Proposal to Provide Financial Advisor and Continuing Disclosure Services RFQ # 20-21-1025

South Texas College

December 16, 2020

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and Continuing Disclosure Services
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CONTACTS:

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Regional Managing Director
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December 16, 2020

South Texas College
Purchasing Department
3200 West Pecan Blvd
Building North, Room 145
McAllen, Texas 78501

Dear Purchasing Department:

Hilltop Securities Inc. ("HilltopSecurities") is pleased to submit our proposal to provide financial advisory and continuing disclosure services to South Texas College (the "College"). As a nationally recognized leader in the field of public finance, including specific expertise in the issuance of municipal bonds, our firm is uniquely qualified to continue to serve as financial advisor to the College. We believe our institutional knowledge, relevant experience, longevity in the marketplace, high-quality service, and available resources are unequaled when compared to other public finance firms. The following summarizes our key qualifications for providing financial advisory and continuing disclosure services to the College.

Commitment to the College. HilltopSecurities is honored to have served as the financial advisor to the College since inception. During that time, we have assisted the College with three bond elections resulting in the issuance of six new money bond issues and five refunding bonds, saving the college approximately $7,031,100 in debt service savings. Additionally, we have supported the College's Night of the Stars since it began.

Strong Texas Experience. We will continue to serve the College from our San Antonio office. Our in-depth knowledge of issues affecting the College and the surrounding communities it serves, as well as our availability to meet with the College on short notice are essential qualities we offer. ***We are ranked as the #1 financial advisory firm in the State of Texas*** based on number of issues and par amount, with 1,976 transactions totaling over $95.18 billion par amount (according to Ipreo MuniAnalytics), for the five-year period ending November 30, 2020. ***Our level of participation as financial advisor in Texas is over two times that of our nearest competitor for overall issues. With a 39% market share (by par), HilltopSecurities serves as financial advisor on nearly half of every bond issue completed in Texas.***

Texas Higher Education Experience. For the five-year period ending November 30, 2020, Ipreo MuniAnalytics ranks HilltopSecurities as the number-one financial advisory firm in Texas for both number and par amount of higher education issues. In addition, we are ranked as the number-two financial advisory firm in the nation for both number and par amount of higher education issues. In the past five years, HilltopSecurities served as financial advisor on 74 Texas higher education issues with an aggregate par amount exceeding $10.43 billion. **In addition to our services to the College,** the firm provided financial advisor services to 26 Texas higher education institutions, including the Alamo Community College, Amarillo Junior College, Angelina County Junior College, Austin Community College, Collin County Community College, Dallas County Community College, Howard County Junior College, University of Houston

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System, Texas A&M University System, Texas Christian University, Texas Tech University System, and the University of North Texas, among others.

Industry Recognition. HilltopSecurities has earned national recognition by receiving "Deal of The Year" Awards by *The Bond Buyer, International Financing Review* and *Institutional Investor* 27 times for innovative structures specifically tailored to the challenges of our clients. Such recognition is highly coveted in the public finance industry.

Team Concept. HilltopSecurities' business philosophy has always been to implement the "team concept" to provide the best possible service to our clients. Under this concept, we meet a client's needs by involving a variety of professionals from different disciplines with specialized expertise in various aspects of public finance. To that end, the team will be represented by Anne Burger Entrekin, who is supported by a multi-disciplinary team of financing professionals to assist in financial analysis and implementation.

Regulated Financial Advisor. HilltopSecurities is a registered broker/dealer with the Financial Industry Regulatory Authority ("FINRA"). All our professionals operate under the rules of the Municipal Securities Rulemaking Board ("MSRB") and our activities are regulated by the Securities and Exchange Commission ("SEC"). This distinguishes us from unregistered firms, which propose to provide advisory services and catalytic advice without being subject to such oversight and the capital requirements that go along with such regulation; we maintain more than $440 million in equity capital (as of October 31, 2020).

A Firm Commitment to Service. As mentioned previously, HilltopSecurities is a full-service firm that can provide the College valuable advisory services not only as a financial advisor, but also in the capacity of arbitrage rebate, investment management, continuing disclosure, and other services. As a registered broker-dealer, HilltopSecurities' bankers and analysts are held to the highest level of professionalism and are required to earn and maintain the proper securities licenses and must satisfy regular continuing education requirements. Above and beyond the regulatory standards, HilltopSecurities' corporate culture is insistent on attentive service to our clients, accountability for the quality of our service, and transparency in the reasons for the financial advice we provide. We sincerely desire to exceed the quality of service, proactive attentiveness, and the responsiveness the College requires from its financial advisor.

On behalf of HilltopSecurities, I want to thank you for allowing us to serve the College as municipal advisor. We are truly honored to serve the College and very much appreciate the opportunity to present our qualifications to continue to serve as your municipal advisor. As always, we commit that our service will be professional, personalized and responsive. We hope that the information contained in this proposal adequately demonstrates our passion, commitment and desire to be of service to the College. Above all, we take our fiduciary responsibility seriously and commit that our service and efforts will be directed toward assuring that the best interests of the College are continually served. Should you have any questions or desire additional information, please do not hesitate to contact us at any time.

As required in Section 5.2, Item 4 of the RFQ, HilltopSecurities is disclosing that the firm is a registered municipal advisory (Municipal Advisor SEC ID#: 867-00632) with an underwriting desk (Dealer SEC ID#: 8-45123). HilltopSecurities will not underwrite any of the College's securities, if selected as financial advisor.

Sincerely yours,

Anne Burger Entrekin
Regional Managing Director

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A HilltopSecurities Financial Advisory Experience Texas Higher Education July 1, 2015 - August 31, 2020

B Engagement Team Resumes

C Required Forms & Documents

Exhibit 1 – Municipal Advisor Disclosure Statements

HilltopSecurities
A Hilltop Holdings Company.
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Hilltop Securities Inc. ("HilltopSecurities") is honored to have the opportunity to present our proposal to provide financial advisory and continuing disclosure services to South Texas College (the "College"). Among our other qualities, HilltopSecurities' strong commitment to Texas issuers, such as the College, ensures our ability to deliver innovative ideas, creative financing techniques, and sound financial advice tailored to the College's needs.

7.1 Company Profile

A. Provide a brief history of the firm and its operations.

First Southwest Company, LLC, which was formed in 1946 and Southwest Securities, Inc., first organized as a corporation in 1972, merged in 2016. The combined entity is Hilltop Securities Inc., a Delaware corporation and a wholly owned subsidiary of Hilltop Securities Holdings LLC, which is wholly owned by Hilltop Holdings Inc.

Similar to First Southwest Company, LLC, HilltopSecurities is a registered securities dealer under the Securities and Exchange Act of 1934 and functions as a member of the Depository Trust Company and the National Clearing Corporation.

HilltopSecurities is focused on one mission***: to provide superior financial advisory and related services to public entities nationwide***. HilltopSecurities is confident that our decades of experience with providing financial advisory services to issuers of tax-exempt and taxable debt, along with our extensive analytical and human resources will provide the full scope of financial advisory services the College seeks.

Our Firm at a Glance
48 Offices in 19 States
785 Employees Firm-Wide (approximately)
27 "Deal of the Year" Awards
Reliable, Firsthand Market Information
#1 Financial Advisor in the State of Texas*
#1 Financial Advisor in the State of Texas for Higher Education Bonds*

*Source: Ipreo MuniAnalytics 12/1/2015 –11/30/2020

History of HilltopSecurities as Financial Advisor

Since the founding of our predecessor firm in 1946, HilltopSecurities has played a pivotal role in shaping the landscape of public finance.

The onset of our role as a financial advisor began early in a relationship with a Texas city when we advised the city's leaders that, rather than offering their issue to only one underwriting firm, which was the only method then used, they instead should accept competitive bids from multiple underwriting firms. Our advice and assistance with the competitive bid process resulted in a far lower cost of financing for our client. Soon thereafter, the concept of a financial advisor adding value to issuers' financings expanded across the State of Texas and eventually nationwide.

Since then, HilltopSecurities has earned a national reputation as a trustworthy firm committed to unparalleled excellence. We take seriously the trust our clients place in our abilities, as we help meet the financial objectives of nearly half of all issues completed in the State of Texas.

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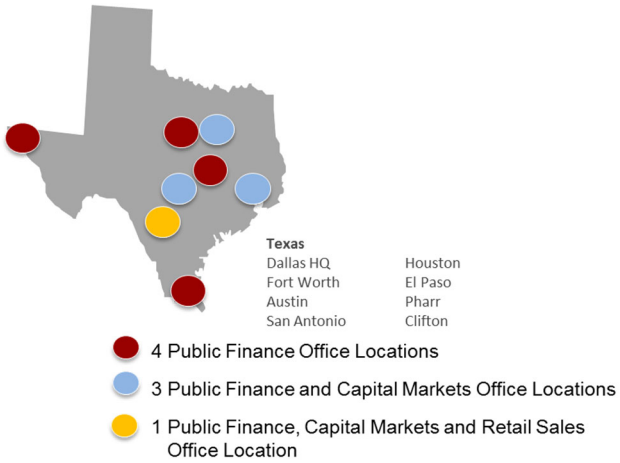
Commitment to Texas

Although a national firm, we emphasize client service at the regional level to provide customized solutions for our clients. We are deeply rooted in the State of Texas, with more than 14 public finance, capital markets and retail locations throughout the state, including our headquarters in Dallas.

Our close proximity to Texas issuers and strong presence in the state facilitate long-term relationships with Texas clients, some extending longer than 40 years***. Because we are Texas-based, we can commit a vast array of resources in an expeditious manner in that our many Texas office locations make our resources readily accessible to the College.***

The following map illustrates the firm's eight public finance office locations throughout the State of Texas.



Commitment to The Valley

In additional to maintaining a public finance office in Pharr, Texas where Cris Vela offices, PlainsCapital Bank, a subsidiary of HilltopHoldings, also has 15 bank offices in the Valley which employs 200 individuals. From 2014 through 2019, HilltopHoldings made donations to various events for the College, cities, counties, school districts and non-profit organizations in Hidalgo County and the Valley in general of $765,000. HilltopHoldings believes in community and civic involvements and it is part of our core values.

Commitment to Public Finance and Higher Education

HilltopSecurities has always ranked among the top financial advisory firms in Texas. For the five-year period ending November 30, 2020, Ipreo MuniAnalytics ranks us as ***the number-one financial advisory*** firm in Texas for number and par amount of transactions completed overall. HilltopSecurities holds over 39% market share (based on par amount) in the state of Texas with approximately 1,976 transactions with a par amount exceeding $95.18 billion.

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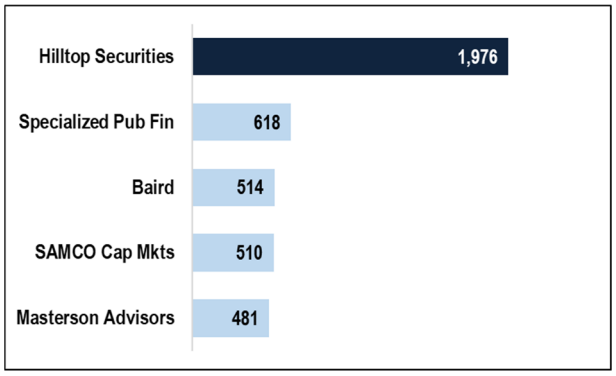
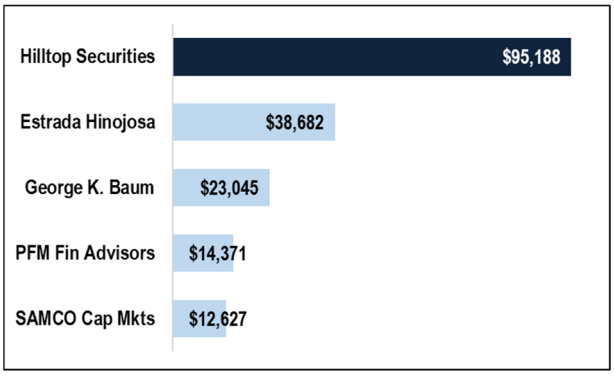
HilltopSecurities' Financial Advisory Ranking
State of Texas Overall
Ranking by Number of Transactions
December 1, 2015 – November 30, 2020



HilltopSecurities' Financial Advisory Ranking
State of Texas Overall
Ranking by Aggregate Par Amount
December 1, 2015 – November 30, 2020

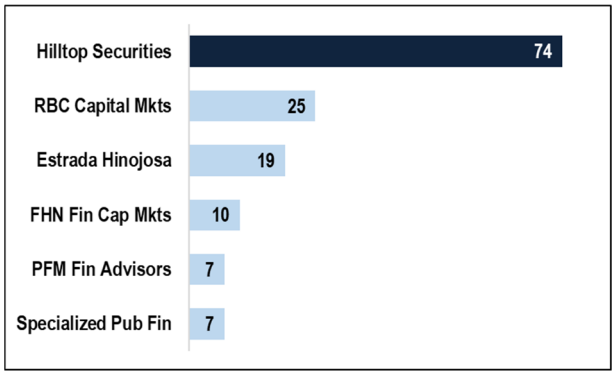


Note: The tables above include issues from both Southwest Securities, Inc. and First Southwest Company, LLC. The two firms merged on January 22, 2016.

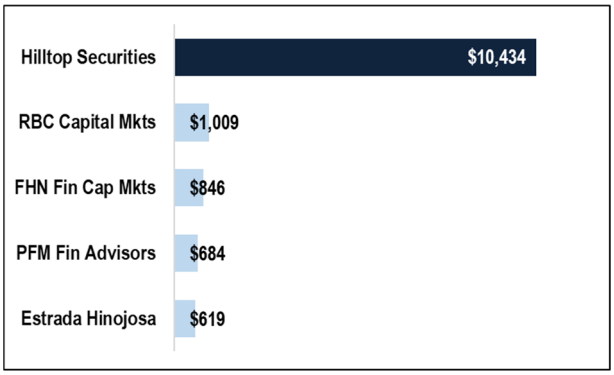
HilltopSecurities has significant experience serving as financial advisor to community colleges and universities throughout Texas. In addition to South Texas College, we represent other relatively large districts including Alamo Community College, Austin Community College, Collin County Community College District, Dallas County Community College, El Paso County Community College, and Tarrant County Community College District. We also represent Amarillo Junior College District, Angelina County Junior College District, Central Texas College, Howard County Junior College District, and Midland College, among others. Additionally, we serve as financial advisor to the Texas A&M University System, Texas Tech University System, Texas State University System, the University of North Texas System, University of Houston and Texas Christian University.

According to Ipreo MuniAnalytics, for the five-year period of December 1, 2015 through November 30, 2020, HilltopSecurities ranks as the number one financial advisor in the State of Texas for both number of transactions and aggregate par amount for higher education issues: 74 issues with a par amount exceeding $10.43 billion. Please see ***Appendix A*** for a listing of these issues.

HilltopSecurities' Financial Advisory Ranking
State of Texas Higher Education
Ranking by Number of Transactions
December 1, 2015 – November 30, 2020



HilltopSecurities' Financial Advisory Ranking
State of Texas Higher Education
Ranking by Aggregate Par Amount
December 1, 2015 – November 30, 2020



Note: The tables above include issues from both Southwest Securities, Inc. and First Southwest Company, LLC. The two firms merged on January 22, 2016.

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Of the 74 Texas higher education issues represented above, HilltopSecurities served as financial advisor to 11 community/junior college districts to complete 24 issues with an aggregate par amount exceeding $1.66 billion. Those issuers included:

- Alamo Community College District
- Amarillo Junior College District
- Angelina County Junior College District
- Austin Community College
- Collin County Community College
- Dallas County Community College District
- El Paso County Community College District
- Grayson County Junior College District
- Howard County Junior College District
- South Texas College
- Texas State Technical College System

Experience with South Texas College District

We have been honored to represent South Texas College since its inception. During that time we have assisted the College with three bond elections resulting in the issuance of six new money bond issues and five refunding bonds, including the College's recent $40,935,260 Limited Tax Refunding Bonds, saving the College on an aggregate basis approximately $7,031,100 in debt service savings. Additionally, we have supported the College's Night of the Stars since it began.

A summary of the bond issues in which we have served the College as financial advisor is included below.

Sale Date	Par Amount	Issue Description	Issue Type
05/15/1996	$20,000,000	Tax Bonds, Series 1996	New Money
02/15/1999	5,200,000	Public Property Finance Contractual Obligations, Series 1999	New Money
04/15/2002	71,230,000	Limited Tax General Obligation Bonds, Series 2002	New Money
04/10/2003	22,845,000	Limited Tax General Obligation Bonds, Series 2003	New Money
03/24/2004	15,514,996	Limited Tax General Obligation Refunding Bonds, Series 2004	Refunding
02/15/2007	26,574,991	Limited Tax Refunding Bonds, Series 2007 and Maintenance Tax Refunding Bonds, Series 2007	Refunding
10/15/2010	19,550,011	Limited Tax Refunding Bonds, Series 2010	Refunding
05/15/2013	6,630,000	Limited Tax Refunding Bonds, Series 2013	Refunding
01/15/2014	53,750,000	Limited Tax Bonds, Series 2014	New Money
06/15/2015	90,220,000	Limited Tax Bonds, Series 2015	New Money
07/01/2020	40,935,260	Limited Tax Refunding Bonds, Series 2020	Refunding
11 issues	**$372,450,258**		

In addition to the cornerstone of public finance, HilltopSecurities offers a broad range of related services, all of which are accessible during our engagement as financial advisor.

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B. Respondent Name (give exact legal name as it will appear and state company headquarters information below):

Hilltop Securities Inc.

a. Principal address: 1201 Elm Street, Suite 3500

b. Dallas, Texas 75270

c. Telephone No. 214.953.4000 Fax No: 214.953.4050

d. Website address: www.hilltopsecurities.com

e. Year established: 1991

f. Number of Years in Business under present name: Four years

g. Social Security Number or Federal Employer Identification Number: 75-1382137

h. Texas Comptroller's Taxpayer Number, if applicable: 17513821375

NOTE: (this 11-digit number is sometimes referred to as the Comptroller's TIN or TID)

i. DUNS Number: 58668138

C. Provide any other names under which Respondent has operated within the last 10 years and length of time under for each.

