

AGREEMENT FOR INTERNAL AUDITOR SERVICES
BETWEEN
TEXAS STATE SECURITIES BOARD
AND
GARZA/GONZALEZ & ASSOCIATES

This service contract for internal auditing ("Contract") is entered into by the Texas State Securities Board (the "SSB"), an agency of the State of Texas, and Garza/Gonzalez & Associates ("Garza" or "Contractor"), located at 207 Arden Grove, San Antonio, Texas 78215.

Recitals

- 1.1 On October 26, 2016, the SSB issued a Request for Proposal ("RFP") to qualified, independent firms to provide general auditing services to the SSB as set forth in the RFP.
- 1.2 Garza submitted a proposal to the SSB dated November 22, 2016, in response to the SSB's RFP.
- 1.3 The Board of the SSB selected Garza as the firm to provide general auditing services to the SSB for fiscal year 2017 on January 24, 2017.
- 1.4 The Board of the SSB has selected Garza as the firm to provide general auditing services to the SSB for the fiscal years intervening the original audit service selection in 2017 and the current fiscal year audit service selection.
- 1.5 On October 22, 2019, the Board selected Garza and authorized its audit committee to re-engage Garza for internal audit services for fiscal year 2020.
- 1.6 Paragraph 5.5 .3 provides for an optional renewal term for fiscal year 2020; and pursuant to the foregoing, the parties agree as follows:

Services and Standards of Performance

- 2.1 Garza shall provide to the SSB all the services and deliverables described in and in the manner required by all the following documents:
 - 2.1.1 This *Agreement for Internal Auditor Services* and the associated purchase order;
 - 2.1.2 The SSB's RFP dated October 26, 2016, and identified as Exhibit A; &

- 2.1.3 Garza's proposal to provide internal audit services dated November 22, 2016, and identified as Exhibit B.
- 2.2 The referenced purchase order and Exhibits A and B are attached to and incorporated as part of this Contract for all purposes.
- 2.3 All terms and conditions of the SSB RFP shall apply.
- 2.4 In the case of conflict between this contract and any of the above-referenced documents, the following shall control in this order of priority:
 - 2.4.1 The purchase order;
 - 2.4.2 This Contract;
 - 2.4.3 The SSB RFP; &
 - 2.4.4 Garza's proposal to provide internal audit services.
- 2.5 Garza agrees to organize, manage and implement the SSB's internal auditing program in conformity with the plan approved by the Board of the SSB.
- 2.6 In implementing the approved internal auditing program, Garza agrees to conform to the following standards:
 - 2.6.1 The Standards for the Professional Practice of Internal Auditing;
 - 2.6.2 Generally Accepted Governmental Auditing Standards;
 - 2.6.3 The Certified Internal Auditor Code of Professional Ethics; &
 - 2.6.4 The Statement of Responsibilities of Internal Auditing of the Institute of Internal Auditors.
- 2.7 Garza agrees to prepare audit reports for review by the Board, Securities Commissioner of Texas and the SSB.
- 2.8 Garza agrees to deliver all data, reports, and documents which result from its services to the SSB in a form satisfactory to the SSB.
- 2.9 Garza agrees to perform all other duties imposed by Texas Government Code §2102.007 related to Paragraph 2.5.
- 2.10 Garza agrees to file all required reports as required by Texas Government Code §§2102.009 and 2102.0091.
- 2.11 Garza represents and warrants that it has the requisite qualifications, experience, personnel, and other resources to provide all the required internal auditing services to the SSB in the manner required by this Contract.

- 2.12 Garza understands and agrees all internal audit services performed under the Contract must be performed by Garza and may not be subcontracted to another entity or individual. Garza is completely responsible for all contract services performed and certifies that it will perform the internal audit services and will not assign any right or duty required under the Contract.

Obligations of the SSB

- 3.1 The SSB agrees to cooperate with Garza and provide all necessary access to the records and employees of the SSB for the purposes of this contract.
- 3.2 The SSB agrees if, in the course of performing services under the Contract, Garza is required to travel, the Securities Commissioner in his sole discretion may determine whether to reimburse Garza for travel expenses. If travel expenses are to be reimbursed, the rate of reimbursement may not exceed the applicable rate in effect for state employees.

