



BLX Group LLC
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BLX Group LLC

STATEMENT OF QUALIFICATIONS FOR PROFESSIONAL SERVICES (HRS 103D-304)
PUBLIC FINANCE (FINANCIAL ADVISING)

County of Hawai'i

June 30, 2024

PROJECT MANAGER

Jeff Higgins

Managing Director

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BLX



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June 30, 2024

Diane Nakagawa
Director of Finance
County of Hawaii
25 Aupuni Street, Suite 2103
Hilo, Hawaii 96720

Re: Professional Service HRS 103D-304: Public Finance (Financial Advising) FY 2024-2025

Dear Ms. Nakagawa:

BLX Group LLC ("BLX") is pleased to respond to the County of Hawaii's ("County") Notice to Providers of Professional Services (HRS 103D-304) for fiscal year 2024-2025 in connection with the County's financial advising (referred to herein as Public Finance (Financial Advising)). Having served the County in the capacity of Arbitrage Rebate Compliance consultant in 2004 and 2023 and Escrow Bidding Agent in 2013, BLX draws upon deep expertise supporting municipal offerings with decades of client service experience paired with advanced processes, methodologies and technology.

BLX is a registered Municipal Advisor possessing a unique combination of relevant resources, experience, and expertise to offer the County. The County's financial advisory needs are an excellent fit with BLX's corporate philosophy and procedures in that it acknowledges the unique characteristics of local government-issued debt and investing public funds and the necessary understanding of related statutory, bond, and tax issues. If selected, BLX is committed to providing personalized financial advisory services in an informed, hands-on, extension-of-staff manner.

BLX is built specifically to provide the services relating to certain aspects of bond financings and municipal advisory and much more. We believe our comprehensive approach to the public finance industry makes BLX the optimal firm to assist the County with its bond financing requirements.

Partnering with BLX and taking advantage of our strong tax and analytical skill set and competitive pricing is the best choice for a successful, yet cost-effective engagement. I will serve as your relationship manager and primary point of contact. In that role, I will be responsible for leading an open dialogue within BLX and with the County. I am excited about the prospect of expanding the services provided to the County and look forward to addressing any questions you may have. I can be reached at **213.612.2209** or via e-mail at jhiggins@blxgroup.com.

Very truly yours,

BLX Group LLC

A handwritten signature in blue ink that reads "Jeffrey R. Higgins".

Jeffrey R. Higgins
Managing Director

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LETTER OF INTEREST

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1. FIRM CONTACT AND LOCATION

The name of the firm or person, contact information including email address, the principal place of business, and location of all of its offices.

BLX Group LLC ("BLX"), formerly known as Bond Logistix LLC, currently serves its clients with four (4) offices around the country. We propose that the contemplated project be managed from our Los Angeles office, its principal place of business. BLX's Los Angeles office will coordinate and provide financial advisory services for the County of Hawaii (the "County"). Below is a list of our office locations:

Principal Place of Business and Proposed Office

Jeff Higgins, Managing Director
BLX Group LLC (Los Angeles)
355 S. Grand Avenue, Suite 2700
Los Angeles, CA 90071
(213) 612-2209
jhiggins@blxgroup.com

Additional Offices

BLX Group LLC (Dallas)
4925 Greenville Avenue, Suite 880
Dallas, TX 75206

BLX Group LLC (New York)
51 West 52nd Street
New York, NY 10019

BLX Group LLC (Phoenix)
1525 S Higley Road, Suite 104 PMB
1103, Gilbert, AZ 85296

2. FIRM AGE AND STAFFING

The age of the firm and its average number of employees over the past five years;

BLX, formerly the Financial Services Group ("FSG") of Orrick, Herrington & Sutcliffe LLP, was established in 1989 on a foundation of technical excellence, independence, and strict adherence to the highest standards of ethics and regulatory compliance. BLX was spun-off as a wholly owned subsidiary of Orrick in September 2000 in order to expand its range of financial and municipal advisory services. BLX is registered with the SEC and MSRB as a Municipal Advisor. BLX is comprised of 42 employees in offices in 4 cities around the country: Dallas, Los Angeles, New York, and Phoenix. Over the past five years, BLX has averaged 42 employees.