- **Southwest Securities, Inc**. (1991 - 2015)
- **First Southwest Company, Inc.** (1946 - 2016)
- **Hilltop Securities Inc.** (2016 - present)

D. Explain changes that have occurred over the last six (6) months regarding staffing, capital, organizational structure, as well as future changes you expect may occur.

HilltopSecurities has not experienced any changes over the last six months regarding staffing, capital, organizational structure and not future changes are expected to occur.

E. Does Respondent anticipate any mergers, transfers of organization ownership, management reorganization, or departure of key personnel within the next twelve (12) months?

HilltopSecurities does not anticipate any mergers, transfers of organization ownership, management reorganization, or departure of key personnel within the next twelve months.

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7.2 Qualifications of Staff to be Assigned to the College

7.2.1 Financial Advisor Experience

A. Identify the Financial Advisor who would serve in potential engagements with STC and provide contact information:

Name: Anne Burger Entrekin, Regional Managing Director

Address: 70 Northeast Loop 410, Suite 710

City: San Antonio **State:** Texas **Zip Code:** 78216

Telephone Number: 210.308.2200 **Fax Number:** 210.349.7585

Cellphone Number: 210.870.7685 **Email Address:** anne.burgerentrekin@hilltopsecurities.com

B. Provide a brief biography to include background, years of experience, education and professional licenses and certificates, expertise, and capabilities specific to providing the services as described in the Scope of Services.

Anne Burger Entrekin
Regional Managing Director
San Antonio Office
Telephone: 210.308.2204
anne.burgerentrekin@hilltopsecurities.com
Licenses Held: 7, 24, 50, 63, 79

Project Manager. Has expertise in debt issuances related to multiple types of issuers and financing structures. Over the past 10 years, Anne has served as lead financial advisor on more than $13.9 billion in bond issuance for entities in Texas and throughout the nation. Assisted in the development of new structures that incorporate credit and programmatic evolutions to specifically meet the goals and objectives of clients while providing optimal flexibility. We have reviewed the Scope of Services requested and find these to be customary for the clients she has assisted in her 34-year tenure with Hilltop Securities, and FirstSouthwest before.

Please see ***Appendix B*** for Anne's full resume.

C. Provide a brief summary describing a complex transaction or combination of transactions in which the financial advisor provided expertise which could be utilized and applied to STC's potential future transactions.

We highlight our experience with the Texas Water Development Board related to the development of their State Water Implementation Fund for Texas (the "SWIRFT"). This was an innovative Plan of Finance that has resulted in program successes that exceed original expectations. We believe this complex transaction that has laid the foundation for transactions over the subsequent 49 years demonstrates our ability to lead a team in the development of an innovative structure, to demonstrate our quantitative expertise, to coordinate with multiple parties to accomplish a targeted goal while preserving future flexibility for our clients. While this transaction was specifically structured to fund State Water Plan projects, we believe our experience and leadership in this transaction can transcend to any type of complex financing, including higher education and transactions the College would contemplate.

Texas Water Development Board

On November 4, 2015, the Texas Water Development Board (the "TWDB") closed their inaugural bond issue leveraging its State Water Implementation Revenue Fund for Texas (the "SWIRFT") program. HilltopSecurities, in addition to serving as financial advisor on this transaction, provided technical assistance to the Texas Legislature during the drafting of House Bill 4 and Senate Joint Resolution 1, which with passage of a constitutional amendment, provided

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the initial $2 billion in capitalization for the State Water Implementation Fund for Texas (the "SWIFT") from the Texas Rainy Day Fund. The purpose of the SWIFT is to provide financial assistance to ensure adequate future water supplies for Texas as identified in the State Water Plan, which is 50-year comprehensive planning process undertaken every five years. It is anticipated that the initial capitalization of the SWIFT will provide over the next 50 years approximately $27 billion in financial assistance for State Water Plan projects.

Since this was the inaugural issuance, we worked with the TWDB to identify the transaction goals, which included creating a flexible legal structure to allow programmatic and financing options that could evolve over time as the programmatic and market conditions change, achieving the highest ratings in order to maximize the savings to program participants, and engaging in extensive investor outreach to introduce the new program to the market and establish strong benchmark pricing for future transactions. HilltopSecurities lead the working group in analyzing various flow of fund strategies factoring in several programmatic, legal, and financial considerations. Once the structure was determined, HilltopSecurities developed a 50-year strategic planning model with hundreds of variables to analyze multiple "What If?" scenarios. Through a collaborative process within the TWDB, the various programmatic financing structures were analyzed and developed. The structures included a deferred interest rate structure to fund planning and design, a subsidized interest rate structure, and a structure whereby the TWDB provides an ownership interest for a project that constructs oversized projects and permits for incremental repurchase over time as the additional capacity is utilized.

With these steps completed and the flow of funds further refined, the next focus was on the legal structure and the drafting of documents. The general structure with the 2015 transaction was to solve for a 1.00 times debt service structure within the SWIRFT, transferring from the SWIFT at the time of closing only enough funds to pay the differential in the TWDB's debt service and the program participants repayments. The SWIFT is not pledged to the repayment of the SWIRFT Bonds. Since this was a structure that had not been utilized before for a pooled loan program, there was early outreach to the rating agencies. The TWDB and working group understood early on, that communicating with the rating agencies throughout the drafting of legal documents and development of the programmatic and financing structures would be critical to the rating agency process. While this was true for both Standard & Poor's and Fitch, the proposed structure was inconsistent with specific published pooled loan program criteria of Fitch. As a result of this process and high-level discussions with Fitch, it was determined that the unique proposed structure would not be evaluated based solely on their published criteria. The outreach included in-person meetings along with dialogue throughout the process. The value of this process was to be clear on the methodology the rating agencies would utilize in their rating evaluation process. The TWDB achieved the desired AAA/AAA ratings for the SWIRFT.

The TWDB undertook an extensive investor outreach as part of this process which HilltopSecurities participated in throughout the process. In addition to participating in several investor conferences, the TWDB recorded an internet roadshow and participated in multiple in-person investor meetings. The outreach initially focused on the legislation, State Water Plan and program overview. Once the TWDB was within the 90 day pricing window, HilltopSecurities lead efforts with the TWDB and working group to formulate a new presentation that included details about the legal framework and 2015 transaction specifics. Since the inaugural issuance was an innovative structure, the TWDB also hosted a "SWIRFT 101" for the co-managers and a "teach-in" with the senior manager's salesforce.

This success of the pricing translated into significant savings to the program participants. ***This transaction was also recognized as the Bond Buyer's 2016 Southwest Region Deal of the Year.***

To date, we have assisted the TWDB with the issuance of over $6.5 billion in SWIRFT Bonds, funding over $7.2 billion in projects which are projected to have saved program participants over $1.1 billion in interest costs if they had utilized the open market.

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D. Provide a statement of availability to STC.

HilltopSecurities approaches each of its engagements by building multi-faceted teams of specialized, senior experts. These professionals work collectively to meet the College's needs; their constant collaboration ensures continuous availability for efficient execution. As Regional Managing Director of HilltopSecurities, Anne commits to serve as the overall Project Manager for the College's engagement. Senior members of our engagement team will attend all requested meetings with staff, manage all work products, and ensure that all the firm's commitments are fulfilled to the complete satisfaction of the College.

E. Include transactions in the past three (3) years in which this individual served as financial advisor. Specify if the experience was not with the current firm.

Anne Burger Entrekin Financial Advisory Experience
Past Three Years
Source: Internal Database
Please note that the following experience is with Hilltop Securities Inc.

Sale Date	Issuer	Description	Amount
10/11/2017	Yoakum Independent School District	Unlimited Tax Refunding Bonds, Series 2017	$11,310,000
12/6/2017	Kerrville, City	General Obligation Refunding Bonds, Series 2017	17,215,000
12/12/2017	Michigan Finance Authority	Clean Water Revolving Fund Refunding Bonds, Series 2017A	145,600,000
1/10/2018	Texas Water Development Board	General Obligation Water Financial Assistance and Refunding Bonds, Series 2018A	61,280,000
1/11/2018	Development Corporation of McAllen	Sales Tax Revenue Bonds, Taxable Series 2018A	5,115,000
1/22/2018	McAllen, City	Combination Tax and Revenue Certificates of Obligation, Series 2018	5,890,000
3/14/2018	Oklahoma Water Resources Board	Revolving Fund Revenue Financial Assistance Bonds, Drinking Water Program, Series 2018	80,055,000
4/11/2018	Texas Water Development Board	State Revolving Fund Revenue Bonds, New Series 2018	288,395,000
4/24/2018	Texas Water Development Board	SWIRFT Revenue Bonds, Series 2018	832,065,000
5/10/2018	Colorado Water Resources and Power Development Authority	Drinking Water Revenue Bonds, 2018 Series A	5,180,000
7/9/2018	Michigan Finance Authority	State Revolving Fund Revenue Bond Anticipation Notes, Clean Water Revolving Fund Revenue BAN, Series 2018A	100,000,000
7/11/2018	Texas Water Development Board	Water Financial Assistance Bonds, Series 2018B (Water Infrastructure Fund)	238,895,000
7/20/2018	New York State Environmental Facilities Corporation	State Clean Water and Drinking Water Revolving Funds Revenue Bonds, Series 2018A	319,715,000
7/31/2018	San Antonio , City	General Improvement Bonds, Series 2018	154,850,000
7/31/2018	San Antonio , City	Combination Tax & Revenue Certificates of Obligation, Series 2018	131,610,000
7/31/2018	San Antonio , City	combination Tax & Revenue Certificates of Obligation, Taxable Series 2018	8,600,000
7/31/2018	San Antonio, City	Tax Notes, Series 2018	28,070,000
8/9/2018	Kirby, City	General Obligation Bonds, Series 2018	6,715,000
8/22/2018	San Antonio, City	Housing Lord Road Project	26,105,000
8/27/2018	McAllen, City	General Obligation Bonds, Series 2018	4,000,000
9/18/2018	Texas Water Development Board	SWIRFT Revenue Bonds, Series 2018 B	1,672,210,000
9/18/2018	Texas Water Development Board	SWIRFT Revenue Bonds, Series 2018 C	35,590,000
9/24/2018	McAllen PUB	Waterworks and Sewer System Revenue Bonds, Series 2018A	7,000,000
9/24/2018	McAllen PUB	Waterworks and Sewer System Revenue Bonds, Series 2018B	12,000,000
9/24/2018	McAllen PUB	Waterworks and Sewer System Revenue Bonds, Series 2018C	6,900,000
9/25/2018	Weslaco, City	Certificates of Obligation, Series 2018	3,940,000
10/17/2018	Guadalupe Blanco River Authority	Contract Revenue Bonds, Series 2018A (Deferred Financing)	$12,030,000
10/17/2018	Guadalupe Blanco River Authority	Contract Revenue Bonds, Series 2018B (Low Interest Financing)	11,895,000
10/17/2018	Guadalupe Blanco River Authority	Board Participation Master Agreement - 2018 Funding	34,285,000
11/14/2018	New York State Environmental Facilities Corporation	State Clean Water and Drinking Water Revolving Funds Revenue Bonds, Series 2018B	258,340,000
12/11/2018	Michigan Finance Authority	State Clean Water Revolving Fund Revenue Bonds, Series 2018	138,050,000

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Sale Date	Issuer	Description	Amount
12/20/2018	Bellville, City	General Obligation Refunding Bonds, Series 2018	2,380,000
12/20/2018	Kerrville, City	Combination Tax and Revenue Certificates of Obligation, Series 2018A (CWSRF)	8,000,000
12/20/2018	Kerrville, City	Combination Tax and Revenue Certificates of Obligation, Series 2018B (DWSRF)	5,000,000
1/8/2019	San Antonio, City	General Improvement Refunding Bonds, Series 2019	24,570,000
1/14/2019	McAllen, City	General Obligation Refunding Bonds, Series 2019	18,955,000
1/28/2019	Texas Water Development Board	General Obligation Bonds, Water Financial Assistance Bonds, Series 2019A (EDAP)	41,325,000
1/28/2019	Texas Water Development Board	General Obligation Bonds, Water Financial Assistance Bonds, Series 2019B (EDAP)	8,821,000
1/29/2019	Cibolo Canyons Special Improvement District	Limited Ad Valorem Tax Bonds, Series 2019	4,600,000
3/13/2019	Texas Water Development Board	SRF Series 2019	221,005,000
4/24/2019	California State Water Resources Control Board	Drinking Water State Revolving Fund Revenue Bonds, Series 2019	83,920,000
5/15/2019	Texas Water Development Board	General Obligation Bonds, Water Financial Assistance Refunding Bonds, Series 2019C	50,135,000
5/15/2019	Texas Water Development Board	General Obligation Bonds, Water Financial Assistance Refunding Bonds, Series 2019D	21,320,000
5/15/2019	Texas Water Development Board	General Obligation Bonds, Water Financial Assistance Refunding Bonds, Series 2019E	121,990,000
5/15/2019	Texas Water Development Board	General Obligation Bonds, Water Financial Assistance Refunding Bonds, Series 2019F	7,355,000
5/21/2019	New York Environmental Facilities Corporation	State Revolving Fund Revenue Bonds, Series 2019A	120,700,000
6/18/2019	Port Arthur, City	General Obligation Refunding Bonds, Series 2019	9,120,000
6/20/2019	Connecticut, State of	State Revolving Fund Bonds, 2019 Series A & B	279,845,000
8/13/2019	San Antonio, City of	General Improvement and Refunding Bonds, Series 2019	383,940,000
8/13/2019	San Antonio, City of	Certificates of Obligation, Series 2019	36,425,000
8/13/2019	San Antonio, City of	Tax Notes, Series 2019	34,535,000
8/27/2019	Kerrville, City of	Combination Tax and Revenue Certificates of Obligation, Series 2019	9,895,000
9/10/2019	Weslaco, City	General Obligation Bonds, Series 2019	8,850,000
9/24/2019	Texas Water Development Board	SWIRFT Revenue Bonds, Series 2019	858,810,000
9/30/2019	San Antonio Housing Trust Finance Corporation	Multifamily Housing Mortgage Revenue Bonds, Series 2019 (Majestic Ranch Apartments)	23,000,000
9/30/2019	San Antonio Housing Trust Finance Corporation	Multifamily Housing Mortgage Revenue Bonds, Series 2019 (Mesa West Apartments Projects)	35,000,000
10/22/2019	Harlingen Economic Development Corporation	Sales Tax Refunding Bonds, Series 2019A	17,585,000
10/22/2019	Harlingen Economic Development Corporation	Sales Tax Lease Rental Revenue Refunding Bonds, Series 2019B	4,035,000
10/29/2019	San Antonio, City of	Municipal Facilities Corporation Contract Revenue Bonds, Taxable Series 2019 (Brooks Deve Auth)	6,065,000
11/14/2019	Cibolo Canyons Special Improvement District	Limited Ad Valorem Tax and Refunding Bonds, Series 2019A	20,630,000
11/14/2019	Cibolo Canyons Special Improvement District	Limited Ad Valorem Tax Road Bonds, Series 2019B	1,860,000
11/14/2019	Guadalupe Blanco River Authority	Low Interest 2019	9,740,000
11/14/2019	Guadalupe Blanco River Authority	Master Repurchase Agreement Series 2019	30,260,000
11/20/2019	San Antonio, City of	Airport System Revenue Refunding Bonds, Taxable Series 2019B	47,255,000
11/20/2019	San Antonio, City of	Airport System Revenue Refunding Bonds, Series 2019A (AMT)	$36,280,000
11/20/2019	San Antonio, City of	Passenger Facility Charge and Subordinate Line Airport System Revenue Refunding Bonds, Series 2019A (AMT)	63,405,000
11/20/2019	San Antonio, City of	Passenger Facility Charge and Subordinate Line Airport System Revenue Refunding Bonds, Taxable Series 2019B	31,535,000
11/21/2019	Harlingen, City	General Obligation Refunding Bonds, Series 2019	1,690,000
12/3/2019	Kerrville, City	General Obligation Refunding Bonds, Series 2019	2,285,000
12/3/2019	Oklahoma Water Resources Board	Revolving Fund Revenue Financial Assistance Bonds - Drinking Water Program, Series 2019	154,420,000
12/5/2019	Harlingen Waterworks & Sewer System	Waterworks and Sewer System Revenue Bonds, Series 2019A	4,825,000

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Sale Date	Issuer	Description	Amount
12/10/2019	McAllen, City	General Obligation Refunding Bonds, Series 2019	5,565,000
1/16/2020	San Antonio, City of	Public Property Finance Corporation Obligations, Series 2020	11,300,000
1/27/2020	Port Arthur, City	Combination Tax and Revenue Certificates of Obligation, Series 2020A	8,900,000
3/31/2020	Port Arthur, City	Combination Tax and Revenue Certificates of Obligation, Series 2020B	60,560,000
5/18/2020	Texas Water Development Board	State Revolving Fund Revenue Bonds, New Series 2020	352,590,000
6/10/2020	San Antonio Housing Trust Finance Corporation	Multifamily Housing Mortgage Revenue Bonds, Series 2019 (Pan American Projects)	15,000,000
6/11/2020	Michigan Finance Autority	State Revolving Fund Revenue Bond Anticipation Notes, Series 2020A	60,000,000
6/30/2020	San Antonio, City of	General Improvement Refunding Bonds	471,590,000
7/1/2020	South Texas College District	Limited Tax Refunding Bonds, Taxable Series 2020	41,194,693
7/10/2020	Nueces River Authority	General Improvement Revenue Bonds, Series 2020	418,000
7/14/2020	Shiner, City of	Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2020	5,850,000
8/25/2020	San Antonio, City	General Improvement Bonds, Series 2020	245,300,000
9/1/2020	Virginia Resources Authority	State Revolving Fund Bonds, Series 202A	104,980,000
9/21/2020	Alamo Heights, City	General Obligation Refunding Bonds, Series 2020	4,530,000
9/22/2020	Kerrville, City	General Obligation Refunding Bonds, Series 2020	11,245,000
10/1/2020	Michigan Finance Authority	State Clean Water/Drinking Water Revolving Fund Revenue Bonds, Series 2020B	156,845,000
10/5/2020	Oklahoma Water Resources Board	Drinking Water Revolving Fund Revenue Bonds, Series 2020	95,000,000
10/14/2020	Weslaco, City	Limited Tax Refunding Bonds, Series 2020	15,070,000
10/14/2020	Cuero, City	General Obligation Refunding Bonds, Series 2020	5,490,000
11/17/2020	Guadalupe Blanco River Authority	SWIRFT Board Participation and Low Interest Series 2020	42,495,000
11/17/2020	New York State Environmental Facilities Corporation	State Revolving Funds Revenue Bonds, Series 2020B	123,110,000
9/222020	Texas Water Development Board	SWIRFT Revenue Bonds, Series 2020	628,515,000
		Total	$9,979,818,693

7.2.2 Technical and Quantitative Experience

A. Identify the quantitative analyst who would be involved in potential engagements with STC and provide contact information in the following format:

Name: Michelle Aragon, Director

Address: 70 Northeast Loop 410, Suite 710

City: San Antonio **State:** Texas **Zip Code:** 78216

Telephone Number: 210.308.2221 **Fax Number:** 210.349.7585

Cellphone Number: 210.319.8031 **Email Address:** michelle.aragon@hilltopsecurities.com

B. Provide a brief biography to include background, years of experience, education and professional licenses and certificates, expertise, and capabilities specific to providing the services as described in the Scope of Services.