Pricing and Payments

- 4.1 The SSB agrees to pay Garza upon the completion of each defined task as reflected in the Board approved audit plan. The prices for the auditor's services under this Contract are the rates specified in Garza's proposal to provide internal audit services dated November 22, 2016, at Page 12. Those rates are as follows:
- 4.1.1 Partner - \$140.00/hour;
 - 4.1.2 Manager - \$130.00/hour;
 - 4.1.3 In-Charge - \$120.00/hour;
 - 4.1.4 Senior Auditor - \$110.00/hour; &
 - 4.1.4 Staff Auditor - \$100.00/hour.
- 4.2 The total amount to be paid in Fiscal Year 2020 is not to exceed Thirty-one thousand two hundred fifty dollars (\$31,250.00). This amount may be increased only by written agreement of Garza and the SSB.
- 4.3 Garza agrees to provide the SSB with itemized invoices showing hours worked and the hourly rate upon the completion of defined tasks subject to the invoice.
- 4.4 Prior to authorizing any invoices for payment under this Contract, the SSB must evaluate Garza's performance against the performance requirements of this Contract. Prior to authorizing any such payments, the SSB must evaluate and specifically reserves the right to provide written notice of acceptance of Garza's services under the procedures described in this Contract.

- 4.5 Garza must submit invoices for services as set out in the approved audit plan. In submitting these invoices, Garza acknowledges and by execution of this Contract certifies the following:
- 4.5.1 The invoices have been carefully reviewed for detailed description of the Contract services performed;
 - 4.5.2 The Contract services were performed in compliance with the Contract;
 - 4.5.3 The amount of the invoice and all previous invoices together do not exceed the contractual cap of the Contract; &
 - 4.5.4 All appropriate and required supporting documentation is attached.
- 4.6 The SSB may, in its sole discretion, require additional documentation to support payment and Garza shall respond to any such request within five (5) days of receipt.
- 4.7 All payments hereunder shall be subject to the Texas Prompt Payments Act.

Term and Termination

- 5.1 This Contract shall become effective on the date of the SSB's acceptance of the fully executed Contract by Garza.
- 5.2 This Contract is for the SSB's 2020 fiscal year. The term of this Contract is September 1, 2019, to August 31, 2020.
- 5.3 The Contract shall terminate the later of August 31, 2020, or the date the final deliverable is accepted by the SSB, including any testimony before any governing body unless otherwise sooner terminated as provided in this Contract.
- 5.4 The SSB reserves the right, in its sole judgment and discretion, to renew this Contract for additional terms as specified below upon reasonable written notice to Garza. If the SSB renews the term of the Contract, all provisions of this Contract, including the SSB's right of termination shall remain in full force and effect.
- 5.5 The optional renewal terms are as follows:
- 5.5.1 September 1, 2017, to August 31, 2018 (Fiscal Year 2018), option previously exercised by agreement of the parties;
 - 5.5.2 September 1, 2018, to August 31, 2019 (Fiscal Year 2019), option previously exercised by agreement of the parties;
 - 5.5.3 September 1, 2019, to August 31, 2020 (Fiscal Year 2020), the Board selected Garza for internal audit services for fiscal year 2020 on October 22, 2019; &

5.5.4 September 1, 2020, to August 31, 2021 (Fiscal Year 2021).

- 5.6 Any renewal negotiations and a signed renewal agreement must be in place before the close of the SSB's last business day in January of the relevant fiscal year in order for the renewal term to be considered valid, unless such renewal date is waived by the parties and evidenced by the execution of the relevant renewal contract by all parties. This paragraph specifically excludes the initial Contract term period and may be extended by the agreement of the parties.
- 5.7 The SSB may, in its sole discretion, terminate this Contract for cause or convenience upon thirty (30) days written notice to Garza, with no future liability to any party whatsoever upon such effective date of termination. Such notice may be provided by facsimile or certified mail, return receipt requested, and is effective upon Garza's receipt of the same.
- 5.8 Notwithstanding the termination or expiration of this Contract, the provisions of this Contract regarding confidentiality, indemnification, dispute resolution, right-to-audit, and records shall survive the termination or expiration dates of this Contract.

Confidentiality and Open Records

- 6.1 Garza and Garza's employees shall not reveal or otherwise disclose to any person, other than the SSB, any information provided to, developed by, prepared by, or assembled by Garza under this Contract without the prior written approval of the Securities Commissioner of Texas, except as provided for herein at Paragraph 12.11.
- 6.2 Garza must secure the confidentiality of information to which Garza may have access to prevent the theft or inadvertent disclosure of confidential information. This provision shall not be construed as limiting the SSB's right of access to information under this Contract.
- 6.3 Garza understands the SSB is bound by the provisions of the Texas Public Information Act and Attorney General Opinions issued under that statute.
- 6.4 Within three (3) days of receipt, Garza will refer to the SSB any third-party requests for public information related to the SSB, received directly by Garza, for information to which Garza has access as a result of or in the course of its performance under this Contract.
- 6.5 The confidentiality requirements pertaining to this Contract survive the cancellation, termination, or expiration of this Contract.