3. QUALIFICATIONS OF KEY PERSONNEL

The education, training, and qualifications of the individual, or if a firm, its key employees in accordance with HRS 103D-304 and/or the professional and scientific occupation series contained in the United States Office of Personnel Management's Qualifications Standards Handbook (<https://www.opm.gov/policy-data-oversight/classification-qualifications/general-schedule-qualification-standards#url=GS-PROF>);

Jeff Higgins, Managing Director of BLX's Los Angeles office will serve as Project Manager with regard to Municipal and Bond Advisory Services for the County. Messrs. Higgins, Casterline and Chu will address general strategic and day-to-day concerns and/or needs of the County, and will coordinate the efforts of other team members in our Los Angeles office. Messrs. Higgins, Casterline and Chu are BLX's most senior professionals and have a broad range of public finance experience, which combined with their project management expertise, have consistently resulted in successful transactions and great client satisfaction. All proposed team members will be fully committed to delivering BLX's industry-leading services to the County. The County is familiar with Jeff Higgins in connection with the arbitrage rebate compliance work for the County in 2004 and 2023 and the escrow bidding for the County's 2013 Series A, B & C General Obligation Bonds.

Proposed Team: The core team that BLX will assign to the County consists of BLX's most experienced and appropriately skilled professionals. All team members will be available on a full time basis; providing technical and strategic support.

Having provided municipal and bond advisory services and arbitrage rebate compliance services to numerous municipalities across the country, BLX professionals are widely considered to be among the nation's leading non-attorney experts in tax matters relating to municipal bond financing. In particular, this arbitrage rebate expertise allows BLX to provide investment advice to maximize the County's maximum retainable earnings providing even further benefits associated with a bond financing. We are confident that the collective experience of the core team presented below exceeds that proposed by any other firm, in some cases even exceeding the experience of the entire firm.

**Jeff Higgins**
Managing Director**LOS ANGELES**
T: (213) 612-2209
E: jhiggins@blxgroup.com**INDUSTRY EXPERIENCE**
32 Years**TENURE AT BLX**
32 Years**EDUCATION**
Arizona State University
BS in Finance, 1992**FINRA LICENSES**
Series 50 Municipal Advisor Rep
(2016 to Present)
Series 54 Municipal Advisor Rep
(2019 to Present)
Series 65 Investment Advisor Rep
(2001 to Feb. 2020)**SERVICE EXPERTISE:** Municipal Advisory, Arbitrage Regulatory Compliance, Municipal Continuing Disclosure, Public Finance Compliance**SPECIFIC QUALIFICATIONS:**

- ❖ 32 Years of public finance experience
- ❖ Manages BLX's Municipal Continuing Disclosure practice
- ❖ Manages many of BLX's most sophisticated issuers, including Energy Northwest, Piedmont Municipal Power Agency, State of South Carolina, Regents of the University of California, State of Hawaii and its agencies, City and County of Honolulu, Board of Water Supply of the City and County of Honolulu, and County of Kauai

BIO / RELEVANT WORK EXPERIENCE: Jeff Higgins is a Managing Director in BLX's Los Angeles office with 32 years of diverse public finance experience. In addition to overseeing BLX's Continuing Disclosure practice, Jeff has significant expertise in financial advisory and arbitrage rebate compliance for unique and complex transactions.

He currently manages many of BLX's most sophisticated issuers and utilizes his unique advisory expertise to optimize the economics of tax-exempt transactions while accounting for changing market conditions.

**Glenn Casterline**
Managing Director**LOS ANGELES**
T: (213) 612-2229
E: gcasterline@blxgroup.com**INDUSTRY EXPERIENCE**
32 Years**TENURE AT BLX**
32 Years**EDUCATION**California State University, Fullerton
BA in Business Administration - Finance, 1991**FINRA LICENSES**Series 50 Municipal Advisor Rep
(2016 to Present)
Series 54 Municipal Advisor Principal
(2019 to Present)
Series 65 Investment Advisor Rep
(2000 to Feb. 2020)**MEMBERSHIPS**

CCSA

SERVICE EXPERTISE: Municipal Advisory, Arbitrage Regulatory Compliance, Public Finance Compliance**SPECIFIC QUALIFICATIONS:**

- ❖ 32 years of arbitrage regulatory consulting and financial advisory experience
- ❖ Lead on BLX's financial advisory engagements
- ❖ Experienced project manager for many of BLX's largest clients, including, the California Science Center, Colburn School of the Performing Arts, Segerstrom Center for the Arts (i.e., Orange County Performing Arts Center), Music Center (i.e., Performing Arts Center of Los Angeles County), and Commonwealth of the Northern Mariana Islands
- ❖ Volunteer on the City of Placentia's Citizens Fiscal Sustainability Task Force and Measure U Oversight Committee

BIO / RELEVANT WORK EXPERIENCE: Glenn Casterline is a Managing Director in BLX's Los Angeles office. With 32 years of public finance experience, Glenn applies his expertise to BLX's municipal advisory, interest rate swap advisory, and arbitrage rebate compliance services.

He has served as financial advisor for a variety of municipal market participants. During his municipal finance advisory career, Glenn has reviewed, and reverse engineered just about every type of public finance structure (e.g., fixed rate, variable rate, variable rate swapped to fixed, fixed rate direct purchase, and variable rate direct purchase).



