

April 2, 1985

FINANCIAL ADVISORY AGREEMENT

Honorable Mayor and City Council
City of Mansfield
1305 E. Broad Street
Mansfield, Texas 76063

Mayor and Members of the Council:

1. We understand that you have under consideration the authorization and issuance of securities in amounts and at times which cannot now be determined for various projects within the City of Mansfield (the "City"), and that in connection with the authorization, sale, issuance and delivery of securities you desire this proposal from us to perform professional services in the capacity of Financial Advisors.

2. By this proposal we offer our professional services and our facilities as Financial Advisor and agree to direct and coordinate the entire program of financing herein contemplated, and to assume and pay the expenses hereinafter enumerated. It is understood and agreed, however, that this obligation on our part shall not cover the cost of any litigation.

3. We agree to perform the following duties normally performed by such advisors, and to perform such other duties as, in our judgment, may be necessary or advisable:

a. We will make a survey of the financial resources of the City to determine the extent of its borrowing capacity. This survey will include an analysis of the existing debt structure as compared to existing and projected sources of income which may be pledged to secure payment of debt service. The survey will take into account any outstanding obligations which are payable from the net revenues thereof, additional net revenues to arise from any proposed rate increase, and the additional net revenues as projected by your consulting engineers as a result of the improvements to be financed by the bonds in question. We will also take into account your future financing needs and operations as projected by your staff and/or your consulting engineers and other experts.

b. On the basis of the information developed by the survey described in the above and foregoing paragraph, and on the basis of other information and experience available to us, we will submit our written recommendations on the financing in question. Our plan will include recommendations as to the date of issue, interest payment dates, schedule of principal maturities, options of prior payment, and any other necessary additional security provisions designed to make the issue attractive to investors. All recommendations will be based on our best professional judgment, with the goal of designing Bonds which can be sold under terms most advantageous to the City, and at the lowest interest cost consistent with all other considerations.

c. We will advise you of current bond market conditions, forthcoming bond issues, and other general information and economic data which might normally be expected to influence the interest rates or bidding conditions, so that the date for the sale of the Bonds can be set at a time, which in our opinion, will be favorable.

d. We understand you have retained, or will retain, a firm of municipal bond attorneys ("Bond Counsel"), whose fee will be paid by you. We will assist in coordinating the assembly and transmittal to Bond Counsel of such data as may be required for the preparation of the necessary petitions, orders, resolutions, notices and certificates in connection with the financing.

e. We will coordinate the preparation and submission of the Notice of Sale, the Official Statement, and such other market documents which may be required. We will also supervise preparation of the uniform bid form, containing provisions recognized by the municipal securities industry as being consistent with the bonds offered for sale. We will submit to you all such offering documents, including the Official Statement, for your proper examination, approval and certification. After such examination, approval and certification, we will furnish you with a supply of such documents and shall mail a set of the same to a list of prospective bidders, and to banks, life, fire and casualty insurance companies, investment counselors and other prospective purchasers of the Bonds. We will also supply sufficient copies of the Official Statement to the purchaser of the Bonds in accordance with the terms of the Notice of Sale. The cost of preparing, printing and distributing these documents will be paid by you. In consultation with the Board of Directors and/or City staff, we will arrange for such reports and opinions of recognized independent consultants which we deem necessary and required in the successful marketing of the Bonds. The fees and charges for such services will be paid by you. We will organize such information meetings as in our judgment may be necessary, and will arrange for these meetings at your expense.

f. We will advise financial publications of the forthcoming sale of your Bonds and furnish them with the pertinent information.

g. We will make recommendations to the City on the matter of a credit rating or ratings for the proposed issue and when directed by you shall coordinate the preparation of such information as in our opinion is required for submission to the rating agency or agencies. Any fees incurred in obtaining a rating or ratings will be paid by you. In those cases where the advisability of personal presentation of information to the rating agency or agencies may be indicated, we will arrange for the personal presentation. The travel expense for such presentation will be paid by you, with the exception of travel incurred by representatives of First Southwest Company.

h. We will assist you at the sale for the purpose of coordinating the receipt of bids, and the furnishing of good faith checks where indicated, and for the purpose of tabulation and comparison of bids, and will advise you as to the best bid, and will provide our recommendation as to acceptance or rejection of such bid.