Personnel – Independent Contractor

- 7.1 Garza understands and agrees it is an independent contractor in providing services under this Contract.

- 7.2 Garza's employees shall not be construed as employees of the SSB in providing services under this Contract.
- 7.3 Neither Garza nor the SSB has the authority to bind the other or hold out to third parties that it has the authority to bind the other.
- 7.4 Nothing in this Contract shall be construed as creating the relationship of employer-employee, principal-agent, partners, joint-venturers, or any other similar relationship between the parties.

Conflicts of Interest

- 8.1 Garza represents and warrants that none of its employees, including, but not limited to, those authorized to provide services under this Contract, are present or former employees of the SSB.
- 8.2 During the term of this Contract, Garza agrees to not employ or have any other business relationship with:
 - 8.2.1 A SSB employee, Board Member; or
 - 8.2.2 Any person related within the second degree of consanguinity or affinity to such SSB employee or Board Member.
- 8.3 Garza represents and warrants that it has no actual or potential conflicts of interest in providing services to the SSB under this Contract and that its provision of services under this Contract would not reasonably create an appearance of impropriety.

Insurance

- 9.1 Garza represents and warrants it maintains the following insurance coverage for Garza and Garza's employees:
 - 9.1.1 Standard Worker's Compensation Insurance covering all personnel who will provide services under this Contract; &
 - 9.1.2 Commercial General Liability Insurance with a \$250,000.00 minimum "each" occurrence limit and a \$500,000.00 minimum "aggregate" limit.
- 9.2 Garza represents and warrants that it will maintain all the above insurance coverages during the term of the Contract.

Indemnification

- 10.1 **CONTRACTOR SHALL DEFEND, INDEMNIFY, AND HOLD HARMLESS THE STATE OF TEXAS, ITS OFFICERS, AND EMPLOYEES, AND THE SSB, ITS OFFICERS, AND EMPLOYEES AND ANY OTHER CONTRACTORS, FROM AND AGAINST ALL CLAIMS, ACTIONS, SUITS, DEMANDS, PROCEEDINGS,**

COSTS DAMAGES, AND LIABILITIES, INCLUDING WITHOUT LIMITATION ATTORNEYS' FEES AND COURT COSTS, ARISING OUT OF, CONNECTED WITH, OR RESULTING FROM ANY ACTS OR OMISSIONS OF CONTRACTOR OR ANY AGENT, EMPLOYEE, OR SUPPLIER OF CONTRACTOR IN THE EXECUTION OR PERFORMANCE OF ANY CONTRACT WITH CONTRACTOR RESULTING FROM THIS CONTRACT. CONTRACTOR SHALL COORDINATE ITS DEFENSE WITH THE TEXAS ATTORNEY GENERAL AS REQUESTED BY THE SSB.

THIS SECTION IS NOT INTENDED TO AND SHALL NOT BE CONSTRUED TO REQUIRE CONTRACTOR TO INDEMNIFY OR HOLD HARMLESS THE STATE OR THE SSB FOR ANY CLAIMS OR LIABILITIES RESULTING FROM THE NEGLIGENT ACTS OR OMISSIONS OF THE SSB OR ITS EMPLOYEES.

Dispute Resolution

- 11.1 The TSSB and Contractor agree to use the dispute resolution provided for in Chapter 2260 of the Texas Government Code to attempt to resolve any dispute arising under this contract.
- 11.2 The dispute resolution process provided for in Chapter 2260 of the Government Code shall be used, as further described herein, by the TSSB and the Contractor to attempt to resolve any claim for breach of Contract made by the Contractor.
 - 11.2.1 A Contractor's claims for breach of this Contract that the parties cannot resolve in the ordinary course of business shall be submitted to the negotiation process provided in Chapter 2260. To initiate the process, the Contractor shall submit written notice, as required by Chapter 2260, to the Securities Commissioner or his designee. Said notice shall specifically state that the provisions of Chapter 2260 are being invoked. A copy of the notice shall also be given to all other representatives of the TSSB and the Contractor otherwise entitled to notice under the parties' contract. Compliance by the Contractor with Chapter 2260 is a condition precedent to the filing of a contested case proceeding under Chapter 2260.
 - 11.2.2 The contested case process provided in Chapter 2260 is the Contractor's sole and exclusive process for seeking a remedy for any and all alleged breaches of Contract by the SSB if the parties are unable to resolve their disputes in the ordinary course of business.
 - 11.2.3 Compliance with the contested case process provided in Chapter 2260 is a condition precedent to seeking consent to sue from the Legislature under Chapter 107 of the Civil Practices and Remedies Code. Neither the execution of this Contract by the SSB nor any other conduct of any representative of the SSB relating to the Contract shall be considered a waiver of sovereign immunity to suit.