Eric Chu
Managing Director

LOS ANGELES
T: (213) 612-2136
E: echu@blxgroup.com

INDUSTRY EXPERIENCE
32 Years

TENURE AT BLX
28 Years

EDUCATION

University of California, Los Angeles
BS in Applied Mathematics, BA in Economics, 1991

FINRA LICENSES

Series 50 Municipal Advisor Rep
(2016 to Present)
Series 54 Municipal Advisor Principal
(2019 to Present)
Series 65 Investment Advisor Rep
(2000 to Feb. 2020)

SERVICE EXPERTISE: Municipal Advisory, Derivative Advisory, Public Finance Compliance

SPECIFIC QUALIFICATIONS:

- ❖ 32 years of public finance experience
- ❖ Business group leader for BLX's Structured Products, Derivative Advisory, and Derivative Monitoring services
- ❖ Worked on hundreds of interest rate swap transactions in an advisory or on-going monitoring capacity
- ❖ Expert in financial products and in structuring arbitrage compliant solutions for complex transactions
- ❖ Lead author of BLX's booklet, Interest Rates Swaps: Application to Tax-Exempt Financing

BIO / RELEVANT WORK EXPERIENCE: Eric Chu is a Managing Director and serves as the business group leader for BLX's Structured Products services, which includes investment bidding as well as derivative advisory and monitoring services. He has particular expertise in interest rate derivatives, the investment of tax-exempt bond proceeds, and arbitrage rebate compliance. His expertise in financial products and in structuring arbitrage compliant solutions for complex transactions has helped BLX earn a reputation for technical excellence.

Eric has worked on hundreds of interest rate swap transactions in an advisory or on-going monitoring capacity. As an advisor, he has extensive experience in new transaction structuring, existing transaction workouts, ISDA document negotiation, and independent pricing of swap transactions to provide better transparency and execution for his clients. He assists numerous clients with swap monitoring and compliance with GASB 53 and 72 rules and corresponding FASB rules. He led the development of BLX's swap monitoring platform, BLX SWAP, which allows clients to access their swap portfolios to monitor key data, as well as BLX's GIC bidding platform, BLXBid, which allows clients to conduct real time sealed bid auctions for investment-related products.

Eric has been a featured speaker at several industry conferences, including the Bond Buyer's Annual Conference and in educational seminars hosted by CDIAC. He was also the lead author for BLX's booklet, Interest Rates Swaps: Application to Tax-Exempt Financing, which was featured in its entirety in The Handbook of Municipal Finance by Sylvan G. Feldstein, and Frank J. Fabozzi.

4. CLIENT REFERENCES

A list of recent projects and the names of up to five clients who may be contacted, including at least two for whom services were rendered during the preceding year; and

<i>City of Vernon</i>	
Contact	<i>Carlos Fandino, City Administrator</i>
Address	<i>4305 S. Santa Fe Avenue, Vernon, CA 90058</i>
Phone	<i>(323) 583-8811 ext. 228</i>
E-mail	<i>cfandino@ci.vernon.ca.us</i>
Service Provided by BLX	<i>Arbitrage Rebate Compliance, General Advisory, Secondary Market Disclosure, Swap Advisory Services</i>
<i>Commonwealth Economic Development Authority</i>	
Contact	<i>Manny Sablan, Executive Director</i>
Address	<i>P.O. Box 502149, Saipan, MP 96950</i>
Phone	<i>(670) 234-6245</i>
E-mail	<i>m.sablan@developcnmi.com</i>
Service Provided by BLX	<i>Arbitrage Rebate Compliance, Financial Advisory, Secondary Market Disclosure Services</i>
<i>California Science Center Foundation</i>	
Contact	<i>Genevieve Dunaway, Chief Financial Officer</i>
Address	<i>700 Exposition Park Drive, Los Angeles, CA 90037</i>
Phone	<i>(670) 234-6245 x 311</i>
E-mail	<i>gdunaway@californiasciencecenter.org</i>
Service Provided by BLX	<i>Financial Advisory, Arbitrage Compliance & Municipal Continuing Disclosure Services, Post-Issuance Compliance Services</i>
<i>The Colburn School of Performing Arts</i>	
Contact	<i>Maeesha Merchant, Chief Financial Officer</i>
Address	<i>200 S. Grand Avenue, Los Angeles, CA 90012</i>
Phone	<i>(213) 621-1015</i>
E-mail	<i>Mmerchant@colburnschool.edu</i>
Service Provided by BLX	<i>Financial Advisory, Arbitrage Compliance, Municipal Continuing Disclosure Services</i>
<i>Sanford Burnham Prebys Medical Discovery Institute</i>	
Contact	<i>Robin Ryan, Chief Financial Officer</i>
Address	<i>10901 N. Torrey Pines Road, La Jolla, CA 92037</i>
E-mail	<i>rryan@SBPdiscovery.org</i>
Service Provided by BLX	<i>Financial Advisory, Secondary Market Disclosure Services</i>

Please note that having worked with several issuers within the State of Hawai'i, we are aware of the State and local governments' compliance requirements; BLX has therefore registered with the Hawai'i Compliance Express ("HCE"). Please see Appendix A for a copy of our current HCE - Certificate of Vendor Compliance.