Michelle Aragon
Director
San Antonio Office
Telephone: 210.308.2221
michelle.aragon@hilltopsecurities.com
Licenses Held: 7, 50, 63

Senior Quantitative Banking Support. Over 17 years of public finance experience. Represents numerous school districts, college districts, cities, economic development corporations, counties, and utility systems. Provides quantitative financial analysis, structures capital improvement plan models, and analyzes credit and cash flows. We have reviewed the Scope of Services requested and find these to be customary for the clients she has assisted in her 17 year tenure with Hilltop Securities, and FirstSouthwest before.

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Please see ***Appendix B*** for Michelle's full resume.

C. Provide a statement of availability to STC.

The engagement team that will assist the College is highly experienced and has issued billions of bonds for new projects and interest rate savings.

The team assigned to serve STC, along with the full resources of the firm, will be immediately and continuously available to serve the College throughout our engagement. The financing team assigned to serve the College consists of senior, experienced professionals who offer the College significant Texas and higher education financial advisory and quantitative expertise. Our primary engagement team is based in our San Antonio location.

D. List financial advisor transactions in the past three (3) years in which this individual served as quantitative analyst (primary numbers runner on transaction). Specify if the experience was not with the current firm.

Michelle Aragon Financial Advisory Experience
Past Three Years
Source: Internal Database
Please note that the following experience is with Hilltop Securities Inc.

Sale Date	Issuer	Description	Amount
7/12/2018	North East Independent School District	Unlimited Tax Refunding Bonds, Series 2018	$129,085,000
9/25/2018	Round Rock ISD	Unlimited Tax Refunding Bonds, Series 2018	60,935,000
10/25/2018	Northside Independent School District	Unlimited Tax Refunding Bonds, Series 2018A	57,570,000
1/24/2019	Kerrville Independent School District	Unlimited Tax School Building Bonds, Series 2019	49,070,000
2/15/2019	Llano Independent School District	$1,060,000 Cash Defeasance of the 2020 Maturity of the District's $14,310,000 Unlimited Tax School Bonds, Series 2007 and $4,860,000 Unlimited Tax Refunding Bonds, Series 2005	1,060,000
2/15/2019	Three Rivers Independent School District	Redemption of a Portion of the 2031 Maturity of the District's $14,105,000 Unlimited Tax School Building Bonds, Series 2012	340,000
2/20/2019	Fort Bend Independent School District	Unlimited Tax Commercial Paper Notes, Series A	150,000,000
2/26/2019	North East Independent School District	Unlimited Tax Refunding Bonds, Series 2019	44,340,000
2/26/2019	North East Independent School District	Variable Rate Unlimited Tax Refunding Bonds, Series 2019	49,000,000
4/9/2019	Round Rock Independent School District	Unlimited Tax School Building Bonds, Series 2019	158,905,000
4/23/2019	Fort Bend Independent School District	Unlimited Tax Refunding Bonds, Series 2019B	131,550,000
4/23/2019	Fort Bend Independent School District	Variable Rate Unlimited Tax Refunding Bonds, Series 2019A	100,000,000
5/14/2019	Northside ISD	Unlimited Tax School Building and Refunding Bonds, Series 2019	106,370,000
7/10/2019	North East Independent School District	Variable Rate Unlimited Tax School Building Bonds, Series 2014 (2019 Conversion to Fixed Rate)	44,845,000
7/16/2019	Northside Independent School District	Variable Rate Unlimited Tax School Building and Refunding Bonds, Series 2019	$145,000,000
7/23/2019	Fort Bend Independent School District	Unlimited Tax School Building and Refunding Bonds, Series 2019C	125,330,000
7/30/2019	Northside Independent School District	Unlimited Tax Refunding Bonds, Series 2019A	177,890,000
8/6/2019	Llano Independent School District	Unlimited Tax School Building Bonds, Series 2019	9,395,000
10/1/2019	Val Verde County	Revenue Notes, Taxable Series 2019	1,700,000
10/1/2019	Val Verde County	Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2019	4,300,000
10/2/2019	North East Independent School District	Unlimited Tax School Building and Refunding Bonds, Series 2019A	108,040,000
11/19/2019	Northside Independent School District	Unlimited Tax Refunding Bonds, Series 2019B	64,705,000
11/29/2019	Alamo Community College District	Variable Rate Revenue Financing System Senior Lien Revenue Bonds, Series 2017 (2019 Rmktg)	11,300,000
1/22/2020	Port Authority of San Antonio	Spec Proj Lease Rev Rfdg Bd, Txbl S14B Bk of SA Bd Rest, Air Cargo Fac Proj Conv to Term Rate	9,310,000

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Sale Date	Issuer	Description	Amount
1/23/2020	Kerrville Independent School District	Unlimited Tax School Building Bonds, Series 2020	34,055,000
1/28/2020	Alamo Community College District	Maintenance Tax Notes, Series 2020	48,475,000
2/14/2020	Alamo Community College District	Cash Defeasance of a Portion of the 2033 Mat of the S07 and 2032 Mat of the S07A	27,250,000
4/27/2020	Fort Bend Independent School District	Unlimited Tax Refunding Bonds, Series 2020	167,050,000
5/12/2020	Northside Independent School District	Variable Rate Unlimited Tax School Building Bonds, Series 2017 (2020 Conversion to Fixed Rate)	92,030,000
7/8/2020	Northside Independent School District	Unlimited Tax Refunding Bonds, Series 2020	64,895,000
7/23/2020	Northside Independent School District	Unlimited Tax Commercial Paper Notes, Series A and Series B	100,000,000
7/28/2020	Southside Independent School District	Unlimited Tax Refunding Bonds, Series 2020A	4,640,000
8/4/2020	Fort Bend Independent School District	Unlimited Tax School Building Bonds, Series 2020A	106,605,000
8/4/2020	Fort Bend Independent School District	Variable Rate Unlimited Tax School Building and Refunding Bonds, Series 2020B	100,000,000
8/31/2020	Three Rivers Independent School District	Unlimited Tax Refunding Bonds, Series 2020	12,725,000
9/9/2020	Southside Independent School District	Unlimited Tax Refunding Bonds, Taxable Series 2020B	17,440,000
9/29/2020	Northside Independent School District	Variable Rate Unlimited Tax School Building Bonds, Series 2020	200,000,000
10/6/2020	North East Independent School District	Unlimited Tax Refunding Bonds, Taxable Series 2020	250,910,000
		Total	$2,966,115,000

E. Include a description of any quantitative capabilities, including type of financial software utilized and other technical tools utilized.

HilltopSecurities employs highly skilled individuals who maintain HilltopSecurities' nationwide network, build or otherwise devise software and other department solutions and maintain daily information technology operations. Such extensive personnel resources make it possible for our firm to have state-of-the-art hardware, software and networking capabilities.

HilltopSecurities' approach to providing financial advisory services centers on detailed analysis and continuous technical support during the planning process and throughout each transaction. We develop detailed financial models to help quantify the benefits and risks of any proposed financing. We want our clients to have total confidence in the final transaction structure and to be assured that all options are analyzed thoroughly.

HilltopSecurities has the technical capability and experience required to assess virtually every type of financial structure contemplated by a government issuer or conduit borrower, and we offer a distinctly different approach to providing technical services through the utilization of a senior level quantitative group. Therefore, we are able to run scenarios that quantify the benefits and costs of various structuring considerations, such as: fixed versus variable rate debt, credit enhancement, optimal call dates and prices, desired maturity dates, premium versus discount bonds, and serial versus term bonds. HilltopSecurities is able to prepare cash flow forecasts that will enable the College to evaluate the annual debt service requirements associated with alternative financing structures. For the most common types of design analysis, HilltopSecurities will:

- Produce cash flow models with the flexibility to calculate bond capacities based on debt service installments; utilize forecasted revenues, expenditures and growth factors; model construction drawdowns and interest earnings; and project user charges.
- Size a financing including allowance for capitalized interest, construction costs, escrow requirements, insurance costs, interest earnings, issuance costs and reserve funds.

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- Structure a payment amortization to a tailored schedule based on projected revenue and expenditure constraints.
- Defease outstanding debt utilizing a state-of-the-art software that structures an optimal escrow fund; structure new or refunding debt on a level, front-loaded or back-loaded savings basis.
- Calculate the issue price to the public and using this price, calculate the arbitrage yield as defined by the Tax Reform Act of 1986.
- Calculate true interest cost and provide present-value schedules for use in evaluating bids or modeling present values of cash flow projections.
- Devise debt capacity models that can be used to detail the issuer's existing debt service requirements; forecast proposed debt service requirements; and project the impact of the proposed requirements on financial ratios.
- Prepare analysis related to bond election capacity analysis and quantifying potential impacts to taxpayers.
- Develop debt service schedules accommodating serial and term bonds, discount and premium bonds, and zero coupon bonds, including premium capital appreciation bonds, as well as variable rate and synthetic fixed rate debt.
- Provide refunding analyses, which can be used to illustrate savings on a gross basis or a present-value basis of refundings. Provide sensitivity to interest rate movement and maturity-by-maturity analysis. analysis. Provide sensitivity to interest rate movement and maturity-by-maturity analysis.
- Complex project financings structuring capabilities involving different liens, structures, purposes, tax-status, and financing characteristics.
- Bank financing comparisons to traditional capital market financings
- Refunding analysis comparison between current, forward refundings, and taxable refundings among other less used forms
- Option Adjusted Spread (OAS) analysis providing the value of the embedded option for call feature of a particular bond or series.

HilltopSecurities currently employs 37 skilled individuals who maintain HilltopSecurities' nationwide network, build or otherwise devise software and other department solutions and maintain daily information technology ("IT") operations. Such extensive personnel resources make it possible for our firm to have state-of-the-art hardware, software and networking capabilities.

The software packages HilltopSecurities utilizes include DBC Finance, MUNEX Advanced Decision Support Software for Public Finance and Financial Management Systems, and Microsoft Office. Occasionally, specific software is built on a contract basis for clients should the complexities of transactions exceed the capabilities of the standard software packages. HilltopSecurities maintains proprietary models for the evaluation of derivative structures and investments. In addition to the software that directly supports the public finance effort, we subscribe to Bloomberg, Reuters, Dalnet, Ipreo MuniAnalytics, and Thomson Reuters.

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7.2.3 Continuing Disclosure Services and Availability

A. Support Staff

1) Identify the individual who will coordinate official statement, continuing disclosure, and rating agency presentation preparation, in addition to providing research and support to STC as necessary. Provide contact information in the following format:

HilltopSecurities utilizes a team concept and based on the specific tasks noted above, please see below the individuals and the other requested information for the tasks noted.

Senior Level Banking Support including rating agency presentation preparation, research and support

Name: Cris Vela, Director

Address: 100 East Nolana Loop

City: Pharr **State:** Texas **Zip Code:** 78577

Telephone Number: 956.686.0991 **Fax Number:** 956.618.4791

Cellphone Number: 956.624.1700 **Email Address:** cris.vela@hilltopsecurities.com

Official Statement Coordination

Anne, as she has done to date in her efforts with the College, will continue to be responsible for the coordination of the official statement preparation. Please see her information above in our response to Section 7.2 A.

Continuing Disclosure

Name: Lou Ann Heath, Director - Continuing Disclosure

Address: 1201 Elm Street, Suite 3500

City: Dallas **State:** Texas **Zip Code:** 75270

Telephone Number: 214.953.4169 **Fax Number:** 214.953.4050

Cellphone Number: 214.598.5807 **Email Address:** louann.heathz@hilltopsecurities.com

2) Provide a brief biography to include background, experience, education and professional licenses and certificates, expertise and capabilities specific to providing the services as described in the Scope of Services.

Cris Vela
Director
Pharr Office
Telephone: 956.686.0991
cris.vela@hilltopsecurities.com
Licenses Held: 50, 52, 63

Local Senior Banking Support. Has served as financial advisor in the Rio Grande Valley since 1982, focusing on municipalities, school districts, municipal water districts and supply corporations in the area. Will assist with offering document preparation, rating agency presentations and calls, research and other banking support. We have reviewed the Scope of Services requested and find these to be customary for the clients he has assisted in his 38-year tenure with Hilltop Securities, FirstSouthwest and his prior firm before.

Please see ***Appendix B*** for Cris's full resume.

Please see ***Appendix B*** for Anne's full resume and our response to Section 7.2 A above for information about Anne's expertise and capabilities to provide the services described in the Scope of Services.

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Lou Ann Heath
Director
Dallas Office
Telephone: 214.953.4169
louann.heath@hilltopsecurities.com
Licenses Held: 50

Continuing Disclosure. Heads the firm's Continuing Disclosure division. Previously served as Senior Director, Relationship Management for Standard & Poor's. We have reviewed the Scope of Services requested and find these to be customary for the clients to whom Lou Ann has provided continuing disclosure services during her tenure at HilltopSecurities.

Please see ***Appendix B*** for Lou Ann's full resume.

3) Provide a statement of availability to STC.

The engagement team that will assist the College is highly experienced and has issued billions of bonds for new projects and interest rate savings.

The team assigned to serve STC, along with the full resources of the firm, will be immediately and continuously available to serve the College throughout our engagement. The financing team assigned to serve the College consists of senior, experienced professionals who offer the College significant Texas and higher education financial advisory and continuing disclosure expertise.

4) Include a description of the computer software utilized in addition to Microsoft Office.

For over 30 years, HTS Continuing Disclosure Services, a Division of Hilltop Securities Inc., has worked closely with over 850 municipal clients to assist them in meeting the disclosure requirements set forth in U.S. Securities and Exchange Commission Rule 15c2-12. Our goal is that each of our municipal clients is able to maintain ready, low-cost access to the capital markets. In fact, we are one of the only financial advisory firms in the United States with a dedicated disclosure services practice, enabling our professionals to solely focus on the disclosure needs of our individual municipal clients.

While most other disclosure services firms simply notify municipalities of pending filing dates, our professionals work closely with clients to help them prepare and file the appropriate reports. This unique approach saves our clients both time and resources while helping them remain in compliance with Rule 15c2-12.

In order to reduce the amount of time our municipal clients spend on fulfilling often complex continuing disclosure requirements, our dedicated continuing disclosure services practice provides seamless turn-key continuing disclosure services Our dedicated continuing disclosure services team utilizes a proprietary software system that reduces the likelihood of non-compliance with SEC Rule 15c2-12. Key features of our system include: ongoing maintenance of issuer compliance status; automatic tracking of issuers' annual filing requirements and associated deadlines; notification of material events, such as rating changes and refunded bond issues; ongoing monitoring of filing requirements and deadlines for conduit issuers and their obligated members.

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5) List transactions in which the individual(s) listed above prepared and were solely responsible for in-house compilation of official statements and other related documents in the past three (3) years. Specify if the experience was not with the current firm.