11.2.4 The submission, processing and resolution of the Contractor's claim is governed by the published rules adopted by the SSB pursuant to Chapter 2260, as currently effective, hereafter enacted or subsequently amended.

11.2.5 Neither the occurrence of an event nor the pendency of a claim constitute grounds for the suspension of or excuse from performance by the Contractor, in whole or in part, under the Contract and Contractor shall continue performance unless Contractor has complied with all provisions of §2251.051 of the Texas Government Code and such suspension of performance is expressly applicable and authorized under that law.

Representations, Warranties, and General Provisions

- 12.1 **Family Code.** Under §231.006 of the Texas Family Code (relating to child support), Contractor represents and warrants that Contractor is not ineligible to receive the specified payment and acknowledges that this Contract may be terminated, and payment withheld if this representation and warranty is inaccurate.
- 12.2 **Eligibility.** Under §2155.004 of the Texas Government Code (relating to certain prohibited bids and contracts), Contractor represents and warrants that Contractor is not ineligible to receive this Contract and acknowledges that this Contract maybe terminated, and payment withheld if this representation and warranty is inaccurate.
- 12.3 **Liability for Taxes.** Contractor represents and warrants that it shall pay all taxes or similar amounts resulting from this Contract, including, but not limited to, any federal, state, or local income, sales or excise taxes of Contractor or its employees. The SSB shall not be liable for any such taxes resulting from this contract.
- 12.4 **HUB.** Contractor certifies it is designated as an Historically Underutilized Business with the Comptroller of Public Accounts.
- 12.5 **Applicable Law and Venue.** This Contract shall be governed by and construed in accordance with the laws of the State of Texas. The venue of any suit brought for any breach of this Contract is fixed in any court of competent jurisdiction of Travis County, Texas.
- 12.6 **Strict Compliance.** Time is of the essence in the performance of this Contract. Contractor shall strictly comply with all the deadlines, requirements, and performance standards for this contract.
- 12.7 **Federal, State, and Local Requirements.** Contractor shall demonstrate on-site compliance with the Federal Tax Reform Act of 1986, Section 1706, amending Section 530 of the Revenue Act of 1978, dealing with the issuance of Form W-2's to common law employees. Contractor is responsible for both Federal and State Unemployment insurance coverage and standard Worker's Compensation

Insurance coverage. Contractor shall comply with all Federal and State tax laws and withholding requirements. The SSB shall not be liable to Contractor or its employees for any Unemployment or Worker's Compensation coverage, or Federal or State withholding requirements. Contractor shall indemnify the SSB and pay to the SSB all costs, penalties, or losses resulting from Contractor's omission or breach of this paragraph.

- 12.8 **Severability.** In the event that any provision of this Contract is later determined to be invalid, void, or unenforceable, then the remaining terms, provisions, covenants, and conditions of this Contract shall remain in full force and effect, and shall in no way be affected, impaired, or invalidated.
- 12.9 **Contract Amendments.** Except as provided for in Paragraphs 12.10 and 12.11 of this Contract, this contract may be amended only upon written agreement between the SSB and Contractor; however, this Contract may not be amended so as to make it conflict with the laws of the State of Texas.
- 12.10 **Applicable Law and Conforming Amendments.** Contractor must comply with all laws, regulations, requirements and guidelines applicable to a contractor providing services to the State of Texas and to a contractor providing financial or similar services to the SSB, as these laws, regulations, requirements and guidelines currently exist and as they are amended throughout the term of this Contract. The SSB reserves the right, in its sole discretion, to unilaterally amend this Contract throughout its term to incorporate any modifications necessary for the SSB's or Contractor's compliance with all applicable state and federal laws, regulations, requirements and guidelines.
- 12.11 **SAO Right to Audit.** This Contract may be amended unilaterally by the SSB to comply with any rules and procedures of the State Auditor in the implementation and enforcement of Section 2262 of the Texas Government Code, Contractor understands that acceptance of state funds under this Contract acts as acceptance of and consent to the authority of the State Auditor's Office to conduct an audit or investigation in connection with those funds. Contractor further agrees to cooperate fully with the State Auditor's Office in any such audit or investigation and to provide the State Auditor with access to any information the State Auditor considers relevant to the audit or investigation. Additionally, the State Auditor's Office shall at any time have access to and the rights to examine, audit, excerpt, and transcribe any pertinent books, documents, audit documentation, and records of the Contractor relating to this contract.
- 12.12 **Supporting Documents, Retention and Access.** Contractor shall maintain and retain supporting fiscal documents adequate to ensure that claims for Contract funds are in accordance with applicable SSB and State of Texas requirements. Contractor shall maintain all such documents and other records relating to the Contract and the state's property for a period of seven (7) years after the date of submission of the final invoices or until resolution of all billing questions or the