5. ADDITIONAL INFORMATION

Any promotional or descriptive literature which the individual or firm desires to submit.

BLX is a registered municipal advisor offering financial advisory, interest rate swap advisory, and post debt issuance compliance services associated with requirements imposed by the IRS and SEC. As an independent and unbiased advisor, BLX's primary objectives are to advocate for and educate our clients while assisting in structuring their financings to achieve low cost of capital at the terms best suited to their debt policies and strategic objectives.

Our financial advisory experience includes providing recommendation of different transactional approaches according to the borrower's best interests, including bond sales, bank lending, and state loans. Furthermore, BLX has participated in numerous transactions, rating presentations, and negotiations with underwriters, LOC banks, and bond purchasers, and have observed how different types of transactions perform under different market conditions.

Because we are independent advisors and are not in the business of underwriting bonds, we are held to a fiduciary standard in all our engagements under the Dodd/Frank Act of 2010 and are not considered by the MSRB to have the potential conflicts of interest which exist between municipal borrowers and securities underwriting firms.

Further, BLX and its professionals have advised on municipal debt offerings, escrow (re)structurings, investment products, and derivative transactions across all sectors of public finance, including local agencies, public utilities, higher education, healthcare, and project finance. Since 2008, BLX has placed over 545 structured investment products, including escrow portfolios, with an aggregate notional amount in excess of \$54.4 billion.

BLX provides a number of services which include Bond Advisory and various Post-Issuance Compliance Services.

PRIVATE USE COMPLIANCE SERVICES

BLX will provide the following services to the County, subject to the conditions and limitations set forth herein.

- 1) Distribute a "Post-Issuance Responsibilities Questionnaire" in connection with each bond issue requesting certain information relating to the projects financed by the bond issue as it relates to private use and bond proceeds expenditures.
- 2) Work with representatives of the County to collect all contracts, agreements, and related potential private-use materials (the "Agreement(s)") in connection with each separate bond issue, including any refunded bond issues.
- 3) On a bond issue-by-bond issue basis, review the bond proceeds expenditure analysis or, perform such analysis and allocation if no allocation is provided.
- 4) Prepare a detailed list of the bond financed property for each bond issue and prepare an analysis regarding the amount of bond proceeds allocable thereto. Such an analysis would also account for any equity, grant funds or taxable bond proceeds that may otherwise be allocable to the bond financed property.
- 5) Analyze each Agreement for compliance with the IRS safe harbor contract guidelines applicable to management and research contracts and/or whether such Agreement gives rise to private business use.
- 6) On a bond issue-by-bond issue basis, trace any non-conforming Agreements to the various physical locations within the bond financed property.
- 7) On a bond issue-by-bond issue basis, determine the amount of private business use within the bond financed facilities.

- 8) To the extent that private-use is determined to exist within the bond financed property, seek to optimize the analysis by determining whether any equity or taxable bond proceeds may be properly allocable to such use.
- 9) Prepare a comprehensive annual report of findings on a bond issue-by-bond issue basis, which provides a description of the bond financed property, a tax status summary of all Agreements and how those Agreements are allocable to the bond financed property, an accounting of bond proceeds, and a private-use analysis.
- 10) If the amount of private use exceeds allowable limits under the Federal tax law, work in a timely manner with County in order to determine appropriate courses of action and solutions.
- 11) BLX will request that Orrick conduct a legal review of the findings contained in the annual report prepared by BLX and provide an opinion reflecting such findings.
- 12) Electronically store on a secure server all information (including hard copies) provided to BLX.

BOND PROCEEDS EXPENDITURE COMPLIANCE

BLX works with clients to determine an accurate allocation of bond proceeds expenditures in connection with both new money and refunding bond issues. These services include providing detailed reporting related to bond proceeds and equity allocations. The allocation of bond proceeds and equity can significantly impact the private business use analysis for tax-exempt debt. Our services include preparing a detailed list of the bond financed property for each bond issue and an analysis regarding the amount of bond proceeds allocable thereto. Such analysis also accounts for any equity or taxable bond proceeds that may otherwise be allocable to the bond financed property. Our experience in this area ranges from bond issues that finance a single project to more complex situations where a single bond issue finances 20-30 discrete projects and where detailed bond proceeds and equity allocations must be undertaken to minimize private use.