Anne Burger Entrekin Experience in Compiling Official Statements and Related Documents
Past Three Years
Source: Internal Database

Sale Date	Issuer	Issue Description	Par Amount	Firm
9/24/2018	McAllen PUB	Waterworks and Sewer System Revenue Bonds, Series 2018A	$7,000,000	HilltopSecurities
9/24/2018	McAllen PUB	Waterworks and Sewer System Revenue Bonds, Series 2018B	12,000,000	HilltopSecurities
9/24/2018	McAllen PUB	Waterworks and Sewer System Revenue Bonds, Series 2018C	6,900,000	HilltopSecurities
7/11/2018	Texas Water Development Board	Water Financial Assistance Bonds, Series 2018B (Water Infrastructure Fund)	238,895,000	HilltopSecurities
9/18/2018	Texas Water Development Board	SWIRFT Revenue Bonds, Series 2018 B	1,672,210,000	HilltopSecurities
9/18/2018	Texas Water Development Board	SWIRFT Revenue Bonds, Series 2018 C	35,590,000	HilltopSecurities
9/25/2018	Weslaco, City	Certificates of Obligation, Series 2018	3,940,000	HilltopSecurities
12/20/2018	Bellville, City	General Obligation Refunding Bonds, Series 2018	2,380,000	HilltopSecurities
12/20/2018	Kerrville, City	Combination Tax and Revenue Certificates of Obligation, Series 2018A (CWSRF)	8,000,000	HilltopSecurities
12/20/2018	Kerrville, City	Combination Tax and Revenue Certificates of Obligation, Series 2018B (DWSRF)	5,000,000	HilltopSecurities
1/29/2019	Cibolo Canyons Special Improvement District	Limited Ad Valorem Tax Bonds, Series 2019	4,600,000	HilltopSecurities
1/14/2019	McAllen, City	General Obligation Refunding Bonds, Series 2019	18,955,000	HilltopSecurities
1/28/2019	Texas Water Development Board	General Obligation Bonds, Water Financial Assistance Bonds, Series 2019A (EDAP)	41,325,000	HilltopSecurities
1/28/2019	Texas Water Development Board	General Obligation Bonds, Water Financial Assistance Bonds, Series 2019B (EDAP)	8,821,000	HilltopSecurities
3/13/2019	Texas Water Development Board	SRF Series 2019	221,005,000	HilltopSecurities
6/18/2019	Port Arthur, City	General Obligation Refunding Bonds, Series 2019	9,120,000	HilltopSecurities
5/15/2019	Texas Water Development Board	General Obligation Bonds, Water Financial Assistance Refunding Bonds, Series 2019C	50,135,000	HilltopSecurities
5/15/2019	Texas Water Development Board	General Obligation Bonds, Water Financial Assistance Refunding Bonds, Series 2019D	21,320,000	HilltopSecurities
5/15/2019	Texas Water Development Board	General Obligation Bonds, Water Financial Assistance Refunding Bonds, Series 2019E	121,990,000	HilltopSecurities
5/15/2019	Texas Water Development Board	General Obligation Bonds, Water Financial Assistance Refunding Bonds, Series 2019F	7,355,000	HilltopSecurities
8/27/2019	Kerrville, City of	Combination Tax and Revenue Certificates of Obligation, Series 2019	9,895,000	HilltopSecurities
9/24/2019	Texas Water Development Board	SWIRFT Revenue Bonds, Series 2019	858,810,000	HilltopSecurities
9/10/2019	Weslaco, City	General Obligation Bonds, Series 2019	8,850,000	HilltopSecurities
11/14/2019	Cibolo Canyons Special Improvement District	Limited Ad Valorem Tax and Refunding Bonds, Series 2019A	20,630,000	HilltopSecurities
11/14/2019	Cibolo Canyons Special Improvement District	Limited Ad Valorem Tax Road Bonds, Series 2019B	1,860,000	HilltopSecurities
11/21/2019	Harlingen, City	General Obligation Refunding Bonds, Series 2019	1,690,000	HilltopSecurities
10/22/2019	Harlingen Economic Development Corporation	Sales Tax Refunding Bonds, Series 2019A	17,585,000	HilltopSecurities
10/22/2019	Harlingen Economic Development Corporation	Sales Tax Lease Rental Revenue Refunding Bonds, Series 2019B	4,035,000	HilltopSecurities
12/5/2019	Harlingen Waterworks & Sewer System	Waterworks and Sewer System Revenue Bonds, Series 2019A	4,825,000	HilltopSecurities

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Sale Date	Issuer	Issue Description	Par Amount	Firm
12/3/2019	Kerrville, City	General Obligation Refunding Bonds, Series 2019	2,285,000	HilltopSecurities
12/10/2019	McAllen, City	General Obligation Refunding Bonds, Series 2019	5,565,000	HilltopSecurities
1/27/2020	Port Arthur, City	Combination Tax and Revenue Certificates of Obligation, Series 2020A	8,900,000	HilltopSecurities
3/31/2020	Port Arthur, City	Combination Tax and Revenue Certificates of Obligation, Series 2020B	60,560,000	HilltopSecurities
5/18/2020	Texas Water Development Board	State Revolving Fund Revenue Bonds, New Series 2020	352,590,000	HilltopSecurities
7/14/2020	Shiner, City of	Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2020	5,850,000	HilltopSecurities
7/1/2020	South Texas College District	Limited Tax Refunding Bonds, Taxable Series 2020	41,194,693	HilltopSecurities
9/21/2020	Alamo Heights, City of	General Obligation Refunding Bonds, Series 2020	4,530,000	HilltopSecurities
9/22/2020	Kerrville, City of	General Obligation Refunding Bonds, Series 2020	11,245,000	HilltopSecurities
9/22/2020	Texas Water Development Board	SWIRFT Revenue Bonds, Series 2020	628,515,000	HilltopSecurities
10/14/2020	Cuero, City of	General Obligation Refunding Bonds, Series 2020	5,490,000	HilltopSecurities
10/14/2020	Weslaco, City of	Limited Tax Refunding Bonds, Series 2020	15,070,000	HilltopSecurities
	Total		**$4,566,515,693**	

7.2.4 References

A. Provide at least five recent public entity references/clients that you have worked with in the last five (5) years. Please refer to the form in Exhibit 5.

HilltopSecurities believes that strong recommendations from our clients are the most accurate indications of our firm's level of service and expertise. The following are selected client references for the firm that will be helpful in assessing our ability to serve the College.

City of McAllen

Roel "Roy" Rodriguez, P.E.
City Manager
1300 Houston Avenue
McAllen, TX 78501
Phone: 956.681.1007
roel_rodriguez@mcallen.net

City of Weslaco

Mike R. Perez
City Manager
255 South Kansas Avenue
Weslaco, TX 78596
Phone: 956.973.3110
mrperez@weslacotx.gov

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Victoria Independent School District

Frances Koch
Executive Director of Budget and Finance
102 Profit Drive
Victoria, TX 77902
Phone: 361.788.2898
frances.koch@visd.net

Texas Water Development Board

Jeff Walker
Executive Administrator
1700 North Congress Avenue
Austin, TX 78701
Phone: 512.463.7848
jeff.walker@twdb.texas.gov

Alamo Community College District

Pamela K. Ansboury, CPA, M.Ed
Associate Vice Chancellor for Finance & Fiscal Services
2222 N. Alamo Street
San Antonio, TX 78215
210.486.0301
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7.3 Experience with Public Entities, including, but not Limited to Community Colleges

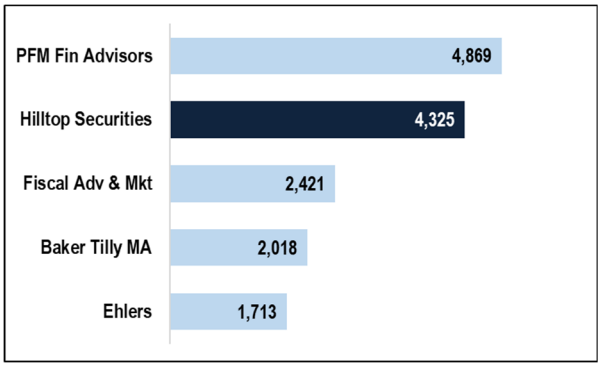
7.3.1 Overall public finance experience and track record of the firm

A. Does your firm have experience with public entities? If yes, please provide a list.

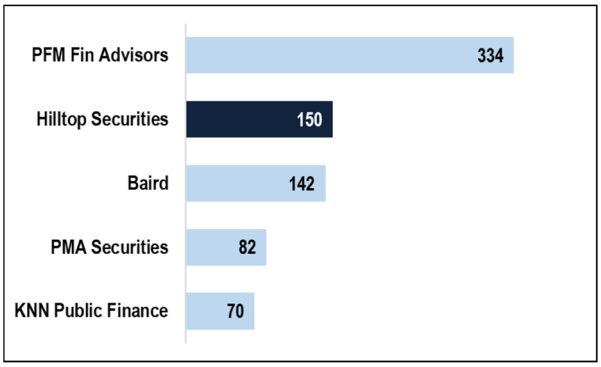
Firm Public Finance Experience

During the past five years, HilltopSecurities provided financial advisory services nationally on 4,325 issues totaling $184.18 billion par volume. Such level of participation in the public finance arena ranks us as the number-two firm for number of issues. ***Nationally, during the past five years, HilltopSecurities ranks as the number-two firm in the nation relative to number of financings for higher education for a total of 150 issues totaling $20.23 billion par volume.*** The following ranking table illustrate how HilltopSecurities compares to other firms in nationally (Source for all charts: *Ipreo MuniAnalytics*). Please refer to pages 2 and 3 for our Texas public finance rankings and Texas Higher Education experience.

HilltopSecurities' Financial Advisory Ranking
National Overall
Ranking by Number of Transactions
December 1, 2015 – November 30, 2020



HilltopSecurities' Financial Advisory Ranking
National Higher Education
Ranking by Number of Transactions
December 1, 2015 – November 30, 2020



Given the number of entities this includes, we hope the chart above illustrates the volume and vast experience HilltopSecurities has with public entities. We will gladly provide a detailed list of these clients if that would be helpful for the College.

HilltopSecurities generally uses Ipreo MuniAnalytics for purposes of State and National ranking information because it derives its data directly and expeditiously from the municipal wire services.

B. Does your firm have experience as an underwriter for Texas bonds?

As a licensed broker-dealer, HilltopSecurities is an active participant in the marketplace every day. From November 1, 2017 through October 31, 2020, the firm's service as municipal advisor and underwriter to government and non-profit organizations included providing services on approximately 3,095 transactions, representing more than $153 billion aggregate par, according to Ipreo MuniAnalytics. ***This represents our completion of approximately 20 transactions per week on behalf of our clients during such three-year period.*** **Specifically, for this same period of time, our firm served as an underwriter for Texas Bonds in the amount of 361 transactions totaling over $8.63 par amount of bonds**. Our local team can cite numerous examples in which our underwriting and trading desks have provided valuable information and recommendations that ultimately led to the lowest possible cost of borrowing for our financial advisory clients.

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Our financial advisory clients benefit from market advice from firsthand, real-time information as opposed to second and third-hand observations compiled from information vendors. The foundation of our expertise is that we are active participants in the marketplace every day, not merely observers. The firm's underwriters bring a wealth of first-hand market knowledge to every engagement. We believe that the accountability and transparency that results from maintaining an active broker-dealer operation benefits our clients in numerous ways and will be of exceptional value to the College.

The underwriting desk at our firm works in partnership with our financial advisors from the beginning of preliminary structuring, updating scales and coupon structures to reflect market dynamics and providing real-time market information, including changes in market indices and comparable sales, all the way to the final pricing. Our underwriters invest as much of their time working with financial advisory clients as they do working with underwriting clients.

Real-Time Market Data

Our continuing investment in the capital markets information technology capabilities is fundamental both to our operations and enhances the value of the financial advisory services that HilltopSecurities provides. Therefore, HilltopSecurities is committed to staying abreast of the latest developments in the digitalization of fixed income trading. Since the emergence of the Electronic Communication Networks ("ECNs") and electronic bid submission systems, we have been a pioneer, working with the leading vendors in the field to provide unique insight. Among the vendors we actively utilize today are: Bloomberg, i-Deal, MuniAuction, Thomson, MuniCenter, Bonddesk and Valubond. We also engaged a consulting firm notable for its development of the Real Time Reporting System ("RTRS") for the MSRB.

The real-time data that HilltopSecurities can access provides a distinct advantage to our financial advisory clients by allowing us to ensure that our clients' bonds are priced and sold at market levels. Our capital markets group routinely provides recommendations based on its active market involvement and extensive institutional investor relationships. These capabilities provide an enormous advantage to the College and differentiate HilltopSecurities from other advisory firms that do not have actual market involvement and capabilities.

Bond Pricing Support

HilltopSecurities will represent the College in all areas of bond pricing and sale. In addition to our extensive capital markets support throughout the negotiated sale process, HilltopSecurities routinely provides our clients with pre and post-sale analysis of its financing. This includes market information and news, economic data, and comparables that are used for benchmarking purposes.

In our role as financial advisor, HilltopSecurities' capital markets group routinely provides recommendations regarding the following matters based on their active market involvement and extensive institutional investor relationships:

- Structure
- Call options and premiums
- Coupons and Yields
- Placement of Term Bonds and pricing
- Serial Bonds and Pricing
- Cost effectiveness of liquidity
- Credit spreads
- Underwriters' takedown and spread
- Syndicate rules
- Allocation of bonds

Our constant evaluation of alternatives to re-marketing and the implementation of those alternatives, when appropriate, will be highly beneficial to the College. We will recommend approval of final pricing only after our underwriting desk has assured the College that the borrowing has achieved a fair cost of capital for the sale date, based on to-the-minute market conditions for that type of security.

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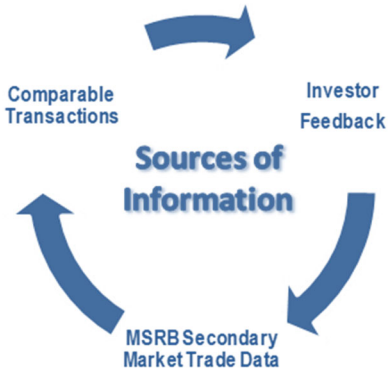
As noted in the following diagram, HilltopSecurities underwriting desk relies on our own first hand knowledge of the market from our internal deal flow as well as investor feedback, results of other comparable transactions, and MSRB secondary trade data.



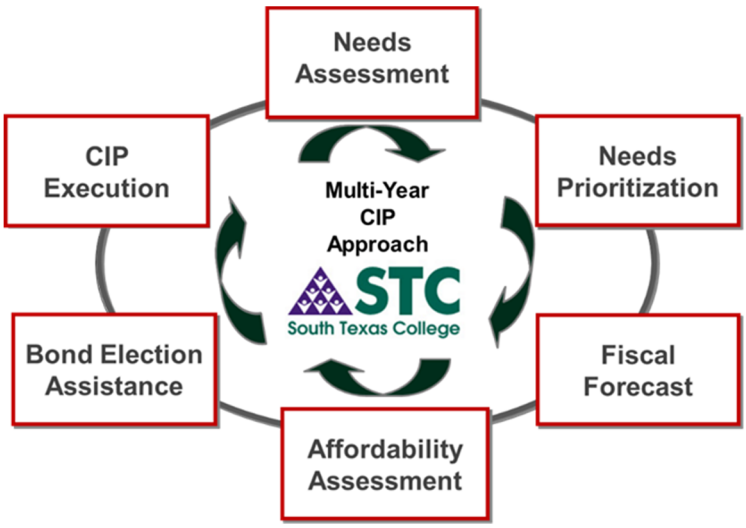
HilltopSecurities has the technological resources and personnel to gather data from these sources, and as such, we do not have to rely on outside or third party firms to gather such data. Each resource provides insight into the value of an issuer's bonds on any given market day. Many of our competitors simply rely on spread to Municipal Market Data ("MMD"), and while MMD has its uses, it has proven faulty in down and volatile markets.

In short, our capital markets capabilities and expertise provide an enormous advantage to the College and differentiate HilltopSecurities from "independent" advisory firms, which do not have principal market involvement and capabilities. Although the College may only require some of these services to be provided by HilltopSecurities, the expertise of all the professionals in these auxiliary areas is shared with the public finance bankers and utilized when specific questions arise.

We strongly believe that this approach distinguishes our services from our competitors, but most importantly, it provides a higher quality service to our clients and allows them to achieve the lowest possible cost of borrowing. The College can be confident that when the time arrives to price its issue, our professional capital markets staff will watch over every detail of the transaction and obtain the most value for the securities the market will allow.

C. Describe your firm's approach and capability in designing and implementing a financial plan for a multi-year capital improvement program for the College.

Approach to establishing and managing long term capital improvement plan



Development of a Capital Improvement Plan (a "CIP") is intended to ensure that policy makers are responsible to student, residents and businesses of the community with respect to the expenditure of public funds. A Capital Improvement Plan also promotes the provision of continuous efficient services. The written plan identifies and describes capital projects, the years in which funding each project is to occur and the method of funding. While a Capital Improvement Plan may be designed to forecast any period of time, it generally extends beyond the current operating cycle and usually covers a three to five-year time frame. HilltopSecurities routinely assists issuers in establishing and managing long-term capital improvement plans.

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Our role in the process generally revolves around assisting the Issuer conceptualize and formulate the following factors and steps:

Needs Assessment for the College. The purpose of this step is to assess the condition of capital assets already owned, controlled or maintained by the governing unit. While larger units of government may have asset managers, most units of government will rely on department heads and consulting architects to complete this step. The Project Manager generally prepares forms setting forth the information to be provided. Information derived through this process should include a description of the capital asset being inventoried, the name of the department controlling the asset, the location of the asset, purpose or use of the asset, when the asset was acquired or constructed, expected life of the asset, a description and date of any major renovations, and a description of the condition of the asset. Additionally, the assessment of existing facilities should include an analysis related to its current utilization accompanied by any deficiencies or capacity for additional utilization. The description should include a discussion of any renovations or upgrades which will be required over the period covered by the capital plan and the year in which the asset should be replaced.

Needs Prioritization for the College. Criteria must be established which will be used as a guideline for prioritizing project funding. The criteria should be put in writing and distributed to each party involved in the capital planning process. For the College, this process will integrate projected student enrollment as well as the programming aspects of how the existing and future facilities will be utilized. Additionally, for the College, this process will involve applying this process to its different campuses. The criteria established should facilitate ranking projects on a high, medium or low priority basis.

Prepare Financial Forecasts and Determine Affordability. The purpose of this step is to determine the level of capital expenditures which the governing body can afford to make over the period covered by the capital plan given available or anticipated ad valorem tax capacity. The analysis is made for each fund or account from which a capital expenditure will be made, considering historical growth in taxable assessed valuation and the Debt Service Tax Rate. Projections are also made to determine if there are surplus Maintenance and Operating Taxes ("M&O") which could be available each year for payment of capital projects (pay-as-you go funding). Since bonding is often used as a funding source for capital projects, forecasts must also consider debt capacity and the impact bonds will have on ad valorem tax rates.

While the analysis related to Capital Planning is critical, as the College has experienced since its inception, the ability to project the related maintenance and operating costs must also be included in the forecast. With its initial M&O tax rate of $0.08 cents on August 12, 1995, which was increased to $0.11 with its September 29, 2001 bond election and increased to its current rate of $0.14 with its November 5, 2013 bond election, the College has demonstrated a comprehensive approach to analyzing the related operating and maintenance cost assessment associated with the construction of new facilities.

In addition to the issuance of voted ad valorem tax bond issues, we have also assisted the College with integrating Maintenance Tax Notes and Public Property Finance Contractual Obligations into its Plans of Finance.

Bond Elections Assistance. If a bond election is required, HilltopSecurities can assist with the entire process. All governmental entities approach bond elections differently. Accordingly, we are flexible in our approach to bond elections, and are willing to provide input during the process as requested by the College.

