

FILED FOR RECORD
ROCKWALL CO, TEXAS

NOTICE OF CONTINGENT FEE CONTRACT
ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 11

2025 SEP 5 PM 3:51

Notice is hereby given pursuant to V.T.C.A. Government Code, Chapter 2254.1036, that the Board of Rockwall County Municipal Utility District No. 11 (the "District") is entering into a contingent fee contract with Coats Rose P.C. ("Coats Rose") for their services as bond counsel, at their organizational session, open to the public, at 12:45 p.m., on Wednesday, September 17, 2025 at the following location: approximately 50 feet northeast of the intersection of Huffines Blvd and Crenshaw Rd along the southern boundary of district, Royse City, TX 75189, a location within the boundaries of the District.

The retention of Coats Rose is necessary in order for the District to issue bonds. They will assist the District's financial advisor in the preparation of official statements incident to each bond issue and make sure the District complies with requirements of State and Federal laws related to the issuance of the Bonds. Coats Rose will assist the District's engineer in the preparation of each bond application, and undertake to secure its approval by the TCEQ, if applicable. Coats Rose will prepare and secure approval of a transcript of legal proceedings which complies with all requirements of the Attorney General of Texas. All matters incident to the receipt and tabulation of bids for the purchase of the District's bonds, the preparation of a bond order or bond resolution, the printing and registration of the bonds, and the delivery of the bonds will be the responsibility of Coats Rose. At the time of the issuance of the bonds, Coats Rose will issue its opinion, on behalf of the District, that the bonds are binding legal obligations of the District enforceable in accordance with their terms and conditions, and that the interest borne by the bonds is exempt from Federal income taxation.

Coats Rose has over forty (40) years of experience in Public Finance and has acted as bond counsel, disclosure counsel or underwriter's counsel in the issuance of over \$15 billion in special district bonds. Coats Rose's fee for the services outlined above will be equal to 3% of the first \$3,000,000 principal amount of each series of bonds issued; 2½% of the next \$2,000,000 principal amount of bonds issued; and 2% of each additional \$1,000,000. Coats Rose will charge 1.1% of the principal amount of any refunding bonds or bond anticipation notes ("BANs"); but no less than \$25,000 for any single issue of refunding bonds or BAN. Coats Rose's fees align with the current market rate of similarly positioned public finance practitioners acting as bond counsel to special districts in the State of Texas.

Coats Rose was retained by the owners of land in the District to create the District for the purpose of funding the infrastructure necessary to make the District habitable. At its organizational meeting, the District will consider retaining Coats Rose as its general counsel and bond counsel for any future bond issuances. Issuing bonds is a time consuming, costly endeavor, and the work required to issue the Bonds begins at the time of the creation of the District and continues for multiple years before the Bonds are issued. The District has no funds to pay the attorneys' hourly fees and the issuance of such bonds may never occur. The District does not have the internal resources to pay in-house staff to act as bond counsel. Moreover, retaining and training District staff to perform the functions necessary to issue special district bonds is prohibitively expensive. Coats Rose works on a contingent fee basis for these same reasons. The retention of Coats Rose as bond counsel with hourly fees would be cost-prohibitive, and Coats Rose would be unable to provide bond counsel services at an hourly rate. It is for these reasons that the retention of Coats Rose, on a contingent fee basis, to act as bond counsel, is in the best interests of the District and its residents.

EXECUTED this 4th day of September, 2025.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT
NO. 11

By: Mindy L. Koghne
Mindy L. Koghne
Coats Rose, P.C., Attorneys for the District