



BLX Group LLC  
4925 Greenville Avenue  
Suite 880  
Dallas, TX 75206  
ph. 214 989 2700  
blxgroup.com

December 23, 2025

Ms. Christie J. Motogbe, CPA  
1<sup>st</sup> Assistant County Auditor  
Galveston County, Texas  
722 Moody  
Galveston, TX 77550

**Re: Arbitrage Rebate Compliance Services**

Dear Ms. Motogbe:

Enclosed please find a draft of the proposed engagement letter between BLX Group LLC and Galveston County, Texas for the purposes of providing arbitrage rebate compliance services for the transactions listed on Exhibit A for the upcoming three years. If it meets with your approval, please sign and email the attached engagement letter to [sstallings@blxgroup.com](mailto:sstallings@blxgroup.com) at your earliest convenience.

Thank you for this opportunity to continue to be of service to Galveston County, Texas. We look forward to working with you! If you have any questions, I can be reached at (214) 989-2701.

Very truly yours,

A handwritten signature in black ink that reads "Sandra Fuller Stallings".

Sandra Fuller Stallings  
President / Chief Executive Officer  
[sstallings@blxgroup.com](mailto:sstallings@blxgroup.com)

Enclosure

cc: Claire Martinez



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Galveston, TX 77550

**Re: Arbitrage Rebate Compliance Services**

Dear Ms. Motogbe:

Galveston County, Texas (the "Obligor") published a Request for Qualifications RFQ #B25-063 (the "RFQ") to identify vendors who were qualified to provide arbitrage consulting services. BLX Group LLC ("BLX") submitted a response to the RFQ and was found to be the most qualified and was awarded the contract for such services by the Commissioners Court.

This letter is to confirm the engagement of BLX by the Obligor for the purpose of performing calculations relating to the arbitrage and rebate requirements contained in the Internal Revenue Code (the "Code") and the legal advice described below. The calculations are to be performed with respect to the bond issue(s) listed on Exhibit A hereto (the "Bonds") applying applicable federal tax rules.

The complete agreement between BLX and Obligor (the "Agreement") consists of this letter together with the response to the RFQ by BLX, and the RFQ, including any addendums to the RFQ. In the event of any conflict between the foregoing documents, they shall be given precedence in the order set forth herein. The foregoing documents express the entire understanding and complete agreement between BLX and Obligor. Neither BLX nor Obligor shall be bound by any prior agreement, written statement or verbal statement concerning the subject matter of this Agreement that is not set forth herein.

BLX will calculate the amount of rebate liability with respect to the Bonds as of the end of each fiscal year and at each fifth bond year (unless specifically directed in writing otherwise by the Obligor) and as of the final maturity or redemption of the Bonds (each such date on which a rebate calculation is performed is referred to herein as a "Rebate Calculation Date") applying regulations of the United States Department of the Treasury ("Treasury") in effect on such Rebate Calculation Date. (The term "Calculation Date" as used herein shall refer to a Rebate Calculation Date.) In addition, if required or requested by the Obligor, BLX will include in each report delivered to the Obligor an analysis of compliance with applicable arbitrage yield restrictions. With respect to each Calculation Date, BLX will prepare or cause to be prepared schedules reflecting the relevant calculations and the assumptions involved and will deliver a rebate liability report addressed to the Obligor as to the amount of the rebate liability as of such Calculation Date.

At the Obligor's election, which election is made by the Obligor's signature of this engagement letter, each such rebate liability report will include a legal opinion provided by the law firm, Orrick, Herrington & Sutcliffe LLP ("Orrick"). BLX will engage Orrick to represent BLX for the purpose of providing legal oversight and review as it deems necessary to render its opinion that the computations shown in the report are mathematically accurate and were performed in accordance with applicable federal law and regulations. No attorney-client relationship exists between Orrick and the Obligor by virtue of this engagement or the provision of the Orrick legal opinion. BLX is not a law firm and is not providing any legal advice to you.



The Obligor undertakes to provide or cause to be provided to BLX all such relevant data, as specified by BLX from time to time, and shall cooperate with all reasonable requests of BLX in connection therewith. The Obligor also agrees to inform BLX of any actual or planned early redemption of the Bonds at its earliest opportunity.