The following summarizes key considerations and services HilltopSecurities provides regarding bond elections:

- Integral to any bond election is the preparation of a long-term financing plan. It is important for the College to know and understand the anticipated debt picture as it pertains to all known future financing needs.

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HilltopSecurities will assist in the preparation of this study, ensuring that all possibilities have been explored. We will make a recommendation concerning the best financing scenario from a rating perspective, as well as a balanced approach considering rating services, cash flows, and future expectations.

- HilltopSecurities will employ our knowledge of successful elections and work with the College in preparing an appropriate election handout.
- Since 2003, stricter adherence to Texas Ethics Commission rules has limited the type of information that the College can develop and distribute. Presentation materials will be limited to stating factually the projects to be financed and the financing impact on taxpayers. Materials stressing the need for and benefit of improvements and projects will need to be generated by supportive citizens or a community group. We also have experience in conducting numerous successful bond elections across Texas, not only for education facilities, but all types of political subdivision.
- HilltopSecurities will attend any meetings to which we can add value, including the College's administration meetings, independent bond committees and public meetings.

Execute the CIP. Based on the CIP priorities, annual budgetary affordability and, if needed, a successful bond election, a Funding Schedule is established and executed. The estimated cost of the projects and the timing for funding are thus set forth. Project timing is based on the assessment of need by the College and may be changed through the ongoing an annual reprioritizing process.

D. Describe the firm's experience in assisting the public entities with the selection of underwriters for negotiated bond sales.

In our role as financial advisor, we are routinely asked to assist our clients in selecting underwriters for negotiated bond sales. There are several different methods we have assisted our clients in undertaking this process:

- For our clients that have at least one bond issue annually, we often assist them in a solicitation for a pool of underwriters. An underwriting request for qualifications or proposal is issued with a series of questions that provide insight into the sales and distribution capabilities as well as a targeted investor approach based on the size and security for the planned bond issues. The responses are evaluated and scored. In the scoring there is consideration given the the firms that could senior manage a transaction versus the firms that could serve as co-managers. There is also consideration given to firms that focus on institutional investors and whether they are Tier I, Tier II or Tier III, wanting a syndicate to reach multiple different investors, as well as firms that focus on retail. The size and composition of firms in the underwriting pool are determined based on the issuer's projected bond transactions over a pre-determined time, generally three years. The issuer, once the size, term and pledge of the bond issue are determined, selects firms from the underwriting pool that will appropriately target a wide spectrum of investors, complementing one another within the syndicate.
- For our clients that have bond issues every couple of years, the underwriter selection process is generally different. We have assisted with a solicitation for underwriting request for qualifications or proposals where the syndicate for the bond issue is selected, versus the selection for a multi-year underwriting pool as described above. Another method for selection is that many of our clients keep track of the unsolicited presentations they receive from underwriting firms. When it is time to select a syndicate, they review the information provided, and based on the number of times for outreach and the quality of the information, they make a selection for an underwriting syndicate.
- We also have clients that routinely utilize a combination of negotiated and competitive transactions, based on the prevailing markets and the bond issue structure and credit. Often when it comes to selecting firms to to serve as underwriters on negotiated transactions, they chose the firms that won the competitive bids.

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E. Describe the firm's experience with rating agencies, credit rating process, and rating agency presentations.

During the past three years, from November 1, 2017 through October 31, 2020, HilltopSecurities served as municipal advisor on 2,399 bond and note issues nationwide (Ipreo MuniAnalytics). Of these, 1,837 were rated by at least one of the major agencies; ***our firm averages approximately 12 rated transactions per week***. As part of each rated transaction, our bankers interact closely with the rating agencies throughout the transaction. This experience has led our bankers to develop an in-depth understanding of how a rating agency presentation should be structured and what information is necessary to obtain the best possible credit rating.

The following table illustrates the impressive percentage of transactions assigned a credit rating for which HilltopSecurities served as municipal advisor.

HilltopSecurities as Municipal Advisor Rated Transactions November 1, 2017 – October 31, 2020		
Type of Transaction	**Volume**	**Par Amount ($ bil)**
Overall Issues	2,399	$104.90
Rated Issues	1,837	$102.78
Percentage of Issues that were Rated	**77%**	**98%**

As a result of our experience, HilltopSecurities has unparalleled relationships with Moody's Investors Service, Standard & Poor's, and Fitch Ratings. This continual "hands-on" exposure to all aspects of the rating process affords the College a major advantage: an in-depth understanding of the rating agencies' typical concerns regarding cities and their authorities. We will closely guide the College through the rating presentation process.

In the current capital markets environment, the importance of a credit rating has never been greater. Consequently, we take great care in preparing information required to be submitted to credit rating agencies, and routinely assist clients in the preparation of a presentation for use in meeting with rating analysts. We will consult continually with the College on the credit rating process, establish credit-rating goals, monitor the credit-rating progress, and assist and participate in presentations to help the College achieve the best result possible.

Bond Rating Strategy

Although issuers have much in common, they and their presentations to the rating agencies are unique. After analyzing the College's most recent finances, HilltopSecurities will determine the relative strengths and weaknesses. We then can anticipate and prepare for the lines of questioning and propose a presentation outline. As part of the rating process, we will make recommendations on how the bond rating information will be communicated: by email, conference calls, direct personal presentations or through personal site visit presentations, and which agency or agencies should be approached for the bond rating. We have been involved in a wide variety of presentation formats, ranging from the coordination of written materials to the organization of on-site visits and the preparation of audiovisual productions. In this COVID environment, where Zoom, Webex and Teams meetings have become so prevalent, this creates another opportunity for a meeting type with the rating agencies. During this process, we will focus on the best method for presenting information most likely to influence the rating outcome.

HilltopSecurities takes a supportive role, rather than active, in the actual presentation, because the rating agencies stress direct discussions with the issuer. Therefore, we will fully prepare the College and College's Staff for the presentations that they will make to the rating services. As a rating process example with the College, on its recent refunding transaction, we worked with College Staff in advance of the rating calls to discuss the proposes responses to the rating agency questions. Our participation in the actual presentation will focus primarily on preparing solid

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answers for different lines of questioning, drawing on experience gained from our participation in many other presentations.

Rating Strategy – COVID 19

S&P has published a list of questions related to the COVID-19 pandemic that they are asking each entity assigned a credit rating. While the College undertook a refinancing during the COVID-19 pandemic and successfully engaged the rating agency process, we have further refined our Rating Strategy during COVID-19 to better prepare and assist our clients during this unprecedented time with evolving questions from the rating analysts. We suggest our clients would be well served to prepare detailed responses to the following questions in anticipation of meeting with representatives of each of the rating agencies:

- How vulnerable are your revenues to reduction in the short term?
- Where do you see the greatest vulnerability for revenue shortfalls?
- What, if any, expenditure adjustments will you need to make this fiscal year? Do you have a list of what you could or would cut if necessary?
- If you anticipate a budgetary imbalance as a result of the changing economic situation, what do you anticipate the magnitude will be?
- What does your liquidity position look like if revenue collections were to start declining rapidly? How will you manage that?
- Do you foresee an issue with your liquidity levels that could create a problem with making your debt payments?

At this time, Moody's and Fitch have not developed a standard set of questions with respect to the COVID-19 pandemic. However, we believe they will ask similar questions to S&P.

In addition to rating agencies, investors are very interested in the impact of the COVID-19 pandemic on the credit quality of public sector entities and non-profit organizations, with such information expected to be included in bond offering documents. Further, timely disclosure of the consequences of COVID-19 has been encouraged by the Chair of the Securities and Exchange Commission and the Director of the Office of Municipal Securities through their public statement titled "The Importance of Disclosure for Out Municipal Markets" due to the effects of COVID-19. This public statement encourages issuers to consider making voluntary filings on EMMA regarding the status of operations and financial condition, information on sources of liquidity, and the availability of Federal, State and local aid in order to keep investors informed.

Credit Enhancement and Liquidity Facilities

In addition to our standing as a national leading municipal financial advisory firm for credit enhanced financings, HilltopSecurities has a thorough knowledge of liquidity facilities and relationships with providers of third party credit enhancement and commercial banks beneficial to the successful completion of the College proposed financing. We regularly explore bond insurance and letters of credit in order to lower the interest and issuance costs of our clients. To evaluate the credit worthiness of our clients' bonds and the cost effectiveness of municipal bond insurance, we maintain contact, nearly daily, with the remaining bond insurance companies. We also maintain close contact with domestic and foreign banks and other companies that provide letters of credit, liquidity facilities, surety bonds, and other credit enhancement instruments.

F. Describe the firm's relevant innovative financing experience including innovations previously developed, related to tax-exempt securities, including results and success of such innovations.

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Firm Public Finance Innovative Ideas for our Clients

The College requested as part of this response a case study for an innovative financing for a complex project and that case study was provided in the Section 7.2.1 C. In addition to that response, we believe that HilltopSecurities has demonstrated a history of providing innovative solutions for our client's wide array of financing challenges.

While we might highlight transactions we believe are innovative, we believe it is more compelling that our transactions were considered innovative through an annual competitive process lead by The Bond Buyer. Below please find a list of transactions for which our firm and our financings teams were recognized through this process for innovative transactions.

On November 9th, The Bond Buyer recognized the following two HilltopSecurities transactions as category winners of its annual Deal of the Year awards for outstanding achievement in municipal finance.

- DFW Airport received the Southwest Regional Deal of the Year for its $2.045 billion joint revenue refunding bonds
- The Public-Private Partnership Financing Deal of the Year was awarded to the $236.8 million Arizona Industrial Development Authority financing for Nebraska's Lincoln South Beltway project.

HilltopSecurities served as municipal advisor on both transactions and helped bring the bonds to market during a time of unprecedented market volatility caused by COVID-19.

Both deals are finalists for The Bond Buyer's annual Deal of the Year, which will be announced on Dec. 16, 2020.

We have received 27 additional "Deal of the Year" awards for innovative and effective banking strategies, a few of which are highlighted below. Our bankers were at the forefront of several innovations in municipal finance, with members of the College's team having been part of several of these transactions as highlighted below.

- **2019** Innovative Deal of the Year as financial advisor to Dallas Fort Worth (DFW) International Airport's $1.167 billion taxable refunding. DFW refinanced a portion of its bonds that were subject to the Alternative Minimum Tax (AMT) in the largest taxable deal ever completed in the airport space. DFW's plan of finance included a comprehensive global marketing effort that helped broaden its investor base and positions the Airport to continue to access the taxable market going forward. (*The Bond Buyer)*
- **2018** Midwest Region Deal of the Year Award for financial advisor to Wayne County, Michigan's $288.6 million bond sale, which will partially fund a $500 million criminal justice complex in Detroit. The deal was Wayne County's first long-term public bond issuance since 2010. (*The Bond Buyer*)
- **2017** Southwest Region Deal of the Year Award for financial advisor to the Fort Worth Transportation Authority's first-ever transaction, a $325 million private placement to fund a commuter rail line that will alleviate traffic, provide much-needed rail service to Dallas-Fort Worth airport, connectivity to Dallas Area Rapid Transit's rail system, as well as improving air quality (*The Bond Buyer*)
- **2017** Non-Traditional Financing Deal of the Year Award for financial advisor to the City of Cambridge, MA $2 million sale of minibonds. The minibond structure allowed Cambridge to respond to unmet need of its residents, who regularly expressed interest in actively investing in capital projects throughout the City. (*The Bond Buyer*)
- ***2016 Southwest Region Deal of the Year Award for financial advisor to the initial $810 million of the 50-year, $27 billion Texas Water Development Board's SWIRFT program (The Bond Buyer) – (Anne Burger Entrekin lead this team)***

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- **2016** Small Issuer Deal of the Year Award for financial advisor to the Northwest Dallas County Flood Control District's $15.7 million sale of unlimited tax refunding bonds to restructure a compounding obligation created through a 1992 Chapter 9 bankruptcy. The new bonds lifted a tax-rate cap imposed by the 1992 bankruptcy judgment, allowing the District to obtain an investment grade rating and resolve an accrued and unpaid interest liability (*The Bond Buyer*)
- **2015** Southwest Region Deal of the Year Award for Financial Advisor to the North Texas Tollway Authority for its strategic refinancings of more than $2 billion, lowering its maximum annual debt service to a level that brought multiple credit rating upgrades (*The Bond Buyer*)
- **2015** Non-Traditional Financing Deal of the Year Award for Financial Advisor to the State of Hawaii Department of Business, Economic Development, and Tourism for its $150 million financing to support the new Green Energy Market Securitization (GEMS) program (*The Bond Buyer*)
- **2014** Southwest Region Deal of the Year Award for financial advisor to the Colorado Regional Transportation District for its $441 million certificates of participation, preserving voter authorized debt capacity (*The Bond Buyer*).
- **2014** Deal of the Year Award for Financial Advisor to the State of Hawaii Department of Business Economic Development and Tourism for its $150 million bond transaction to support the new Green Energy Market Securitization (GEMS) Program **(***International Financing Review***)**
- **2013** Southwest Region Deal of the Year Award for Financial Advisor to the DFW Airport for its $2.73 billion of refunding and new money transactions to finance the airport's Terminal Renewal and Improvement Program (The Bond Buyer)
- **2012** National Bond Buyer Award and Midwest Region for Financial Advisor to the Michigan Finance Authority for its $2.9 billion unemployment insurance deal (The Bond Buyer)
- **2011** Southwest Region for Financial Advisor to the Love Field Modernization Corporation for its $310 million special facilities revenue bonds (*The Bond Buyer*)
- **2010** Regional Title, for Co-Managing Underwriter to The La Vernia Higher Education Finance Corp. for the Kipp Academy's $66.17 million education revenue bonds (*The Bond Buyer*)

G. Describe specific experience of the firm and staff with refunding bonds issued by public entities.

As the number-two municipal advisor in the nation for Refunding Bonds based on number of issues with a total of 1,283 transactions representing in excess of $76.6 billion par amount and as the number-one municipal advisor in the State of Texas for Refunding Bonds based on the number of issues with a total of 754 transactions representing in excess of $41.8 billion par amount, HilltopSecurities has significant experience with refunding transactions.

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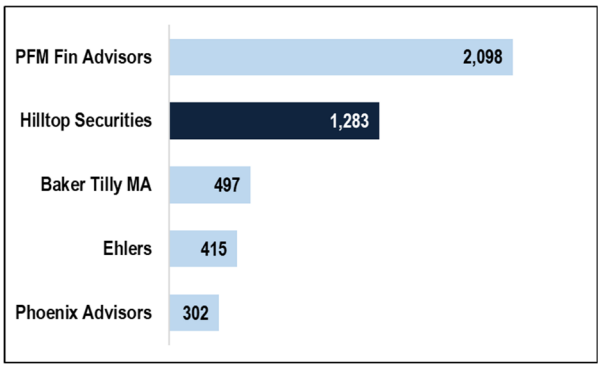
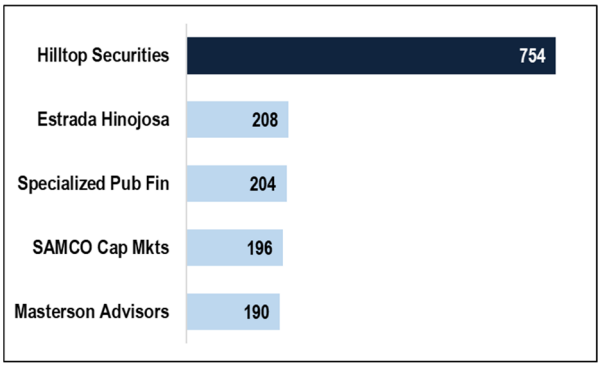
HilltopSecurities' Financial Advisory Ranking
National Refunding Bonds
Ranking by Number of Transactions
December 1, 2015 – November 30, 2020



HilltopSecurities' Financial Advisory Ranking
State of Texas Refunding Bonds
Ranking by Number of Transactions
December 1, 2015 – November 30, 2020



HilltopSecurities routinely customizes models that incorporate refunding analysis. While we analyze the impact of a refunding analysis based on the specific transaction or transactions being considered, we also take a more in-depth approach to determining how the refunding savings could be applied to the overall debt profile for our clients. For example, with the College's recent refunding transaction, the savings were not structure on a level annual basis throughout the bond issue. The existing debt for the College has a programmed reduction from approximately $13.72 million to $11.50 million in FYE 2025. This structure was targeted to provide future capacity and flexibility for the College. In collaboration with STC Staff, it was determined there would be a more strategic benefit to have no savings through FYE 2024 and to target savings where the debt service declines in FYE 2025 to achieve more future capacity. With the approach to optimize debt service savings based on the overall debt profile, the future capacity for the College was increased by approximately $442,525 each year from FYE 2025 through 2034.

Additionally, with the elimination of one tax-exempt advanced refunding with each transaction by the Tax Cuts and Jobs Act of 2017, we have focused on the integration of additional ratios as part of the taxable advanced refunding analysis. While historically municipal taxable interest rates have been higher than municipal tax-exempt interest rate, recently as experienced by the College, the historically low interest rates have resulted in a compression between taxable and tax-exempt interest rates.

Even when tax-exempt advanced refundings were permitted, we evaluated the negative arbitrage in the refunding escrow as a percent of the net present value savings. Just as low interest rates represent an opportunity to refinance debt for interest rate savings, they also represent a low rate of return on investments included in the refunding escrow. Negative arbitrage is the difference between the investment yield in the escrow and the interest rates on the refunding bonds. Refunding Bonds in advance of the call date, an "advance refunding", produces an "opportunity cost" otherwise known as "Negative Arbitrage", particularly in a low interest rate environment. To the extent the escrow earns less than the arbitrage yield on the refunded bonds, the escrow must be over-funded with refunding bond proceeds in order to provide for the scheduled principal and interest payments on the refunded bonds. As the call date approaches on the refunded bonds, the issuer's opportunity cost is minimized, ***but the refunding savings are subject to interest rate risk as time passes.*** As part of our analysis and recommendation to the College regarding its recent refunding, we analyzed this ratio and discussed recommended thresholds to be attained as part of the refunding analysis.

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H. Provide any other pertinent information that would be helpful in assessing the firm's ability to perform financial advisory and continuing disclosure services to South Texas College.