i. As soon as a bid for the Bonds is accepted by you, we will proceed to coordinate the efforts of all concerned to the end that the Bonds may be delivered and paid for as expeditiously as possible. We shall assist you in the preparation or verification of final closing figures, and when requested, will provide suggestions on a program of temporary investment of proceeds, in consultation with the City's staff and other consultants, consistent with the construction timetable for the project.

j. We will act as your agent in arranging for the printing of the Bonds, the cost of which will be paid by you. We will attend to their delivery, it being understood that title to and ownership of the printed bonds shall be the City's until they are delivered to the purchaser.

k. We will maintain liaison with Bond Counsel in the preparation of all legal documents pertaining to the authorization, sale, issuance and delivery of the Bonds. Bond Counsel will furnish an unqualified approving legal opinion on the Bonds at the time of delivery.

l. After closing, we will deliver to you a schedule of annual debt service requirements on the obligations being delivered to the purchaser. We will furnish to the paying agent or paying agents a copy of the authorizing resolution.

m. We will attend any and all meetings of your governing body, or any representatives thereof, as desired by you, whenever we may be of assistance and the subject of financing is to be discussed.

n. If so directed by you, we will advise and assist you and your other consultants in the preparation and submission of any application for funding made to a State or Federal Agency. Further, if so requested, a representative of this firm shall accompany and assist you and your other consultants in any meetings or hearings before the appropriate Agency. The expenses in connection therewith shall be borne by you. The extent of our services in these matters and compensation therefor shall be as mutually agreed upon on a case by case basis.

4. In consideration for the services rendered by us, it is understood and agreed that our fee for each issue of certificates will be as follows:

Base Fee - Any Issue	\$ 3,000
Plus \$12.50 per \$1,000 up to	\$ 250,000
Plus 11.00 per \$1,000 next	250,000
Plus 7.00 per \$1,000 next	500,000
Plus 4.65 per \$1,000 next	1,500,000
Plus 2.75 per \$1,000 next	2,500,000
Plus 2.50 per \$1,000 next	5,000,000
Plus 1.95 per \$1,000 next	10,000,000
Plus 1.35 per \$1,000 next	10,000,000
Plus 1.30 per \$1,000 next	20,000,000
Plus 1.25 per \$1,000 over	50,000,000

If application to a State or Federal Agency is necessary to obtain funds, it is understood and agreed that our fee shall be 125% of the above schedule.

Our fee and reimbursable expenses shall become due and payable simultaneously with the delivery of the Bonds to the purchaser.

5. If the City chooses to sell Bonds on a negotiated bid basis, it is understood and agreed that we will not be part of any syndicate or account organized or formed for the purpose of purchasing the Bonds from the City. If we assist the City in the private placement of Bonds directly with a purchaser, other than a State or Federal

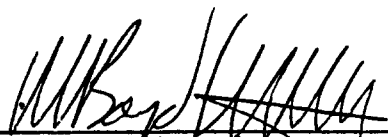
Agency, in addition to the above fee we will receive a placement fee equal to \$5.00 per \$1,000 par value of Bonds so issued and delivered. When the City offers its Bonds at a competitive advertised public sale, it is understood and agreed that we reserve the right to submit a bid for the Bonds when so offered.

6. This agreement may be terminated by you upon thirty (30) days' written notice to us. In the event of termination, it is understood and agreed that only the amount due us for services or expenses to date of termination would be due and payable, and that no penalty for cancellation of the contract would be allowed. It is the intent of this provision that our services be satisfactory to you at all times.

This proposal is submitted in duplicate originals. When accepted by you, it will constitute the entire agreement between the City and the undersigned for the purposes and considerations herein specified. Your acceptance will be indicated by the signature of your authorized officials or representatives on both copies, and the returning of one executed copy to us.

Respectfully submitted,

FIRST SOUTHWEST COMPANY

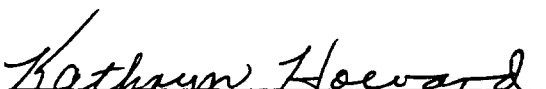
By 
W. Boyd London, Jr.

ACCEPTANCE

Accepted pursuant to Resolution adopted by the City Council on this the 8th day of March, 1985.
April 1st


City Manager

ATTEST:


Kathryn Howard
City Secretary

(SEAL)