BOND DOCUMENT COMPLIANCE

Bond documents contain a number of issuer responsibilities in addition to the timely payment of debt service. These responsibilities will vary widely depending on the type of bonds, source of security and payment, credit enhancement, etc. BLX has established a product to assist issuers in ensuring compliance with under their bond documents. Bond Document Compliance Services by BLX entails a thorough review of the closing documents included in the bond transcript and the creation of a checklist summarizing and organizing all of the post issuance requirements relating to a particular bond issue by date and type of requirement.

This service has been specifically developed to support a tax-exempt entity's internal efforts to maintain compliance with numerous post issuance requirements and improve organizational efficiency. Our product will detail all bond and tax requirements in date order with bond document references, responsible party and recipient, and provide for monitoring the completion of each requirement. Each post issuance requirement is categorized into sections based on the frequency of occurrence such as timed events vs. event-driven requirements. Each post issuance requirement will be linked to a definitions section providing a precise definition of the requirement. Specific reporting and payment requirements will vary by bond issue but will generally include filing deadlines relating to arbitrage rebate, audited financials, default events, loss events, recapture events, debt service and letter of credit payment dates, insurance requirements, and trustee and custodian requirements.

CONTINUING DISCLOSURE SERVICES

BLX will provide the following services on behalf of the County, subject to the conditions and limitations set forth herein.

- 1) Determine from the Continuing Disclosure Agreement what categories of information are required to be included in the Annual Reports, about which obligated persons, by whom and by when it must be provided to the Municipal Securities Rulemaking Board's ("MSRB") Electronic Municipal Market Access system ("EMMA") and any state information depository ("SID").
- 2) Review material compiled to determine whether it covers the categories referred to in (1) above. Make appropriate follow-up inquiries based on the information compiled.
- 3) Circulate proposed form of Annual Report to the County for review and comment, make appropriate revisions.
- 4) Prepare and circulate for execution appropriate certifications of the County and others regarding information included in the Annual Reports.
- 5) Assist in preparation of the notice concerning any Specified Event.
- 6) Submit or confirm submission of the Annual Reports AND Specified Event notices to EMMA.
- 7) Maintain, or cause to be maintained, for at least six (6) years, a record of the Annual Report and Specified Event notices submitted to EMMA.

The continuing disclosure services to be provided by BLX are limited to those specifically set forth above. In particular, but without limitation, BLX is not being engaged and does not undertake to (a) inquire or otherwise determine, other than in connection with Annual Reports, whether any of the Specified Events have occurred or (b) independently verify, or otherwise assume any responsibility for, the accuracy, completeness or fairness of any disclosures made in Annual Reports or notices of Specified Events or otherwise.

BOND ADVISORY SERVICES

As a frequent debt issuer, the County is exposed to many unique challenges associated with bond financings. Chief among these challenges is securing independent advice and analysis regarding various financing structures and evaluating the relevant information and materials to ensure that the County's board is fully aware of the risks and benefits of the financing. BLX's Bond Advisory services include, but not limited to:

- 1) Interface and coordinate efforts between the County, the underwriter and other financing team members to assemble, review and analyze documentation regarding the County's financial status in order to determine feasibility and advisability of various debt structures;
- 2) Advise as to the solvency and merits of the transaction;
- 3) Advice regarding capital markets, interest rate trends, financing terms (including the use of any derivative products, such as an interest rate swap), maturity and amortization schedules, redemption provisions, additional debt provisions, covenants and credit enhancement;
- 4) Review pertinent financial, legal and tax issues with underwriter, bond counsel, and corporate counsel;
- 5) Assist in the preparation of presentations to the credit rating agencies and/or credit enhancers;
- 6) Assist in securing Trustee services;
- 7) Attend meetings of the County's Board and Finance Committee, if any, as required.

We believe the expertise gained through our Bond Advisory Services can assist the County with the contemplated services it would be looking for BLX to provide. BLX's Bond Advisory Services are structured to provide its client real third party independent review and analysis of bond structures and financings.



**APPENDIX A
HCE-CERTIFICATE OF VENDOR COMPLIANCE**



STATE OF HAWAII
STATE PROCUREMENT OFFICE

CERTIFICATE OF VENDOR COMPLIANCE

This document presents the compliance status of the vendor identified below on the issue date with respect to certificates required from the Hawaii Department of Taxation (DOTAX), the Internal Revenue Service, the Hawaii Department of Labor and Industrial Relations (DLIR), and the Hawaii Department of Commerce and Consumer Affairs (DCCA).