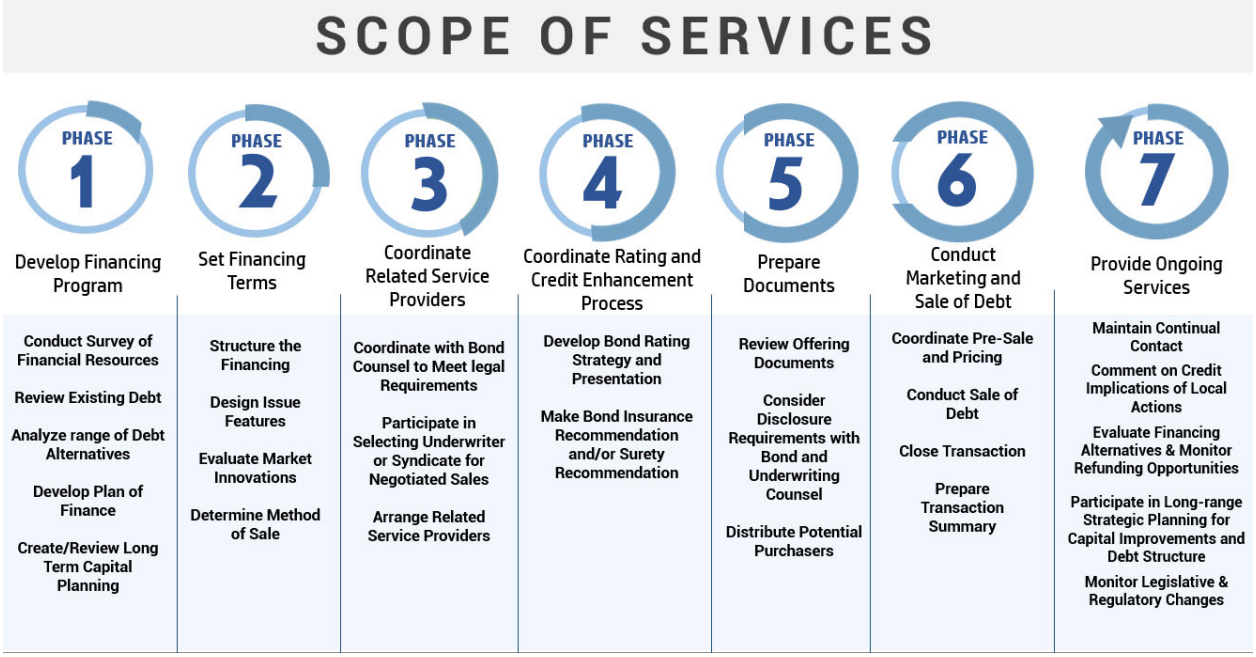
HilltopSecurities has carefully reviewed the Scope of Services requested in the College's RFQ. We find all of the specific descriptions listed in the Section 5.2 SCOPE OF SERVICES A through EE fall within our seven-phase approach to providing financial advisory services, as we summarize in the chart herein.

The Scope of Services listed in the RFQ are all areas in which we are well versed, from the survey and analyze the financing alternatives available to STC through providing disclosure services, along with the selection of underwriting pools, the analysis related to selecting the bond sale method and the bond sale process, development of rating agency strategies and rating process, coordination with bond counsels, assistance with bond elections, preparation for due diligence processes, advising and assisting with the continuing disclosure process and analyzing all aspects of debt structures. We will further customize our approach for the College's needs and will continue to integrate the many other services, tools and resources of the firm as necessary throughout our engagement. Because of the dedication, experience and competence of our proposed team, HilltopSecurities assures timely and responsive service.

The financial advisor has a fiduciary role and is considered by many issuers as an extension of the College's full-time Staff. We take our fiduciary responsibility seriously and mindfully in our recommendations to our clients. We believe that the financial advisory process is ongoing and dynamic, tied to the ever-changing needs and evolving strategies of our client.

Scope of Services

Based on our extensive and varied experience with public entities, HilltopSecurities provides a full-service approach to providing financial advisory services that ensures that every aspect of an issuer's areas of focus are addressed. The driving force behind our long history of success is our approach which combines all of the firm's public finance capabilities and additionally employs, to further enhance expertise, representatives of our other specialty groups. The following chart summarizes each step of our approach:



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HilltopSecurities will continue to work with the College's Staff to customize an approach and a scope of service for the College, and we will readily accommodate projects or tasks not mentioned in the Request for Qualifications.

Public Finance Ancillary Services Experience

To further enhance the services we provide to our Financial Advisory clients, Hilltop Securities has added ancillary services over the years allowing us to be one of the most well-equipped and resourceful investment banking firms in the nation.

Type of Service	Volume of Participation
Arbitrage Rebate Calculation Services**	Provides calculations to approximately 439 clients across 23 states, on more than 3,060 bond issues, totaling $199 billion par amount, as of September 30, 2020
Continuing Disclosure Services**	Assists over 890 state and local government clients in meeting their continuing disclosure obligations and to comply with SEC Rule 15c2-12
Investment Management**	As of September 30, 2020, actively manages $13.6 billion for 46 state and local governments; also serves as the investment advisor for an additional $7.9 billion for a total of $21.5 billion
Structured Finance**	For the five-year period ending September 30, 2020, the firm has served as swap advisor on 298 transactions totaling over $7.1 billion in notional amount. Additionally, the firm has served as the bidding agent for 698 transactions totaling over $56.7 billion in notional amount.
Underwriting*	During the five-year period ending November 30, 2020, served as senior or co-managing underwriter on 1,236 issues, exceeding $101.76 billion par amount. *Source: Ipreo MuniAnalytics*
OPEB Consulting**	Members of the firm have reviewed over 2,000 pension and OPEB actuarial studies and related CAFRs. Our firm has worked with independent actuaries to review pension studies, including TMRS members. In some cases, there were material changes.
Higher Education*	For the same five-year period, Ipreo MuniAnalytics ranks HilltopSecurities as the number two financial advisor in the nation for higher education transactions, for both number of issues and par amount: 150 issues with an aggregate par amount exceeding $20.23 billion. *Ipreo MuniAnalytics*

*Sources: *Ipreo MuniAnalytics; **Internal Database*

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7.3.2 Describe specific experience of the firm and staff with debt obligations issued by the public entities.

Full Service Approach and Capabilities

HilltopSecurities has served every financial sector in the marketplace, including as a leading advisor to state and local issuers nationwide. HilltopSecurities has responded to today's increasingly complex public finance landscape by raising the bar on the services, resources, and experience our firm offers. We organize our Public Finance Department by industry, region, and product, giving us a focus group for nearly every type of public entity.

As financial advisor, the scope of services we offer is comprehensive, constantly evolving, easily adaptable, and truly unmatched by that of other firms.

Sector Expertise	
Airports	Ports
Benefit Plan Services	Public Power
Convention Center / Hotel	School Districts
General Obligation	Special Districts
Healthcare	State Revolving Funds
Higher Education	Student Loans
Housing	Toll Roads | Rapid Transit
Public-Private Partnership	Water and Sewer

Expertise Across Sectors and Types

HilltopSecurities has served as financial advisor to municipal issuers on virtually all types of municipal financings. The collective experience of our firm extends to the issuance of many different types of municipal debt, including but not limited to:

- General Obligations and Limited Tax
- Certificates of Obligation
- Tax Notes
- Maintenance Tax Notes
- Airport System Revenue Bonds
- Passenger Facility Charge and Subordinate Lien Airport System Revenue Bonds
- Airport Special Facilities Revenue Bonds
- Municipal Facilities Corporation Bonds
- Municipal Utility Drainage Bonds
- Public Property Financing Contractual Obligations
- Public Facilities Corporation Bonds
- Lease-Leaseback Financings
- Conduit Financings
- Pension Obligation Bonds
- Tax Increment Financing
- Lease Purchase Financing
- Clean Renewable Energy Bonds
- Sales/Use Tax Bonds
- Convention Center Financings
- Car Rental Facility Revenue Bonds
- Hotel and Hotel Occupancy Tax Financings
- Special Assessment Districts
- Public Improvement Districts
- Special Tax
- Certificates of Participation ("COPs")
- Parking Revenues
- Solid Waste
- Industrial Revenue Bonds
- Public Facilities Corporation Bonds
- Fixed Rate Bonds
- Variable Rate Bonds
- Mortgage Revenue Bonds
- Refunding Bonds
- Synthetic Structures
- Forward Delivery
- Taxable Bonds
- Variable Rate Demand Bonds
- Floating Rate Notes
- Tax-Exempt Commercial Paper
- Tax Anticipation Notes
- Revenue Anticipation Notes
- Bond Anticipation Notes
- Grant Anticipation Notes
- State Infrastructure Bank (SIB) Loans
- USDOT TIFIA Loans

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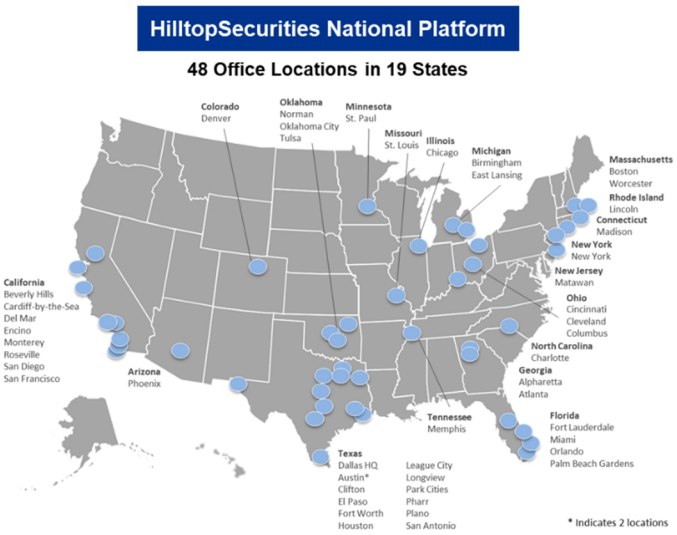
Office Locations and Staffing

HilltopSecurities is headquartered in Dallas, Texas, and maintains 48 offices in 19 states. HilltopSecurities offers the resources, experience, and market expertise of a national firm to a broad cross-section of governmental borrowers in every region and market sector.

HilltopSecurities' commitment to serving public issuers and expertise in the areas of public finance should enable our team to provide valuable insights and advice when it comes to making decisions regarding the College's financial and debt related goals and objectives.



Commitment to Texas

Our history in Texas combined with our close proximity to Texas issuers facilitate long-term relationships with Texas clients, some extending longer than 40 years. **Because HilltopSecurities is Texas-based, we are able to commit a vast array of resources in an expeditious manner in that our many Texas office locations, including our San Antonio office, will make our resources readily accessible to the College.** The map at right illustrates HilltopSecurities' eight public finance office locations throughout Texas.

City	All Employees	Public Finance Employees
Austin	12	5
Dallas HQ	358	52
Clifton	2	2
El Paso	2	2
Fort Worth	11	7
Houston	24	9
Pharr	1	1
San Antonio	12	9

Dallas HQ, Austin, Clifton, El Paso, Fort Worth, Houston, Pharr, San Antonio

Please see below several ranking chart which we hope will convey to the College our specific firm and staff experience with various types of debt obligations issued by public entities, in addition to the charts previously provided. Please note these rankings are national. If Texas rankings for these categories would be helpful, we are pleased to provide. However, we hope that highlighting our national experience positively demonstrates the public finance experience of our firm and the depth and breath of the types of transactions we routinely undertake for the benefit out of clients.

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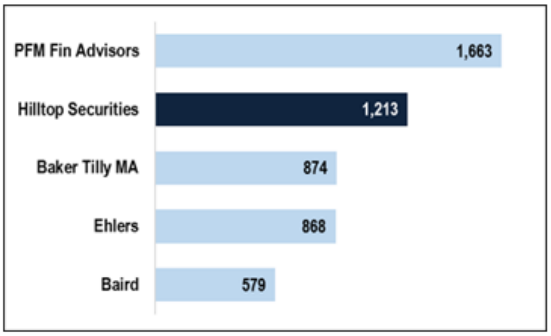
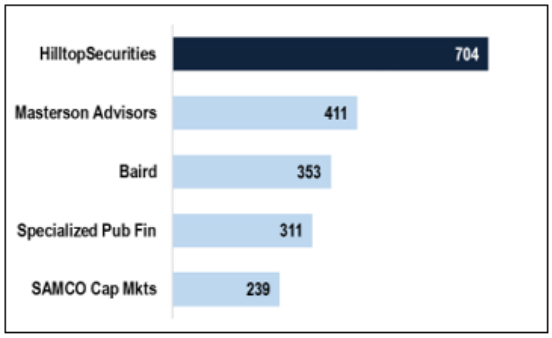
For the three-year period November 1, 2017 to October 31, 2020, Ipreo MuniAnalytics ranked HilltopSecurities:

- As the number-two municipal advisor in the **nation** for General Obligation Bonds based on number of issues with a total of 1,213 transactions representing in excess of $42 billion par amount. For the same time period, the firm is ranked as the number-one municipal advisor in the state of **Texas** for General Obligation Bonds based on number of issues with a total of 704 transactions representing in excess of $26.9 billion par amount.

National Municipal Advisory Ranking
Number of General Obligation Bond Deals
Source: Ipreo MuniAnalytics

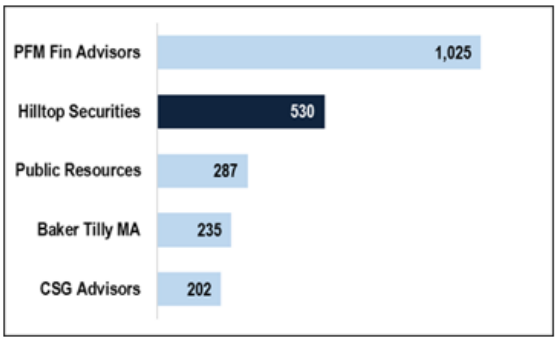


Texas Municipal Advisory Ranking
Number of General Obligation Bond Deals
Source: Ipreo MuniAnalytics

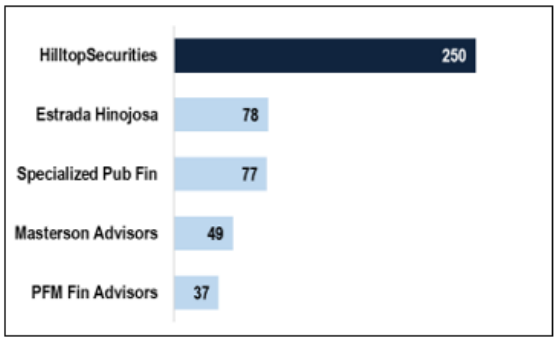


- As the number-two municipal advisor in the nation for Revenue Bonds based on number of issues with a total of 530 transactions representing in excess of $56 billion par amount. For the same time period, the firm is ranked as the number-one municipal advisor in the state of **Texas** for Revenue Bonds based on number of issues with a total of 250 transactions representing in excess of $24.6 billion par amount

National Municipal Advisory Ranking
Number of Revenue Bond Deals
Source: Ipreo MuniAnalytics



Texas Municipal Advisory Ranking
Number of Revenue Bond Deals
Source: Ipreo MuniAnalytics



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7.4 Regulatory Matters

7.4.1 Identify and describe any disciplinary actions, regardless of how resolved (including current status) which have been taken by any self-regulatory entity or governmental entity against the firm or current or former staff member of the firm for violations entity rules, or federal securities, laws, rules and regulations and rules of the Municipal Securities Rulemaking Board.

From time to time in the ordinary course of its business, HilltopSecurities is called upon to respond to inquiries or is subject to investigations or proceedings by federal, state or industry self-regulatory organizations. To the best of our knowledge, information and belief based upon the facts available at this time, there is no threatened or pending inquiry, investigation, or regulatory proceeding that we believe would have a material adverse impact on the ability of HilltopSecurities to perform public finance advisory services. The Financial Industry Regulatory Authority (FINRA) maintains a public database known as BrokerCheck© that discloses reportable regulatory matters for HilltopSecurities. BrokerCheck© may be found at www.FINRA.org.

