

*BLX Group LLC
355 S. Grand Avenue
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Los Angeles, CA 90071
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BLX Group LLC

STATEMENT OF QUALIFICATIONS FOR PROFESSIONAL SERVICES
PUBLIC FINANCE (FINANCIAL ADVISING)
(HRS 103D-304: FN.9)

County of Hawai'i

June 12, 2025

PROJECT MANAGER

Jeff Higgins

Senior Managing Director, Chief Solutions Officer

213 612 2209 T

jhiggins@blxgroup.com E



BLX Group LLC blx

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BLX Group LLC
355 South Grand Avenue
Suite 2700
Los Angeles, CA 90071
ph. 213 612 2200
blxgroup.com

June 12, 2025

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

Re: Professional Service HRS 103D-304, FN.9: Public Finance (Financial Advising) FY 2025-2026

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, 2023, 2024 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". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Jeffrey R. Higgins
Senior Managing Director, Chief Solutions Officer



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, Senior Managing Director, Chief Solutions Officer
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, Senior Managing Director, Chief Solutions Officer of BLX's Los Angeles office will serve as Project Manager with regard to Municipal and Bond Advisory Services for the County. Messrs. Higgins, and Casterline 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 and Casterline 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
Chief Solutions Officer /
Senior Managing Director

LOS ANGELES
T: (213) 612-2209
E: jhiggins@blxgroup.com

INDUSTRY EXPERIENCE
33 Years

TENURE AT BLX
33 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:

- ❖ 33 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, *County of Hawai'i*, and City and County of Honolulu

BIO / RELEVANT WORK EXPERIENCE: Jeff Higgins is BLX's Chief Solutions Officer and oversees the development of financial strategies, tools, and solutions to address the evolving needs of our public sector clients. As such, he is responsible for ensuring BLX provides tailored, value-driven services to governments and other municipal market participants while staying competitive in the consulting market.

As a Senior Managing Director and Principal in BLX's Los Angeles office with over 33 years of diverse public finance experience, Jeff also oversees BLX's Continuing Disclosure, Structured Products, and Swap Monitoring practices.

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

33 Years

TENURE AT BLX

33 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:

- ❖ 33 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 33 years of public finance experience, Glenn applies his expertise to BLX's municipal 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).

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

City of Vernon	
Contact	Todd Dusenberry, General Manager, Vernon Public Utilities
Address	4305 S. Santa Fe Avenue, Vernon, CA 90058
Phone	(323) 583-8811 ext. 579
E-mail	tdusenberry@ci.vernon.ca.us
Service Provided by BLX	Arbitrage Rebate Compliance, General and Financial Advisory, Secondary Market Disclosure

Commonwealth Economic Development Authority	
Contact	Derek Sasamoto
Address	P.O. Box 502149, Saipan, MP 96950
Phone	(670) 234-6245
E-mail	d.sasamoto@developcnmi.com
Service Provided by BLX	Arbitrage Rebate Compliance, Financial Advisory, Secondary Market Disclosure Services

California Science Center Foundation	
Contact	Genevieve Dunaway, Chief Financial Officer
Address	700 Exposition Park Drive, Los Angeles, CA 90037
Phone	(213) 744-7487
E-mail	gdunaway@californiasciencecenter.org
Service Provided by BLX	Financial Advisory, Arbitrage Compliance & Municipal Continuing Disclosure Services, Post-Issuance Compliance Services

The Colburn School of Performing Arts	
Contact	Maeesha Merchant, Chief Financial Officer
Address	200 S. Grand Avenue, Los Angeles, CA 90012
Phone	(213) 621-1015
E-mail	Mmerchant@colburnschool.edu
Service Provided by BLX	Financial Advisory, Arbitrage Compliance, Municipal Continuing Disclosure Services

California Statewide Communities Development Authority	
Contact	James Hamill, Managing Director
Address	3201 Danville Blvd. Suite 267 Alamo, CA 94507
E-mail	jhamill@cscda.org
Service Provided by BLX	Bond Pricing Advisory, Program Administration Services

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 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 550 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.

