminate the Agreement, said Agreement may be terminated at any time, for cause or for convenience, by the electing party's provision of thirty (30) days written notice prior to any anniversary of the Agreement.

9. Limitation of Liability.

In the absence of willful misconduct, bad faith, gross negligence or reckless disregard of obligations or duties hereunder on the part of Municipal Advisor or any of its associated persons, Municipal Advisor and its associated persons shall have no liability to the Board for any act or omission in the course of, or connected with, rendering services hereunder, or for any error of judgment or mistake of law, or for any loss arising out of any issuance of municipal securities, any municipal financial product or any other investment, or for any financial or other damages resulting from the Board's election to act or not to act, as the case may be, contrary to any advice or recommendation provided by Municipal Advisor to the Board. No recourse shall be had against Ford & Associates for loss, damage, liability, cost or expense (whether direct, indirect or consequential) of the Board arising out of or in defending, prosecuting, negotiating or responding to any inquiry, questionnaire, audit, suit, action, or other proceeding brought or received from the Internal Revenue Service in connection with any Issue or Product or otherwise

relating to the tax treatment of any Issue or Product, or in connection with any opinion or certificate rendered by counsel or any other party. Notwithstanding the foregoing, nothing contained in this paragraph or elsewhere in this Agreement shall constitute a waiver by the Board of any of its legal rights under applicable U.S. federal securities laws or any other laws whose applicability is not permitted to be contractually waived, nor shall it constitute a waiver or diminution of Ford's fiduciary duty to the Board under Section 15B(c)(1) of the Securities Exchange Act of 1934, as amended, and the rules thereunder or under other applicable law.

11. Required Disclosures.

MSRB Rule G-42 requires that Ford provide you with disclosures of material conflicts of interest and of information regarding certain legal events and disciplinary history. Such disclosures are provided in Ford's Disclosure Statement delivered to the Board together with this Agreement.

12. Waiver of Jury Trial.

EACH PARTY AGREES TO WAIVE ANY RIGHT TO A TRIAL BY JURY WITH RESPECT TO ANY CLAIM, COUNTERCLAIM OR ACTION ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THE RELATIONSHIP BETWEEN THE PARTIES. PARTIES AGREE TO WAIVE CONSEQUENTIAL AND PUNATIVE DAMAGES.

13. Governing Laws and Venue.

This Agreement and all transactions contemplated by this Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Florida without regard to principles of conflicts of laws. Venue for any action arising in regard to this Agreement shall be in Hillsborough County, Florida.

14. Binding Effect; Assignment.

This Agreement shall be binding upon and inure to the benefit of the Board and Ford & Associate, their respective successors and permitted assigns; provided however, neither party may assign or transfer any of its rights or obligations hereunder without the prior written consent of the other party.

15. Entire Agreement.

This instrument, including all appendices hereto, contains the entire agreement between the parties relating to the rights herein granted and obligations herein assumed. This Agreement may not be amended, supplemented or modified except by means of a written instrument executed by both parties.

16. Severability.

If any provision of this Agreement is, or is held or deemed to be, invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions because it conflicts with any provisions of any constitution, statute, rule or public policy, or for any other reason, such circumstances shall not make the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or make any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatever.

17. No Third Party Beneficiary.

This Agreement is made solely for the benefit of the parties and their respective successors and permitted assigns. Nothing in this Agreement, express or implied, is intended to confer on any person, other than the parties and their respective successors and permitted assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

18. Authority.

The undersigned represents and warrants that he has full legal authority to execute this Agreement on behalf of the Board. The following individuals have the authority to direct the Municipal Advisor's performance of its activities under this Agreement.

19. Counterparts.

This Agreement may be executed in counterparts, each of which shall be an original, but which taken together, shall constitute one and the same instrument.

20. Insurance.

Appendix A. Insurance and Appendix B Maintenance and Public Access to Records are attached to and made a part of this Agreement.

ACCEPTED AND AGREED:

**The School Board of Hamilton County,
Florida**

By: Rex L. Mitchell,

Title: Superintendent

Signature:

Date: 6/20/17

Ford & Associates, Inc.

By: Jerry W. Ford

Title: President

Signature:

Date: 6/20/17

Appendix A. Insurance

This Appendix is attached to and made a part of the Agreement dated _____ between The School Board of Hamilton County, Florida, ("Board") and Ford & Associates, Inc. ("Municipal Advisor"), the Municipal Advisor further will:

GENERAL LIABILITY

1. The Municipal Advisor shall maintain commercial general liability insurance with a minimum limit of \$1,000,000 per occurrence, \$2,000,000 general aggregate, and \$2,000,000 Products/Completed Operations Aggregate for bodily injury and property damage.
2. If work performed under the contract will require contact with students, coverage must include sexual abuse and molestation.
3. The policy must name "The School Board of Hamilton County, Florida, its Officers, Employees, Volunteers and Agents" as additional insured using ISO additional insured endorsement CG 20 26 or its equivalent.
4. This insurance shall apply as primary insurance with respect to any other insurance or self-insurance programs available to the Board using ISO endorsement CG 20 01 or its equivalent.