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South Texas College

Appendix A

HilltopSecurities Financial Advisory Experience - Texas Higher Education Issues

Appendix A

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HilltopSecurities Financial Advisory Experience
Texas Higher Education December 1, 2015 - November 30, 2020

Source: Ipreo MuniAnalytics

Sale Date	Issue Size	Issuer	Issue Description
12/02/2015	150,000,000	State of Texas (TX)	College Student Loan Bonds, Series 2015 (General Obligation Bonds)
12/14/2015	3,245,000	Angelina County Junior College District	Limited Tax Refunding Bonds, Series 2015
01/05/2016	31,930,000	Red River Education Finance Corporation	Higher Education Revenue Refunding Bonds (Texas Christian University Project), Series 2016A
01/21/2016	100,650,000	Board of Regents of the University of Houston System	Consolidated Revenue and Refunding Bonds, Series 2016A
01/21/2016	184,350,000	Board of Regents of the University of Houston System	Consolidated Revenue and Refunding Bonds, Series 2016B (Taxable)
03/22/2016	325,575,000	Board of Regents of the Texas A & M University System (TX)	Revenue Financing System Bonds, Series 2016B
03/22/2016	91,520,000	Board of Regents of the Texas A & M University System (TX)	Revenue Financing System Bonds, Series 2016A
04/05/2016	23,680,000	Texas State Technical College System	Constitutional Appropriation Bonds, Series 2016
04/13/2016	56,915,000	Texas State Technical College System	Revenue Financing System Improvement and Refunding Bonds, Series 2016
05/03/2016	122,415,000	Dallas County Community College District	General Obligation Refunding Bonds, Series 2016
05/12/2016	118,545,000	Southwest Higher Education Authority, Inc.	Higher Education Revenue Bonds, Series 2016A (Southern Methodist University Project)
05/25/2016	72,065,000	Alamo Community College District	Limited Tax Refunding Bonds, Series 2016
06/28/2016	207,445,000	Board of Regents of the Texas A & M University System (TX)	Revenue Financing System Bonds, Series 2016C
06/28/2016	176,860,000	Board of Regents of the Texas A & M University System (TX)	Revenue Financing System Bonds, Series 2016D
07/07/2016	196,215,000	University of Texas System Board of Regents	Revenue Financing System Bonds, Series 2016 E
07/14/2016	139,350,000	Board of Regents of the Texas A & M University System (TX)	Revenue Financing System Bonds, Series 2016E
08/03/2016	17,720,000	Amarillo Junior College District	Limited Tax Refunding Bonds, Series 2016
08/23/2016	55,490,000	Texas Public Finance Authority	Revenue Financing System Bonds, Series 2016 (Texas Southern University)
08/25/2016	11,790,000	Texas Public Finance Authority	Revenue Refunding Bonds, Series 2016B (Midwestern State University)
08/29/2016	12,780,000	Howard County Junior College District	General Obligation Refunding Bonds, Series 2016
09/07/2016	61,205,000	Board of Regents of Stephen F. Austin State University (TX)	Revenue Refunding and Improvement Bonds, Series 2016 (Revenue Financing System)
09/13/2016	62,230,000	Newark Higher Education Finance Corporation (TX)	Revenue Improvement and Refunding Bonds (Abilene Christian University Project), Series 2016A
10/11/2016	27,640,000	Grayson County Junior College District	General Obligation Refunding Bonds, Series 2016
10/25/2016	105,140,000	El Paso County Community College District	Combined Fee Revenue Improvement Bonds, Series 2016
12/01/2016	158,065,000	State of Texas (TX)	College Student Loan Bonds, Series 2016 (General Obligation Bonds)
01/06/2017	164,305,000	University of North Texas Board of Regents	Revenue Financing System Refunding and Improvement Bonds, Series 2017B
01/06/2017	196,165,000	Board of Regents of the University of North Texas System	Revenue Financing System Refunding and Improvement Bonds, Series 2017A
01/06/2017	30,980,000	Board of Regents, Texas State University System	Revenue Financing System Revenue Bonds, Series 2017B
01/06/2017	425,545,000	Board of Regents, Texas State University System	Revenue Financing System Revenue and Refunding Bonds, Series 2017A

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Sale Date	Issue Size	Issuer	Issue Description
01/10/2017	388,705,000	Board of Regents of the Texas A & M University System (TX)	Revenue Financing System Bonds, Series 2017A
01/18/2017	15,690,000	Alamo Community College District	Variable Rate Revenue Financing System Senior Lien Revenue Bonds, Series 2017 (Mandatory Put Date: 11/01/2019)
01/18/2017	10,670,000	City of McAllen Local Government Finance Corporation (TX)	Contract Revenue Bonds, Series 2017 (Texas A&M University Building Project)
01/19/2017	34,880,000	Alamo Community College District	Revenue Financing System Senior Lien Revenue Bonds, Series 2017
01/19/2017	11,635,000	Board of Regents of the University of Houston System	Consolidated Revenue and Refunding Bonds, Series 2017B (Taxable)
01/19/2017	379,450,000	Board of Regents of the University of Houston System	Consolidated Revenue and Refunding Bonds, Series 2017A
01/31/2017	295,700,000	Texas Tech University System Board of Regents	Revenue Financing System Refunding and Improvement Bonds, Nineteenth Series (2017B)
01/31/2017	79,035,000	Texas Tech University System Board of Regents	Revenue Financing System Refunding and Improvement Bonds, Series 2017A
06/06/2017	496,095,000	Board of Regents of the Texas A & M University System (TX)	Revenue Financing System Bonds, Series 2017B and C
06/06/2017	60,665,000	Dallas County Community College District	General Obligation Refunding Bonds, Series 2017
09/26/2017	258,940,000	Alamo Community College District	Limited Tax and Refunding Bonds, Series 2017
10/11/2017	90,365,000	Board of Regents of the Texas A & M University System (TX)	Permanent University Fund Bonds, Series 2017A
10/11/2017	310,515,000	Board of Regents of the Texas A & M University System (TX)	Permanent University Fund Bonds, Taxable Series 2017B
11/29/2017	158,680,000	Board of Regents of the Texas A & M University System (TX)	Revenue Financing System Bonds, Series 2017D
11/29/2017	341,995,000	Board of Regents of the Texas A & M University System (TX)	Revenue Financing System Bonds, Series 2017E
11/30/2017	95,735,000	Southwest Higher Education Authority, Inc.	Higher Education Revenue Refunding Bonds, Series 2017 (Southern Methodist University Project)
12/08/2017	11,570,000	Newark Higher Education Finance Corporation (TX)	Revenue Improvement Bonds, Series 2017 (Abilene Christian University Project)
12/11/2017	24,510,000	Clifton Higher Education Finance Corporation	Higher Education Revenue Bonds, Series 2017 (Southwestern University Project)
12/13/2017	320,635,000	Board of Regents of the University of Houston System	Consolidated Revenue and Refunding Bonds, Series 2017C
03/07/2018	234,250,000	Collin County Community College District (TX)	Limited Tax Bonds, Series 2018
08/08/2018	7,460,000	Angelina County Junior College District	Limited Tax Refunding Bonds, Series 2018
08/15/2018	172,110,000	Board of Regents of the University of North Texas System	Revenue Financing System Refunding and Improvement Bonds, Series 2018A and 2018B
11/14/2018	94,915,000	State of Texas (TX)	College Student Loan Refunding Bonds, Series 2018 (General Obligation Bonds)
01/08/2019	223,730,000	Board of Regents of the Texas A & M University System (TX)	Revenue Financing System Bonds, Series 2019A
01/24/2019	110,215,000	Board of Regents of Stephen F. Austin State University (TX)	Revenue Financing System Bonds, Series 2019A and 2019B
02/12/2019	159,965,000	State of Texas (TX)	College Student Loan Bonds, Series 2019 (General Obligation Bonds)
05/15/2019	4,525,000	Angelina County Junior College District	Limited Tax Refunding Bonds, Series 2019
07/24/2019	429,645,000	Board of Regents of the Texas A & M University System (TX)	Revenue Financing System Bonds, Series 2019B
08/13/2019	27,500,000	Amarillo Junior College District	General Obligation Bonds, Series 2019
10/25/2019	325,535,000	Board of Regents, Texas State University System	Revenue Finance System Bonds, Series 2019A and Series 2019B
12/03/2019	351,890,000	Board of Regents of the Texas A & M University System (TX)	Permanent University Fund Bonds, Taxable Series 2019

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Sale Date	Issue Size	Issuer	Issue Description
01/15/2020	309,385,000	Red River Education Finance Corporation	Higher Education Revenue Refunding and Improvement Bonds (Texas Christian University Project), Series 2020
01/28/2020	48,475,000	Alamo Community College District	Maintenance Tax Notes, Series 2020
02/12/2020	12,785,000	Amarillo Junior College District	Limited Tax Refunding Bonds, Series 2020
04/07/2020	302,665,000	Collin County Community College District (TX)	General Obligation Bonds, Series 2020A
06/09/2020	88,865,000	State of Texas (TX)	General Obligation College Student Loan Bonds, Series 2020A
06/18/2020	59,475,000	Board of Regents of the University of North Texas System	Revenue Financing System Refunding Bonds, Series 2020A
06/18/2020	55,240,000	Board of Regents of the University of North Texas System	Revenue Financing System Refunding Bonds, Series 2020B
07/01/2020	40,935,260	South Texas College District (TX)	Limited Tax Refunding Bonds, Series 2020
07/08/2020	314,745,000	Texas Tech University System Board of Regents	Revenue Financing System Refunding and Improvement Bonds, Series 2020
07/14/2020	157,780,000	Board of Regents of the Texas A & M University System (TX)	Revenue Financing System Bonds, Series 2020A
08/04/2020	47,580,000	Austin Community College District (TX)	Lease Revenue Refunding Bonds, Series 2020
09/10/2020	73,665,000	Austin Community College District (TX)	Combined Fee Revenue Refunding Bonds, Series 2020
10/08/2020	15,935,000	Board of Regents of Stephen F. Austin State University (TX)	Revenue Financing System Refunding Bonds, Series 2020
10/14/2020	49,840,000	Austin Community College District (TX)	Limited Tax Refunding Bonds, Series 2020
Total	**10,434,395,260**	**74 Transactions**	

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South Texas College

Appendix B

Engagement Team Resumes

Appendix B

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Resumes

Anne Burger Entrekin
Regional Managing Director

70 NE Loop 410, Suite 710
San Antonio, TX 78216

Phone: 210.308.2200
anne.burgerentrekin@hilltopsecurities.com

Areas of Expertise

Provides financial advisory and consulting services to college districts, school districts, state agencies, cities, state revolving funds, utility systems, special districts, river authorities and counties

Profile

- Joined the firm in 1986
- Recently served as financial advisor on more than $13.9 billion in par amount of debt instruments including multi-year, billion-dollar financing and capital improvement programs, complex restructurings, variable rate debt and conduit financings
- Has expertise in providing financial advisory and consulting services through the development of multi-year strategic planning models
- Has assisted in the development of new structures that incorporate credit and programmatic evolutions to specifically meet the goals and objectives of clients while providing optimal flexibility

Education

- Bachelor of Science in Finance, Trinity University

Affiliations

- Council of Infrastructure Financing Authorities, Board member
- Municipal Advisory Council of Texas, past Chairwoman (first in institution's history)

Licenses Held

- Registered Representative of the Financial Industry Regulatory Authority (FINRA)
  - General Securities Representative, Series 7
  - General Securities Principal, Series 24
  - Municipal Advisor Representative, Series 50
  - Uniform Securities Act, Series 63
  - Investment Banking Representative, Series 79

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Michelle Aragon
Director

70 Northeast Loop 410, Suite 710
San Antonio, TX 78216

Phone: 210.308.2221
michelle.aragon@hilltopsecurities.com

Area of Focus

Specializes in public finance

Profile

- Joined the firm in 2003
- Provides financial advisory services to numerous school districts, college districts, cities, economic development corporations, counties, and utility systems
- Has completed financings for a variety of municipal clients, including the Northside Independent School District, North East Independent School District, Round Rock Independent School District, Fort Bend Independent School District, San Antonio Independent School District, Edgewood Independent School District, Southside Independent School District, Harlingen Consolidated Independent School District, Three Rivers Independent School District, Poteet Independent School District, Llano Independent School District, Alamo Community College District, San Antonio Water System, CPS Energy, Port San Antonio, Guadalupe Valley Electric Cooperative, Sulphur Springs Valley Electric Cooperative, City of San Felipe, Somerset Economic Development Corporation, Edwards County and Val Verde County
- Has experience with structures and debt issuances related to multi-year capital improvement programs, tax-supported and revenue-supported debt, fixed rate and variable rate obligations, rating and credit enhancement processes, competitive, negotiated and privately placed transactions and all other aspects of the debt issuance process.
- Provides quantitative financial analysis, structures capital improvement plan models, and analyzes credit and cash flows

Education

- Bachelor of Business Administration, Texas A&M University (cum laude)

Current Affiliations

- Women in Public Finance Association, Texas Chapter, Member

Licenses Held

- Registered Representative of the Financial Industry Regulatory Authority (FINRA)
  - General Security Representative, Series 7
  - Municipal Advisor Representative, Series 50
  - Uniform Securities Agent, Series 63

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Cris Vela
Director

100 East Nolana Loop
Pharr, TX 78577

Phone: 956.686.0991
cris.vela@hilltopsecurities.com

Area of Focus

Specializes in public finance

Profile

- Joined the firm in 1996
- Serves as financial advisor to various cities, school districts, municipal water districts, and water supply corporations in South Texas
- Has served as investment banker in tax exempt municipal bonds issuances in the Rio Grande Valley since 1982
- Former assistant city manager with deep understanding of the diverse needs of the Rio Grande Valley
- Has extensive experience in water and sewer project financing
- In 1987, he designed an innovative pilot program to bring sanitary sewer services to Colonias in South Texas. This program later became the basis for state legislation that created the "Economically Distressed Areas Program" for counties along the border from Brownsville to El Paso.

Education

- Bachelor of Arts, Pan American University
- Master of Public Administration, North Texas State University

Licenses Held

- Registered Representative of the Financial Industry Regulatory Authority (FINRA)
  - Municipal Advisor Representative, Series 50
  - Municipal Securities Representative, Series 52
  - Uniform Securities Agent, Series 63

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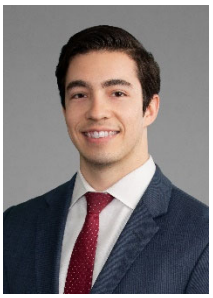

Mario A. Hernandez
Assistant Vice President

1201 Elm Street, Suite 3500
Dallas, TX 75270

Phone: 214.953.4182
mario.hernandez@hillltopsecurities.com

Areas of Focus

Specializes in technical and analytical investment banking services for cities, counties, school districts, higher education, healthcare providers, and other local government issuers.

Profile

- Joined the firm in 2017
- Supports senior-level banking professionals
- Provides quantitative financial analysis, including refunding analysis, debt structuring, cash flow models and credit analysis
- Assists with continuing disclosure for cities, counties, utilities, school districts, authorities, and other local government issuers.

Education

- Bachelor of Science in Mathematics, The University of Texas at Austin

Current Affiliations

- Municipal Advisory Council of Texas, member

Licenses Held

- Registered Representative of the Financial Industry Regulatory Authority (FINRA)
  - Municipal Advisor Representative, Series 50
  - Municipal Securities Representative, Series 52
  - Uniform Securities Agent, Series 63

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Lou Ann Heath
Director

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Dallas, TX 75270

Phone: 214.953.4169
louann.heath@hilltopsecurities.com

Area of Focus

Public Finance – Continuing Disclosure

Profile

- Has more than 30 years of experience in the public finance industry in Texas
- Served previously for 17 years as Senior Director, Relationship Management in the Dallas office of Standard & Poor's, covering the south central U.S. across all Public Finance sectors including P3 projects
- Extensive experience with developing strategies to achieve project goals on time
- Led relationship management teams covering the U.S. for both Public Finance and Corporate entities
- Served as Finance Director for the City of Southlake, Texas, and was instrumental in the creation of a tax increment finance district, the foundation for their award-winning Town Square downtown development project
- Experience in implementation and administration of water, wastewater, roadway and drainage impact fees, as well as special purpose district sales and use taxes for parks development and crime control
- Issued over $85 million in municipal debt while serving as Finance Director for local governments
- Active in mentoring programs for new team members

Education and Certification

- Certified Public Accountant, Texas
- Bachelor of Business Administration in Accounting, University of Texas, Arlington

Current Affiliations

- Government Finance Officers Association of Texas, Past President
- Texas Women in Public Finance
- Government Finance Officers Association

Licenses Held

- Registered Representative of the Financial Industry Regulatory Authority (FINRA)
  - Municipal Advisor Representative, Series 50

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Peter B. Stare
Managing Director

700 Milam Street, Suite 500
Houston, TX 77002

Phone: 713.654.8639
peter.stare@hilltopsecurities.com

Area of Focus

Long-term underwriting of municipal bonds

Profile

- First joined the firm in 1996
- Responsible for the negotiated underwriting efforts of both tax-exempt and taxable municipal issues
- Has been involved in the securities industry since 1974 in the areas of sales, trading, underwriting, and portfolio management
- Worked with several regional and nationally recognized firms managing their trading desks, municipal bond departments, and investment divisions

Education

- Bachelor of Business Administration, Southern Methodist University

Past Affiliations

- The Municipal Advisory Council of Texas, board member
- Municipal Bond Clubs of Dallas and Houston, president

Licenses Held

- Registered Representative of the Financial Industry Regulatory Authority (FINRA)
  - General Securities Representative, Series 7
  - Municipal Advisor Representative, Series 50
  - Municipal Securities Principal, Series 53
  - Uniform Securities Agent, Series 63

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South Texas College

Appendix C

Required Forms & Documents

Appendix C

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EXHIBIT 1
ADDENDA CHECKLIST

Any addenda issued by STC to this RFQ will become part of the RFQ. Addenda will be numbered sequentially. Respondent must indicate on this sheet the receipt of any and all addenda.

Receipt is hereby acknowledged of the following addenda to this RFQ.

No. 1 _____

No. 2 _____

No. 3 _____

No. 4 _____

Company/Entity Name: Hilltop Securities Inc.

N/A

Authorized Signature (only if addenda have been issued)

Anne Burger Entrekin
Regional Managing Director

EXHIBIT 2

EXECUTION OF OFFER

In compliance with this solicitation, and subject to all the conditions herein, the undersigned offers and agrees to furnish any or all commodities or services at the prices quoted. Failure to sign the offer, or signing it with a false statement, shall void the submitted offer or any resulting contract, and the Respondent may be removed from STC vendor lists.

By signature hereon, the Respondent hereby certifies that it is a lawfully established business and regularly engaged in providing the products and/or services requested herein.

By signature hereon, the Respondent hereby certifies that it has the necessary experience, knowledge, abilities, skills, and resources to provide the products and/or perform the services requested herein.

By signature hereon, the Respondent hereby certifies that he/she is not currently delinquent in the payment of any franchise taxes owed the State of Texas under Chapter 171, Tax Code, or that the corporate Respondent is exempt from the payment of such taxes, or that the corporate Respondent is an out-of-state corporation that is not subject to the Texas Franchise Tax, whichever is applicable.

By signature hereon, the Respondent hereby certifies that he/she is not currently delinquent in the payment of any property taxes owed to STC.

By signature hereon, the Respondent certifies that no relationship, whether by relative, business associate, capital funding agreement or other such kinship exists between Respondent and an employee or trustee of STC.

By signature hereon, the Respondent certifies that he/she is not currently employed by STC, nor has he/she been an employee of STC within the immediate twelve (12) months prior to the time set for responses to this solicitation.

By signature hereon, the Respondent hereby certifies that the firm is not debarred, suspended or otherwise declared ineligible to contract by any federal, state or local public agency.

By executing this offer, Respondent affirms that he/she has not given, offered to give, nor intends to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the submitted qualifications.