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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: 05/15/2025

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

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APPENDIX B
MUNICIPAL ADVISOR DISCLOSURES

APPENDIX B
BLX GROUP LLC
MUNICIPAL ADVISOR DISCLOSURES

GENERAL

The County is aware that BLX is a subsidiary of Orrick. BLX and/or Orrick may have client relationships with other parties involved in some manner with the County or any of the proposed services herein (for example, underwriters, purchasers, counterparties, trustees, rating agencies, insurers, credit providers, lenders, contractors, developers, advisors, investment advisors/providers/brokers, public entities and others) whether with respect to the County or some unrelated matter(s). Those participants are and will not be clients of BLX with respect to the financing transactions that are the subject of this engagement.

However, to the extent that, because of any other relationship between Orrick or BLX and other participants, there may appear to be or is any conflict of interest, actual or potential, with respect to the County's engagement of BLX, absent notification by the County to the contrary, the County is hereby deemed to waive any such conflict and consents to any such other relationship. BLX will notify the County of any potential conflicts.

BLX has taken the following steps to identify and address potential conflicts of interest that may impact its ability to fulfill its duties to the County under this engagement.

- BLX will not participate in the County's process in selecting legal counsel in connection with any financings.
- BLX has provided "historical continuing disclosure compliance" services for underwriters in connection with the underwriters' obligation to review an issuer's S.E.C. Rule 15c2-12 compliance over the past five (5) years. Such service entails reviewing continuing disclosure filings made by the issuers. Such reports are factual representations of an issuer's compliance. BLX will inform the County of any underwriters that have retained BLX for these services prior to any selection of an underwriter for the proposed transaction.
- Potential financing structures may include Wells Fargo or US Bank Trust serving as underwriter or as purchaser of the obligations via a direct purchase. BLX is currently engaged by Wells Fargo and US Bank to perform arbitrage rebate compliance services in connection with outstanding obligations issued by certain public or not-for-profit agencies that engaged the banks to serve as trustee. BLX's scope of services relating to its engagement with Wells Fargo and US Bank Trust is independent of the services described herein and will not conflict with BLX's engagement with the County.

Fee Disclosures: Most forms of compensation for financial advisors have some sort of potential conflict of interest inherent in the payment arrangement. Under a contingent fee form of compensation, payment of an advisor's fee is dependent upon the successful completion of a financing or other transaction. Although this form of compensation may be customary for the client, it presents a conflict because the advisor may have an incentive to push to complete a financing or potential financing under terms that might be disadvantageous to the client. For example, when facts or circumstances arise that could cause the 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 financing or other transaction. Under an hourly fee form of compensation, the advisor is paid an amount equal to the number of hours worked by the advisor times an agreed-upon hourly billing rate. This form of compensation presents a potential conflict of interest if the client and the advisor do not agree on a reasonable maximum amount at the outset of the engagement, because the advisor does not have a financial incentive to recommend alternatives that would result in fewer hours worked. In some cases, an hourly fee may be applied against a retainer (e.g., a retainer payable monthly), in which case it is payable whether or not a financing closes. Alternatively, it may be contingent upon the successful completion of a financing, in which case there may be additional conflicts of interest, as described above. Under a fixed fee form of compensation, the advisor is paid a fixed amount established when the engagement letter is signed. The amount is usually based upon an analysis by the County and the advisor of, among other things, the expected duration and complexity of the engagement and the agreed-upon scope of work performed by the advisor. This form of compensation presents a potential conflict of interest because, if the transaction requires more work than originally contemplated, the advisor may suffer a loss. Thus, the advisor may recommend less time-consuming alternatives, or fail

to do a thorough analysis of alternatives. This conflict of interest will not impair BLX's ability to render unbiased and competent advice or to fulfill its regulatory duty to the County.

The fee(s) paid to BLX as part of the cost of issuance would increase the borrowing cost of any transaction issued by the County. The increased cost occurs from compensating BLX for the financial advisory services provided.

OTHER MUNICIPAL ADVISOR RELATIONSHIPS

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 County. 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 County.

If 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 County in a timely manner.

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 County 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/companysearch.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 County in detail allowing the County 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 County 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.