AUTOMOBILE LIABILITY

1. The Municipal Advisor shall maintain automobile liability insurance with a minimum limit of \$1,000,000 each accident for bodily injury and property damage.
2. Coverage must include all owned, leased, hired, non-owned, and employee non-owned vehicles and, where applicable, provide personal injury protection.

WORKERS' COMPENSATION/EMPLOYERS' LIABILITY

1. The Municipal Advisor agrees to maintain workers compensation coverage in accordance with Chapter 440, Florida Statutes as may be amended from time to time, including employer's liability insurance.
2. The minimum Employers' Liability limits required are \$500,000/\$500,000/\$500,000.
3. Coverage will apply to all those persons rendering services to the Municipal Advisor for The School Board of Hamilton County, Florida.
4. The policy will provide a Waiver of Subrogation endorsement in favor of The School Board of Hamilton County, Florida, its Officers, Employees, Volunteers and Agents.

NOTICE OF CANCELLATION:

1. Each insurance policy required by the insurance provisions of this contract shall provide the required coverage and shall not be suspended, voided, or canceled except after thirty (30) days' prior written notice has been given to the Board, except when cancellation is for non-payment of premium; then ten (10) days' prior notice may be given.
2. Such notice shall be sent directly to the Board.
3. If any insurance company refuses to provide the required notice, the Municipal Advisor or its insurance broker shall notify the Board of any cancellation, suspension, or non-renewal of any insurance within seven (7) days of receipt of insurer's notification to that effect.

PROFESSIONAL LIABILITY INSURANCE:

The Municipal Advisor shall maintain professional liability insurance with a minimum limit of \$1,000,000 each claim and \$2,000,000 aggregate covering professional misconduct or lack of ordinary skill for those positions defined in the scope of services in the contract.

Proof of Insurance:

1. The Municipal Advisor agrees to provide the Board with a certificate or certificates of insurance evidencing the required insurance. Compliance with the requirements of this paragraph shall not relieve the Municipal Advisor of its liability and obligations under this Agreement. The Municipal Advisor must provide proof of coverage for up to three (3) years after the completion of the project.

Appendix B.
Maintenance and Public Access to Records

In compliance with Section 119.0701 Florida Statutes (2016), this Appendix is attached to and made a part of the Agreement dated _____ between The School Board of Hamilton County, Florida, ("Board") and Ford & Associates, Inc. ("Municipal Advisor"), the Municipal Advisor further will:

- A. Keep and maintain public records that would ordinarily and necessarily be required by the Municipal Advisor to perform the services provided by the Municipal Advisor to the Board under this Agreement. Any documents created by the Municipal Advisor related to this Agreement shall be considered a Public Record. This includes, without limitation, any and all financial, accounting, instructional, curriculum, testing, operational or service records or reports kept, generated or issued as a normal part of the services provided.
- B. Upon request from the Board's custodian of public records, provide the Board with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes or as otherwise provided by law.
- C. Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the Agreement term and following completion of the Agreement if the Municipal Advisor does not transfer the records to the Board.
- D. Upon completion of the Agreement, transfer, at no cost, to the Board all public records in possession of the Municipal Advisor or keep and maintain public records required by the Board to perform the service. If the Municipal Advisor transfers all public records to the Board upon completion of the Agreement, the Municipal Advisor shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the Municipal Advisor keeps and maintains public records upon completion of the Agreement, the Municipal Advisor shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the Board, upon request from the Board's custodian of public records, in a format that is compatible with the information technology systems of the Board. In any event, upon completion of the Agreement, the Municipal Advisor will transfer to the Board any Education Records, as defined under the Family Educational Rights and Privacy Act ("FERPA"), which may be in the Municipal Advisor's possession and then destroy any copies of said Education Records in the Municipal Advisor's possession as required under FERPA by 34 CFR 99.31.
- E. If the Municipal Advisor does not comply with a public records request, the Board shall be entitled to enforce these Agreement provisions by any legal or equitable means available, including, without limitation, damages, injunctive relief or both.

Failure of the Municipal Advisor to abide by the terms of this provision shall be deemed a material breach of this Agreement. This provision shall survive any termination or expiration of this Agreement. In the event a civil action is filed against the Municipal Advisor to compel production of public records where the Municipal Advisor has unlawfully refused to comply with the public records request within the time required by law, the Plaintiff may be entitled to recover its reasonable costs of enforcement, including reasonable attorney's fees from the Municipal Advisor as authorized by Section 119.0701, Florida Statutes (2016).

IF THE MUNICIPAL ADVISOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE MUNICIPAL ADVISOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, THE MUNICIPAL ADVISOR MUST CONTACT THE CUSTODIAN OF PUBLIC RECORDS FOR THE SCHOOL BOARD OF HAMILTON COUNTY, FLORIDA, SUPERINTENDENT REX L. MITCHELL, TELEPHONE NUMBER (386) 792-7802, EMAIL ADDRESS: Rex.Mitchell@hamiltonfl.com; MAILING ADDRESS: THE

**SCHOOL DISTRICT OF HAMILTON COUNTY, FLORIDA, 5683 SOUTH US
HIGHWAY 129, SUITE 1, JASPER, FLORIDA 32052.**



June 12, 2017

This Disclosure Statement is provided by Ford and Associates, Inc. to the School Board of Hamilton County, Florida ("Board") in connection with the Ford & Associates, Inc. Engagement Letter dated June 16, 2016 (the "Agreement") and is dated as of the same date as the Agreement. This Disclosure Statement provides information regarding conflicts of interest and legal or disciplinary events of Ford & Associates, Inc. required to be disclosed to the Client pursuant to MSRB Rule G-42(b) and (c)(ii).