Vendor Name: BLX GROUP LLC

Issue Date: 06/03/2024

Status: **Compliant**

Hawaii Tax#: 20104064-01

New Hawaii Tax#:

FEIN/SSN#: XX-XXX4065

UI#: No record

DCCA FILE#: 61052

Status of Compliance for this Vendor on issue date:

Form	Department(s)	Status
A-6	Hawaii Department of Taxation	Compliant
8821	Internal Revenue Service	Compliant
COGS	Hawaii Department of Commerce & Consumer Affairs	Compliant
LIR27	Hawaii Department of Labor & Industrial Relations	Compliant

Status Legend:

Status	Description
Exempt	The entity is exempt from this requirement
Compliant	The entity is compliant with this requirement or the entity is in agreement with agency and actively working towards compliance
Pending	A status determination has not yet been made
Submitted	The entity has applied for the certificate but it is awaiting approval
Not Compliant	The entity is not in compliance with the requirement and should contact the issuing agency for more information



**APPENDIX B
MUNICIPAL ADVISOR DISCLOSURES**

**BLX GROUP LLC
MUNICIPAL ADVISOR DISCLOSURES**

BLX is a wholly-owned subsidiary of Orrick, Herrington & Sutcliffe LLP ("Orrick"). However, BLX's services will not include the delivery of legal services, legal advice, or legal opinions of any kind.

Conflict of Interest Disclosure

BLX and/or Orrick may have client relationships with other parties involved in some manner with the Authority or the financing transaction relating to the funds being invested (for example, underwriters, trustees, rating agencies, insurers, credit providers, lenders, contractors, developers, advisors, investment advisors/providers/brokers, public entities and others) whether with respect to the Authority or some unrelated matter. However, to the extent that a potential attorney-client conflict-of-interest is created by this engagement, the Authority hereby waives any such conflict.

Bidding Agent Services Only: BLX has taken steps to identify potential conflicts of interest that may impact its ability to fulfill its duty under this Program Administrator Agreement. Please also note that some of the investment providers that receive the RFB and may win the bidding may have been, may be or may become clients of BLX or BLX's parent company Orrick. To the extent that, because of any other relationship between BLX or Orrick and any investment provider, there may appear to be or is any conflict, actual or potential, with respect to the Authority's engagement of BLX, the Authority hereby waives the conflicts and consents to any such other relationship. During this engagement, BLX will notify the Authority if it becomes aware of any relationship with an investment provider that may pose a material conflict. In addition, the fee(s) paid to BLX increases the cost of investment. The increased cost occurs from compensating BLX for its bidding agent services.

BLX serves a wide variety of other clients that may from time to time have interests that could have a direct or indirect impact on the interests of another BLX client. For example, BLX serves as municipal advisor to other municipal advisory clients and, in such cases, owes a regulatory duty to such other clients just as it does to the Authority. These other clients may, from time to time and depending on the specific circumstances, have competing interests. In acting in the interests of its various clients, BLX could potentially face a conflict of interest arising from these competing client interests. BLX fulfills its regulatory duty and mitigates such conflicts through dealing honestly and with the utmost good faith with the Authority.

Fee Disclosure

Most forms of compensation for municipal advisors have some sort of potential conflict of interest inherent in the payment arrangement.

Hourly Fees: Hourly fees are the product of the number of hours worked by BLX personnel times an agreed-upon hourly billing rate. This form of compensation presents a potential conflict of interest because it could create an incentive for BLX to recommend alternatives that would result in more hours worked.

Contingent Fee: Under a contingent fee form of compensation, payment of an advisor's fee is dependent upon the successful completion of a transaction and/or is based on the size of a transaction. Although this form of compensation may be customary for the client, it presents a conflict because the advisor may have an incentive to recommend unnecessary transactions that are disadvantageous to the client, or to advise client to increase the size of the transaction. For example, when facts or circumstances arise that could cause the bond financing or other transaction to be delayed or fail to close, an advisor may have an incentive to discourage a full consideration of such facts and circumstances, or to discourage consideration of alternatives that may result in the cancellation of the bond financing or other transaction.

Fixed Fee: Under a fixed fee form of compensation, the amount is established at the outset of the Agreement. The amount is usually based upon an analysis by the Authority and BLX of, among other things, the expected duration and complexity of the transaction and the Services to be performed by BLX. This form of compensation presents a conflict because, if the transaction requires more work than originally contemplated, BLX may suffer a loss. Thus, BLX may recommend less time-consuming alternatives, or fail to do a thorough analysis of alternatives. These conflicts of interest will not impair BLX's ability to render unbiased and competent advice or to fulfill its regulatory duty to the Authority.

The fee(s) paid to BLX increases the cost of issuance. The increased cost occurs from compensating BLX for its services.

BLX becomes aware of any additional potential or actual conflict of interest after this disclosure, BLX will disclose the detailed information in writing to the Client in a timely manner.

