

NOTICE FOR HIRING BOND COUNSEL

The City of Lone Oak (“City”) will be considering the approval of a contingent fee contract for legal services (“Legal Services Contract”) at the SPECIAL meeting of the Council of the City to be held on February 28, 2023 at 5:00 p.m. at 115 Town Square, Lone Oak, Texas. The approval of the Legal Services Contract will be considered in connection with the City’s application for and receipt of financing from the Texas Water Development Board for certain improvements to the City’s wastewater system (such public securities and grants together hereafter, the “TWDB Financing”).

BHDA has demonstrated that it has the competence, qualifications, and experience required to serve as the City’s bond and grant counsel in connection with the TWD Financing. BHDA has successfully represented Texas local governments as bond counsel in connection with the issuance of public securities such as those anticipated to be issued in connection with the TWDB Financing, for over 30 years.

Attorneys that represent local governments in transactions such as the TWDB Financing typically are bond counsel recognized for their work in the specialized area of public finance. The City’s successful sale and issuance of public securities, such as those anticipated to be issued in connection with the TWDB Financing, will require the preparation of numerous transactional documents, the compilation of those documents into a transcript, and obtaining the approval of the Attorney General of the State of Texas for the sale of any public securities, as well as other procedural steps. The City does not have any attorneys on staff that have the specialized experience required for a successful sale of public securities related to the TWDB Financing.

Each sale of public securities by a local government presents a unique set of legal issues and bond counsel traditionally bills for services on a contingent fee basis. Because bond counsel services are based on a fixed contingency rate, the City can know with certainty the precise amount of the fees before the sale of the public securities, and therefore, can more easily budget and plan for the use of the proceeds.

For the preceding reasons, entering into a contingent fee contract for bond counsel services with BHDA is in the best interest of the residents of the City.