PART A – Disclosures of Conflicts of Interest

MSRB Rule G-42 requires that municipal advisors provide to their clients disclosures relating to any actual or potential material conflicts of interest, including certain categories of potential conflicts of interest identified in Rule G-42, if applicable. If no such material conflicts of interest are known to exist based on the exercise of reasonable diligence by the municipal advisor, municipal advisors are required to provide a written statement to that effect.

Material Conflicts of Interest – Ford & Associates, Inc. makes the disclosures set forth below with respect to material conflicts of interest in connection with the Scope of Services under this Agreement, together with explanations of how Ford & Associates, Inc. addresses or intends to manage or mitigate each conflict.

General Mitigation - General Mitigations – As general mitigations of Ford & Associates, Inc.'s conflicts, with respect to each of the conflicts disclosed below, Ford & Associates, Inc. mitigates such conflicts through its adherence to its fiduciary duty to its clients, which includes a duty of loyalty to clients in performing all municipal advisory activities for the Client. This duty of loyalty obligates Ford & Associates, Inc. to deal honestly and with the utmost good faith with clients and to act in the best interests of clients without regard to Ford & Associates, Inc.'s financial or other interests. Specific conflicts are as outlined below:

1. **Fee-Splitting Arrangements.** As will be outlined in the Ford & Associates, Inc. Engagement Letter between the Client and Ford & Associates, Inc., from time to time, Ford & Associates may use FAI Capital Management or other sub-contractors acceptable to the Client in the provision of the services of Qualified Independent Representative and with the investment of bond proceeds. In so doing, Client shall incur no additional costs for such services. FAI Capital Management, Inc. is an SEC registered investment advisor under common ownership as Ford & Associates, Inc.
2. **Compensation-Based Conflicts.**
 - a. For certain services relating to the issuance of debt, or the refinancing of existing debt, the fees due under this Agreement will be based on the size of the Issue and the payment of such fees shall be contingent upon the delivery of the Issue. While this

form of compensation is customary in the municipal securities market, this may present a conflict because it could create an incentive for Ford & Associates to recommend unnecessary financings or financings that are disadvantageous to the Client, or to advise the Client to increase the size of an issue. This conflict of interest is mitigated by the general mitigations described below.

- b. Other services under this Agreement are based on hourly fees of Ford & Associates' personnel, with the aggregate amount equaling the number of hours worked by such personnel times an agreed-upon hourly billing rate. This form of compensation presents a potential conflict of interest if the Client and Ford & Associates, Inc. do not agree on a reasonable maximum amount at the outset of the engagement, because Ford & Associates, Inc. does not have a financial incentive to recommend alternatives that would result in fewer hours worked. This conflict of interest is mitigated by the general mitigations described below.

Other than as described above, there are no known material conflicts of interest known to Ford & Associates, Inc. in connection with the Scope of Services under this Agreement

PART B – Disclosures of Information Regarding Legal Events and Disciplinary History

MSRB Rule G-42 requires that municipal advisors provide to their clients certain disclosures of legal or disciplinary events material to its client's evaluation of the municipal advisor or the integrity of the municipal advisor's management or advisory personnel.

Accordingly, Ford & Associates, Inc. sets out below required disclosures and related information in connection with such disclosures.

1. **Material Legal or Disciplinary Event.** There are no legal or disciplinary events that are material to the Client's evaluation of Ford & Associates, Inc. or the integrity of Ford & Associates, Inc.'s management or advisory personnel disclosed, or that should be disclosed, on any Form MA or Form MA-I filed with the SEC.
2. **How to Access Form MA and Form MA-I Filings.** Ford & Associates, Inc.'s most recent Form MA and each most recent Form MA-I filed with the SEC are available on the SEC's EDGAR system at <https://www.sec.gov/cgi-bin/browse-edgar?action=getcompany&CIK=0001620198&owner=include&count=40&hidefilings=0>.
3. **Most Recent Change in Legal or Disciplinary Event Disclosure.** Ford & Associates, Inc. has not made any material legal or disciplinary event disclosures on Form MA or any Form MA-I filed with the SEC.

PART C – Future Supplemental Disclosures

As required by MSRB Rule G-42, this Disclosure Statement may be supplemented or amended, from time to time as needed, to reflect changed circumstances resulting in new conflicts of interest or changes in the conflicts of interest described above, or to provide updated information with regard to any legal or disciplinary events of Ford & Associates, Inc. Ford & Associates, Inc. will provide XYZ with any such supplement or amendment as it becomes available throughout the term of the Agreement.

Dated: June 12, 2017