Other Matters

BLX is registered with both the Securities and Exchange Commission ("SEC") and the Municipal Securities Rulemaking Board ("MSRB") as a municipal advisor. As a municipal advisor, BLX is subject to certain rules and regulations of those organizations. Pursuant to MSRB rules, we are required to deal fairly with all persons. SEC rules also confirm that we are to uphold a fiduciary duty to municipal advisory clients.

During the course of the engagement, BLX may be required to deliver certain notices or information to the Authority. These notices will be delivered to the official authorized to sign this Agreement and authorized by the Authority to enter into a transaction, and to any other person the Authority may direct us to include in such notices or information. In many cases, MSRB rules request that we obtain written acknowledgement of these disclosures or that we document in writing in our records why such acknowledgement was not obtained. Your assistance in acknowledging receipt of these disclosures is appreciated.

Legal or Disciplinary Events

BLX does not have any legal events or disciplinary history on BLX's Form MA and Form MA-I, which includes information about any criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations, and civil litigation. The Authority may electronically access BLX's most recent Form MA and each most recent Form MA-I filed with the Commission at the following website using CIK 0001610628 in the fast search field: www.sec.gov/edgar/searchedgar/Authoritysearch.html.

There have been no material changes to a legal or disciplinary event disclosure on any Form MA or Form MA-I filed with the SEC. If any material legal or regulatory action is brought against BLX, BLX will provide complete disclosure to the Authority in detail allowing the Authority to evaluate BLX, its management and personnel.

Municipal Securities Rulemaking Board Rule G-10 Disclosure

Pursuant to Municipal Securities Rulemaking Board Rule G-10, on Investor and Municipal Advisory Client Education and Protection, Municipal Advisors are required to provide certain written information to their municipal entity and obligated person clients which include the following:

- BLX is currently registered as a Municipal Advisor with the U.S. Securities and Exchange Commission and the Municipal Securities Rulemaking Board.
- Within the Municipal Securities Rulemaking Board ("MSRB") website at www.msrb.org, the Authority may obtain the Municipal Advisory client brochure that is posted on the MSRB website. The brochure describes the protections that may be provided by the MSRB Rules along with how to file a complaint with financial regulatory authorities.

Common User Data

Machine Name: XRX9C934EB7ABD2
 IP Address: 172.24.160.77
 Machine Serial Number: 8TB654236
 Fax Line1: 8089618569
 Machine URL: https://172.24.160.77

Machine Profile

Xerox Asset Tag:
 Customer Asset Tag:
 Service Phone Number:
 Customer Support Number: 18552756055
 Supplies Phone Number: 18552756055
 System Administrator: System Administrator name not set
 Machine Location:
Managed By
 Primary MB Server:

Machine Hardware

Fax Card: present
 Extended Fax Card: not present
 Fax Card Memory Size: 967 MB
 Foreign Interface Card: not present
 Net Controller RAM: 8192 MB
 Net Controller Drive Size: used=5133MB/total= 2500 59MB (HDD)
 EPC Memory Size: 596 MB
 Image Disk: present
 Finisher Type: Office Finisher LX
 Finisher Punch: None
 Finisher Folder: not present

General Setup

Remote Services: Enabled
 Remote Software Download: Enabled
 Remote Services Trans. Time: 23:09
 E-mail Alerts: Disabled
 Service Plan: Metered
 Billing Impression Mode: A4 Impressions
 GMT Offset: -10:00
 Cloning Installation: Allowed (Encrypted Files Only)
 File Sharing: Enabled
 JBIG2: Lossless
Energy Saver
 Deep Sleep: Enabled
 Energy Saver Mode: Job Activated

Software Versions

Device Software: 103.002.003.04800
 Network Controller: 103.002.04800
 Marking Engine: 063.022.000
 Document Feeder: 007.019.000
 Finisher: 010.020.000
 Fax: 003.016.001
 Scanner: 013.015.016
Machine Upgrades:
 Last Successful Upgrade: May 25, 2023 12:13:39

Connectivity

Mobile Workflows

AirPrint Printing: Enabled
 Mopria Printing Discovery: Enabled
 AirPrint / Mopria Scanning Authentication: Disabled
 Disabled

Physical Connections

USB Settings
 USB Connection Mode: Software Tools
Wired:
 Ethernet MAC Address: Enabled
 Ethernet Speed/Duplex Setting: 9c93:4e:b7:ab:d2
Wireless:
 Wireless MAC Address: Disabled
 Network Name (SSID):
 BSSID:
 Security Mode:
 Encryption Algorithm:
 Status:
Wi-Fi Direct®:
 Wireless Hardware: Enabled
 WPS Name: Not Installed
 Access Point (SSID):
 Show Password on Device Touch Screen:
NFC: Enabled