By the signature hereon, the Respondent hereby certifies that neither the Respondent nor the firm, corporation, partnership, or institution represented by the Respondent or anyone acting for such firm, corporation, or institution has violated the antitrust laws of this State, codified in Section 15.01, et seq., Texas Business and Commerce Code, or the Federal antitrust laws, nor communicated directly or indirectly the offer made to any competitor or any other person engaged in such line of business.

By signature hereon, Respondent certifies that the individual signing this document and the documents made part of this solicitation is authorized to sign such documents on behalf of the company and to bind the company under any contract which may result from the submission of this qualifications.

Pursuant to Texas Government Code, Title 10, Subtitle D, Section 2155.004(b) Respondent affirms that he has not received compensation for participation in the preparation of specifications for this solicitation.

By signature hereon, and pursuant to Chapter 2270 of the Texas Government Code, Respondent affirms that as condition for being considered for an award of a contract under this solicitation, it does not boycott the nation of Israel and that it will not boycott Israel during the term of any resultant contract.

By signature hereon, and pursuant to Chapter 2252 of the Texas Government Code, Respondent affirms that as a condition of being considered for an award of a contract under this solicitation, it is not engaged in business with Iran, Sudan or a foreign terrorist organization.

Qualifications must include Taxpayer Identification Number, full firm name and address of Respondent. Failure to manually sign qualifications will disqualify it. The person signing the qualifications should show title or authority to bind his/her firm in contract.

Respondent/Company Name: Hilltop Securities Inc.

Street: 70 Northeast Loop 410, Suite 710

City/State/Zip: San Antonio, Texas 78216

Taxpayer Identification Number: 75-1382137

Signature: Anne Burger

Printed Name: Anne Burger Entrekin

Title: Regional Managing Director

Telephone No.: 210-308-2204

Fax No.: N/A

Email.: anne.burgerentrekin@hilltopsecurities.com

EXHIBIT 3
NOTIFICATION OF CRIMINAL HISTORY

THIS FORM MUST BE COMPLETED, SIGNED, AND RETURNED WITH BID

State of Texas legislative Bill No. 1 Section 4.034, Notification of Criminal History, Subsection (a) states "a person or business entity that enters into a contract with a school district must give advance notice to the district if the person or an owner or operator of the business entity has been convicted of a felony. The notice must include a general description of the conduct resulting in the conviction of a felony."

Subsection (b) states "a school district may terminate a contract with a person or business entity if the district determines that the person or business entity failed to give notice as required by Subsection (a) or misrepresented the conduct resulting in the conviction. The district must compensate the person or business entity for services performed before the termination of the contract."

THIS NOTICE IS NOT REQUIRED OF A PUBLICLY-HELD CORPORATION

Please check off one box and sign the form in the appropriate space

I, the undersigned agent for the firm named below, certify; that the information concerning notification of felony convictions has been reviewed by me and the information furnished is true to the best of my knowledge.

VENDOR'S NAME: Hilltop Securities Inc.

AUTHORIZED COMPANY OFFICIAL'S NAME (PRINTED): Anne Burger Entrekin

☐ A. My firm is a publicly held corporation; therefore, this reporting requirement is not applicable.

XXX B. My firm is not owned nor operated by anyone who has been convicted of a felony.

☐ C. My firm is owned and/or operated by the following individual(s) who has/have been convicted of a felony:

Name of Felon(s) _____

Details of Conviction(s) _____

_____

_____

_____

SIGNATURE OF COMPANY OFFICIAL Anne Burger

Anne Burger Entrekin
Regional Managing Director

CONFLICT OF INTEREST QUESTIONNAIRE

FORM CIQ

For vendor doing business with local governmental entity

This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.

This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the vendor meets requirements under Section 176.006(a).

By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the vendor becomes aware of facts that require the statement to be filed. *See* Section 176.006(a-1), Local Government Code.

A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.

OFFICE USE ONLY

Date Received

1 **Name of vendor who has a business relationship with local governmental entity.**

Hilltop Securities Inc.

2 ☐ **Check this box if you are filing an update to a previously filed questionnaire.** (The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)

3 **Name of local government officer about whom the information is being disclosed.**

Not Applicable

Name of Officer

4 **Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relationship with the local government officer. Complete subparts A and B for each employment or business relationship described. Attach additional pages to this Form CIQ as necessary.**

A. Is the local government officer or a family member of the officer receiving or likely to receive taxable income, other than investment income, from the vendor?

☐ Yes ☐ No

B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer or a family member of the officer AND the taxable income is not received from the local governmental entity?

☐ Yes ☐ No

5 **Describe each employment or business relationship that the vendor named in Section 1 maintains with a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership interest of one percent or more.**

Not Applicable

6 ☐ Check this box if the vendor has given the local government officer or a family member of the officer one or more gifts as described in Section 176.003(a)(2)(B), excluding gifts described in Section 176.003(a-1).

7 Hilltop Securities Inc.

By

Signature of vendor doing business with the governmental entity

Vickie Hall, Vice President

December 15, 2020

Date

EXHIBIT 5
REFERENCES

THIS FORM MUST BE RETURNED

Please list at least five (5) references of educational institutions or current commercial customers who can verify the quality of service your company provides. STC prefers customers of similar size and scope of work as noted herein.

****

REFERENCE ONE

Government/Company Name: City of McAllen

Address: 1300 Houston Avenue, McAllen, TX 78501

Contact Person/Title: Roel "Roy" Rodriguez, P.E./City Manager

Telephone: 956-681-1007 Email Address: roel_rodriguez@mcallen.net

Description of Services: Financial Advisory Services

****

REFERENCE TWO

Government/Company Name: City of Weslaco

Address: 255 South Kansas Avenue, Weslaco, TX 78596

Contact Person/Title: Mike R. Perez/City Manager

Telephone: 956-973-3110 Email Address: mrperez@weslacotx.gov

Description of Services: Financial Advisory Services

****

REFERENCE THREE

Government/Company Name: Victoria Independent School District

Address: 102 Profit Drive, Victoria, TX 77902

Contact Person/Title: Frances Koch/Executive Director of Budget and Finance

Telephone: 361-788-2898 Email Address: frances.koch@visd.net

Description of Services: Financial Advisory Services

****

REFERENCE FOUR

Government/Company Name: Texas Water Development Board

Address: 1700 North Congress Avenue, Austin, TX 78701

Contact Person/Title: Jeff Walker/Executive Administrator

Telephone: 512-463-7848 Email Address: jeff.walker@twdb.texas.gov

Description of Services: Financial Advisory Services

****

REFERENCE FIVE

Government/Company Name: Alamo Community College District

Address: 2222 N. Alamo Street, San Antonio, TX 78215

Contact Person/Title: Pamela K. Ansboury, CPA, M.Ed/Associate Vice Chancellor for Finance & Fiscal Services

Telephone: 210-486-0301 Email Address: pansboury@alamo.edu

Description of Services: Financial Advisory Services

****

Hilltop Securities Inc.

By: Anne Burger

Anne Burger Entrekin
Regional Managing Director
December 15, 2020

South Texas College

Exhibit 1

Municipal Advisor Disclosure Statements

Exhibit 1

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MUNICIPAL ADVISOR DISCLOSURE STATEMENT

This disclosure statement is provided by Hilltop Securities Inc. ("the Firm") and provides information regarding conflicts of interest and legal or disciplinary events of the Firm that are required to be disclosed to potential clients 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.

Material Conflicts of Interest – The Firm makes the disclosures set forth below with respect to material conflicts of interest in connection the provision of municipal advisory services, together with explanations of how the Firm addresses or intends to manage or mitigate each conflict.

General Mitigations – As general mitigations of the Firm's conflicts, with respect to all of the conflicts disclosed below, the Firm mitigates such conflicts through its adherence to its fiduciary duty to clients, which includes a duty of loyalty to clients in performing all municipal advisory activities for clients. This duty of loyalty obligates the Firm to deal honestly and with the utmost good faith with clients and to act in the client's best interests without regard to the Firm's financial or other interests. In addition, because the Firm is a broker-dealer with significant capital due to the nature of its overall business, the success and profitability of the Firm is not dependent on maximizing short-term revenue generated from individualized recommendations to its clients but instead is dependent on long-term profitability built on a foundation of integrity, quality of service and strict adherence to its fiduciary duty. Furthermore, the Firm's municipal advisory supervisory structure, leveraging our long-standing and comprehensive broker-dealer supervisory processes and practices, provides strong safeguards against individual representatives of the Firm potentially departing from their regulatory duties due to personal interests. The disclosures below describe, as applicable, any additional mitigations that may be relevant with respect to any specific conflict disclosed below.

I. Affiliate Conflict. The Firm, directly and through affiliated companies, provides or may provide services/advice/products to or on behalf of clients that are related to the Firm's municipal advisory activities. Hilltop Securities Asset Management (HSAM), a SEC-registered affiliate of the Firm, provides post issuance services including arbitrage rebate and treasury management. HSAM's arbitrage team verifies rebate and yield restrictions on the investments of bond proceeds on behalf of clients in order to meet IRS restrictions. The treasury management division performs portfolio management/advisor services on behalf of public sector clients. The Firm, through affiliate First Southwest Advisory, provides a multi-employer trust tailor-made for public entities which allows them to prefund Other Post-Employment Benefit liabilities. The Firm has a structured products desk that provides advice to help clients mitigate risk though investment management, debt management and commodity price risk management products. These products consist of but are not limited to swaps (interest rate, currency, commodity), options, repos, escrow structuring and other securities. Continuing Disclosure services provided by the Firm assists issuers in meeting disclosure requirements set forth in SEC rule 15c2-12. Services include but are not limited to ongoing maintenance of issuer compliance, automatic tracking of issuer's annual filings and public notification of material events. The Firm administers government investment pools. These programs offer governmental entities investment options for their cash management programs based on the entities specific needs. The Firm and the aforementioned affiliate's business with a client could create an incentive for the Firm to recommend to a client a course of action designed to increase the level of a client's business activities with the affiliates or to recommend against a course of action that would reduce or eliminate a client's business activities with the affiliates. This potential conflict is mitigated by the fact that the Firm and affiliates are subject to their own comprehensive regulatory regimes.

II. PlainsCapital Bank Affiliate Conflict. The Firm, directly and through affiliated companies, provides or may provide services/advice/products to or on behalf of clients that are related to the Firm's municipal advisory activities. Affiliate, PlainsCapital Bank, provides banking services to municipalities including loans and custody. The Firm and the aforementioned affiliate's business with a client could create an incentive for the Firm to recommend to a client a course of action designed to increase the level of a client's business activities with the affiliates or to recommend against a course of action that would reduce or eliminate a client's business activities with the affiliates. This potential conflict is mitigated by the fact that the Firm and affiliates are subject to their own comprehensive regulatory regimes.

III. Other Municipal Advisor or Underwriting Relationships. The Firm serves a wide variety of clients that may from time to time have interests that could have a direct or indirect impact on the interests of other clients. For example, the Firm serves as municipal advisor to other clients and, in such cases, owes a regulatory duty to such other clients just as it does to all of its municipal advisory clients. These other clients may, from time to time and depending on the specific circumstances, have competing interests, such as accessing the new issue market with the most advantageous timing and with limited competition at the time of the offering. In acting in the interests of its various clients, the Firm could potentially face a conflict of interest arising from these competing client interests. In other cases, as a broker-dealer that engages in underwritings of new issuances of municipal securities by other municipal entities, the interests of the Firm to achieve a successful and profitable underwriting for its municipal entity underwriting clients could potentially constitute a conflict of interest if, as in the example above, the municipal entities that the Firm serves as underwriter or municipal advisor have competing interests in seeking to access the new issue market with the most advantageous timing and with limited competition at the time of the offering. None of these other engagements or relationships would impair the Firm's ability to fulfill its regulatory duties to any specific client.

IV. Secondary Market Transactions in Client's Securities. The Firm, in connection with its sales and trading activities, may take a principal position in securities, including securities of its clients, and therefore the Firm could have interests in conflict with a client with respect to the value of the client's securities while held in inventory and the levels of mark-up or mark-down that may be available in connection with purchases and sales thereof. In particular, the Firm or its affiliates may submit orders for and acquire a municipal advisory client's securities issued in an issue under a municipal advisory agreement from members of the underwriting syndicate, either for its own account or for the accounts of its customers. This activity may result in a conflict of interest with the client in that it could create the incentive for the Firm to make recommendations to the client that could result in more advantageous pricing of the client's bond in the marketplace. Any such conflict is mitigated by means of such activities being engaged in on customary terms through units of the Firm that operate

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independently from the Firm's municipal advisory business, thereby reducing the likelihood that such investment activities would have an impact on the services provided by the Firm to any client under a municipal advisory agreement.

V. Broker-Dealer and Investment Advisory Business. The Firm is dually registered as a broker-dealer and an investment advisor that engages in a broad range of securities-related activities to service its clients, in addition to serving as a municipal advisor or underwriter. Such securities-related activities, which may include but are not limited to the buying and selling of new issue and outstanding securities and investment advice in connection with such securities, including securities of the Firm's municipal advisory clients, may be undertaken on behalf of, or as counterparty to, the client, personnel of the client, and current or potential investors in the securities of the client. These other clients may, from time to time and depending on the specific circumstances, have interests in conflict with those of the Firm's municipal advisory clients, such as when their buying or selling of the municipal advisory client's securities may have an adverse effect on the market for the municipal advisory client's securities, and the interests of such other clients could create the incentive for the Firm to make recommendations to the municipal advisory client that could result in more advantageous pricing for the other clients. Furthermore, any potential conflict arising from the firm effecting or otherwise assisting such other clients in connection with such transactions is mitigated by means of such activities being engaged in on customary terms through units of the Firm that operate independently from the Firm's municipal advisory business, thereby reducing the likelihood that the interests of such other clients would have an impact on the services provided by the Firm to its municipal advisory client.

VI. Compensation-Based Conflicts. Fees that are based on the size of the issue are 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 the Firm to recommend unnecessary financings or financings that are disadvantageous to its clients, or to advise clients to increase the size of the issue. This conflict of interest is mitigated by the general mitigations described above.

Fees based on a fixed amount are usually based upon an analysis by the client and the Firm of, among other things, the expected duration and complexity of the transaction and the scope of municipal services to be performed by the Firm. This form of compensation presents a potential conflict of interest because, if the transaction requires more work than originally contemplated, the Firm may suffer a loss. Thus, the Firm may recommend less time-consuming alternatives, or fail to do a thorough analysis of alternatives. This conflict of interest is mitigated by the general mitigations described above.

Hourly fees are calculated with, the aggregate amount equaling the number of hours worked by Firm personnel times an agreed-upon hourly billing rate. This form of compensation presents a potential conflict of interest if the client and the Firm do not agree on a reasonable maximum amount at the outset of the engagement, because the Firm 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 above.

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, the Firm sets out below required disclosures and related information in connection with such disclosures.

I. Material Legal or Disciplinary Event. The Firm discloses the following legal or disciplinary events that may be material to a client's evaluation of the Firm or the integrity of the Firm's management or advisory personnel:

- For related disciplinary actions please refer to the Firm's BrokerCheck webpage.
- The Firm self-reported violations of SEC Rule 15c2-12: Continuing Disclosure. The Firm settled with the SEC on February 2, 2016. The firm agreed to retain independent consultant and adopt the consultant's finding. Firm paid a fine of $360,000.
- The Firm settled with the SEC in matters related to violations of MSRB Rules G-23(c), G-17 and SEC rule 15B(c) (1). The Firm disgorged fees of $120,000 received as financial advisor on the deal, paid prejudgment interest of $22,400.00 and a penalty of $50,000.00.
- The Firm entered into a Settlement Agreement with Rhode Island Commerce Corporation. Under the Settlement Agreement, the firm agreed to pay $16.0 million to settle any and all claims in connection with The Rhode Island Economic Development Corporation Job Creation Guaranty Program Taxable Revenue Bond (38 Studios, LLC Project) Series 2010, including the litigation thereto. The case, filed in 2012, arose out of a failed loan by Rhode Island Economic Development Corporation. The firm's predecessor company, First Southwest Company, LLC, was one of 14 defendants. FirstSouthwest's engagement was limited to advising on the structure, terms, and rating of the underlying bonds. Hilltop settled with no admission of liability or wrongdoing.
- On April 30, 2019, the Firm entered into a Settlement Agreement with Berkeley County School District of Berkeley County, South Carolina. The case, filed in March of 2019, arose in connection with certain bond transactions occurring from 2012 to 2014, for which former employees of Southwest Securities, Inc., a predecessor company, provided financial advisory services. The Firm agreed to disgorge all financial advisory fees related to such bond transactions, which amounted to $822,966.47, to settle any and all claims, including litigation thereto. Under the Settlement Agreement, the Firm was dismissed from the lawsuit with prejudice, no additional penalty, and with no admission of liability or wrongdoing.
- From July 2011 to October 2015, Hilltop failed to submit required MSRB Rule G-32 information to EMMA in connection with 122 primary offerings of municipal securities for which the Firm served as placement agent. During the period January 2012 to September 2015, the Firm failed to provide MSRB Rule G-17 letters to issuers in connection with 119 of the 122 offerings referenced above. From October 2014 to September 2015, the Firm failed to report on Form MSRB G-37 that it had engaged in municipal securities business as placement agent for 45 of these 122 offerings. This failure was a result of a misunderstanding by one branch office of Southwest Securities. Hilltop discovered these failures during the merger of FirstSouthwest and Southwest Securities and voluntarily reported them to FINRA. The Firm paid a fine of $100,000 for these self-reported violations.

II. How to Access Form MA and Form MA-I Filings The Firm'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 Forms MA and MA-I. The SEC permits certain items of information required on Form MA or MA-I to be provided by reference to such required information already filed by the Firms in its capacity as a broker-dealer on Form BD or Form U4 or as an investment adviser on Form ADV, as applicable. Information provided by the Firm on Form BD or Form U4 is publicly accessible through reports generated by BrokerCheck at

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http://brokercheck.finra.org/], and the Firm's most recent Form ADV is publicly accessible at the Investment Adviser Public Disclosure website at http://www.adviserinfo.sec.gov/. For purposes of accessing such BrokerCheck reports or Form ADV, click previous hyperlinks.

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