BLX is not being engaged hereunder, and BLX is not hereby obligated, to undertake any of the following: (1) independently determine whether securities allocable to proceeds of the bonds were purchased at fair market value within the meaning of the Treasury Regulations; (2) perform an audit or review of the investments acquired with gross proceeds or the payment of debt service on the Bonds; (3) perform calculations or other research as to the desirability of elections or selections that may be available under applicable federal tax law; (4) review the tax-exempt status of interest on the Bonds or any other aspect of the Bond program except for rebate and penalty liability to the extent set forth in this engagement letter; (5) consider any information obtained by BLX pursuant to this engagement for any purpose other than determining such rebate and penalty liability; and (6) update any report delivered hereunder because of events occurring, changes in regulations, or data or information received, subsequent to the date of delivery of such report. Should the Obligor desire BLX to undertake any of the foregoing, such work will be the subject of a separate engagement and a separate fee, if any. In addition, BLX will be entitled to rely entirely on information provided by the Obligor and the Trustee and/or their agents and assigns without independent verification. The fee with respect to the Bonds will be determined pursuant to Exhibit B hereto. Engagement Fees are due upon each engagement and Report Fees are due upon delivery of each report by BLX. This engagement is terminable by either party by written notice to the other, such termination to be effective immediately; provided that, if BLX terminates this engagement prior to delivering any calculations, the engagement fee (if previously paid) shall be refunded. BLX shall be entitled to assign its rights and obligations under this engagement in whole or in part upon prior written notice to the Obligor; provided that no such notice is required so long as Orrick retains the obligation to deliver legal opinions hereunder. No additional fees will be charged by Orrick for providing the legal services described herein. BLX will separately compensate Orrick for such services.

BLX and/or Orrick may have client relationships with other parties involved in some manner with the Bonds or the Obligor (for example, underwriters, trustees, rating agencies, insurers, credit providers, lenders, contractors, developers, advisors, investment advisors/providers/brokers, public entities and others) whether with respect to the Bonds or some unrelated matter(s). However, to the extent that a conflict-of-interest is created by this engagement, the Obligor hereby waives any such conflict. If this engagement letter is satisfactory, please have an authorized official execute one copy and return it to the undersigned.

This agreement shall remain in effect for fiscal year 2025-2026 (January 1, 2026 through December 31, 2026), fiscal year 2026-2027 (January 1, 2027 through December 31, 2027), and fiscal year 2027-2028 (January 1, 2028 through December 31, 2028) unless terminated earlier as otherwise provided in this Agreement.

Very truly yours,

BLX GROUP LLC

A handwritten signature in black ink that reads "Sandra Fuller Stallings".

Sandra Fuller Stallings  
President / Chief Executive Officer



Accepted:

GALVESTON COUNTY, TEXAS

By:

A handwritten signature in blue ink, appearing to read 'Mark Henry', is written over a horizontal line.

Print Name/Title:

Mark Henry/ County Judge

Date:

March 2, 2026

E-mail Address:

Mark.Henry@co.galveston.tx.us



EXHIBIT A  
BONDS TO BE ENGAGED

Description

1. \$34,822,062  
Galveston County, Texas  
Justice Center & Public Safety Building Bonds  
Series 2001
2. \$26,151,372  
Galveston County, Texas  
Unlimited Tax Road Bonds  
Series 2001
3. \$45,000,000  
Galveston County, Texas  
Limited Tax County Building Bonds  
Series 2009B (Build America Bonds)
4. \$62,835,000  
Galveston County, Texas  
Limited Tax Refunding Bonds  
Series 2017
5. \$102,105,000  
Galveston County, Texas  
\$78,805,000 Unlimited Tax Road & Refunding Bonds,  
Series 2017  
\$14,465,000 Limited Tax Flood Control & Refunding Bonds  
Series 2017  
\$8,835,000 Limited Tax County Building Bonds,  
Series 2017A
6. \$30,280,000  
Galveston County, Texas  
\$22,080,000 Unlimited Tax Road Bonds,  
Series 2019  
\$8,200,000 Limited Tax County Building Bonds,  
Series 2019



EXHIBIT B

ARBITRAGE REBATE COMPLIANCE SERVICES FEE SCHEDULE

**BASE FEE**

<u>Service</u>	<u>Fees</u>
Engagement Fee (one-time fee, per new issue)	Waived
Report Fee (per report)	\$1,750

**ADDITIONAL FEES**

*Per report, as appropriate*

<u>Service</u>	<u>Fees</u>
Commingled Funds Analysis	+\$500
Yield Restriction Analysis	+\$500
Transferred Proceeds Analysis	+\$500
Computation Periods in Excess of 12 Months (per additional year or fraction thereof)	+\$500

**OPTIONAL SERVICES**

Evaluating various elections and applications

*To be negotiated separately*