Protocols

TCP/IPv4: Enabled
 IP Address: 172.24.160.77
 Subnet Mask: 255.255.254.0
 Router/Gateway: 172.24.160.1
 Automatic Addressing: STATIC
 DHCP Server: 0.0.0.0
 DHCP Lease Expiration:
 BOOTP Broadcast: Disabled
 Self Assigned Address State: Enabled
 Self Assigned Address:
TCP/IPv6: Disabled
 Link Local Address:
 Use Router Supplied Prefix: Enabled
 Stateless Global Address 1: ..
 Stateless Global Address 2: ..
 Manual Address:
 DHCP Addressing: Use DHCP as directed by a router
 DHCP Address:
 Default Gateway:
 DUID (DHCP Unique Identifier):
DNS Settings:
 Requested Host Name: XRX9C934EB7ABD2
 Verified Host Name:
 Requested Domain Name: hawaiicounty.gov
 Verified Domain Name:
 Multicast DNS: Enabled
 Release DHCP Leases and DNS Registrati...: Disabled
 Primary DNS Server: 172.24.5.190
 Prefer IPv6 DNS over IPv4: Disabled
Bonjour:
 Bonjour Printer Name: Xerox AltaLink C8045 (9C-93:4E:B7:AB...
HTTP: Enabled
 Force Traffic over Secure Connection (H...: Yes
 IPP: Enabled
SNMP
 SNMP v1/v2: Enabled
 SNMP v3: Disabled
LPR/LPD: Enabled
Raw IP Printing: Enabled
LDAP
 LDAP Server 1 Primary LDAP Address: 0.0.0.0:389
 LDAP Server 1 Search Directory Root:
 LDAP Server 1 Secure Connection (LDA...: Disabled
 LDAP Server 1 Validate Server Certificate...: Disabled
SMTP
 SMTP Server: 0.0.0.0:25
 Connect Encryption (TLS): No Encryption
 Validate Server Certificate (TLS):
 E-mail Address:
POP3
 POP3 Server: 0.0.0.0:110
 POP3 Secure Connection (TLS): Disabled
NTP: Enabled
FTP: Passive
Web Services on Device: Enabled

Apps

Printing

Banner Sheet: Disabled
 Error Sheets: Enabled
 Paper Substitution: Enabled
 Tray Priority: 1,2,3,4,5
PostScript
 Level: Installed
 3
 Version: 3021.101
XPS (XML Paper Specification)
 Level: Not Installed
 XPS 1.0
 Version: XPS 1.0
PCL
 Version: 6
 Font Name: Courier
Embedded Fax: Enabled/Displayed
 Fax Line1: 8089618569
 Fax Line2:
Internet Fax: Not Displayed
Server Fax: Not Displayed
 Repository Protocol: FTP
 Repository Server: 0.0.0.0:0
 Repository Document Path:
Workflow Scanning: Displayed
Email: Not Displayed

Apps (cont.)

Scan to Mailbox:	Disabled
Storage Capacity (MB):	22400.66 MB
Storage Used (MB):	1208.45 MB
Cleanup of Public Folders:	Enabled
Cleanup of Created Folders:	Enabled
Cleanup Time:	Daily
Scan to Home:	Disabled
Scan To:	Displayed
Print From:	Displayed
Saved Jobs for Reprint:	Enabled
Print From USB:	Enabled
Print From MailBox:	Disabled

Accounting

Accounting Mode:	Xerox Standard Accounting
Network Accounting:	Disabled

Security

Authentication Configuration

Machine UI Authentication:	Locally on the Device
Home:	Unlocked
Jobs:	Unlocked
Device:	Unlocked
Device Website Authentication:	Locally on the Device
Authorization:	Locally on the Device
Retrieve E-mail from LDAP:	Enabled
Authentication Server:	Kerberos
Xerox Secure Access:	Disabled
Audit Log:	Enabled
IP Sec:	Disabled
IP Filtering:	Disabled

Security Certificates

Machine Certificate:	Signed
Root Certificates Installed:	56
802.1x:	Disabled
Authentication Method:	EAP-MDS

Image Overwrite

Immediate:	installed/enabled
Scheduled:	Standard

Encryption

FIPS 140-2:	Disabled
Secure Connection:	TLS
McAfee Embedded Control:	Enhanced Security

Media Trays

Troy 1:	Plain, White and Legal (8.5 x 14")
Troy 2:	Plain, White and Letter (8.5 x 11")
Troy 3:	Plain, White and Letter (8.5 x 11")
Troy 4:	Plain, White and Letter (8.5 x 11")
Troy 5 (Bypass):	Plain, Blue and Letter (8.5 x 11")

Installed Options

PS:	Installed
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