expiration of the contract, based upon whichever retention period is longer. Contractor shall make available at reasonable times and upon reasonable notice all information related to the State's property, such as work papers, reports, books, data, files, software, records, and other supporting documentation pertaining to the Contract for purposes of inspecting, monitoring, auditing, or evaluation by the SSB, the State of Texas, or their authorized representatives.

- 12.13 **No Waiver.** This Contract shall not constitute or be construed as a waiver of any of the privileges, rights, defenses, remedies, or immunities available to the SSB as an agency of the State of Texas or otherwise available to the SSB. The failure to enforce or any delay in the enforcement of any of the privileges, rights, defenses, remedies, or immunities available to the SSB under this Contract or under applicable law shall not constitute a waiver of such privileges, rights, defenses, remedies, or immunities or be considered as a basis for estoppel. The SSB does not waive any privileges, rights, defenses, or immunities available to the SSB as an agency of the State of Texas, or otherwise available to the SSB, by entering into this Contract or by its conduct prior to or subsequent to entering into this Contract.
- 12.14 **No Liability upon Termination.** If this Contract is terminated for any reason, the SSB and the State of Texas shall not be liable to Contractor for any damages, claims, losses, or other amounts arising from or related to any such termination. However, Contractor may be entitled to the remedies provided in Texas Government Code, Chapter 2260.
- 12.15 **Limitation on Authority; No Other Obligations.** Contractor shall have no authority to act for or on behalf of the SSB or the State of Texas except as expressly provided for in this Contract; no other authority, power, or use is granted or implied. Contractor may not incur any debts, obligations, expenses, or liabilities of any kind on behalf of the SSB or the State of Texas.
- 12.16 **No Other Benefits.** Contractor shall have no exclusive rights or benefits other than those set forth herein.
- 12.17 **Patent, Trademark, Copyright and Other Infringement Claims.** Contractor shall indemnify, save, and hold harmless the SSB and the State of Texas from and against claims of patent, trademark, copyright, trade secret, or other proprietary rights, violations, or infringements arising from the State's or Contractor's use of or acquisition of any services or other items provided to the SSB by Contractor or otherwise to which the SSB has access as a result of Contractor's performance under this Contract, provided that the SSB shall notify the Contractor of any such claim within a reasonable time of the SSB's receiving notice of any such claim.
- 12.18 **DTPA; Unfair Business Practices.** Contractor represents and warrants that it and its officers have not been the subject of a Deceptive Trade Practices Act or any unfair business practice administrative hearing or court suit and that

Contractor has not been found liable or guilty of such practices in such proceedings. Contractor certifies that it has no officers who have served as officers of other entities who have been the subject of a Deceptive Trade Practices Act or any unfair business practice administrative hearing or court suit and that such officers have not been found liable or guilty of such practices in such proceedings.

- 12.19 **Immigration.** Contractor represents and warrants that it shall comply with the requirements of the Immigration Reform and Control Act of 1986 regarding employment verification and retention of verification forms for any individuals hired on or after November 6, 1986, who will perform any labor or services under this Contract.
- 12.20 **Equal Opportunity.** Contractor represents and warrants that it shall comply with the Civil Rights Act in giving equal opportunity without regard to race, color, creed, sex, or national origin.
- 12.21 **Antitrust.** Contractor represents and warrants that neither Contractor nor any firm, corporation, partnership, or institution represented by Contractor, or anyone acting for such firm, corporation, or institution has (1) violated the antitrust laws of the State of Texas under Tex. Bus. & Com. Code, Chapter 15, or the federal antitrust laws; or (2) communicated directly or indirectly the Proposal submitted in response to the RFP to any competitor or any other person engaged in such line of business during the procurement process for this Contract.
- 12.22 **Financial Interests; Gifts.** Contractor represents and warrants that neither Contractor nor any person or entity that will participate financially in this Contract has received compensation from the SSB for participation in the request for proposal or award. Contractor represents and warrants that it has not given, offered to give, and does not intend to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor or service to any public servant or employee in connection with this Contract.
- 12.23 **ADA.** Contractor represents and warrants that it shall comply with the requirements of the Americans with Disabilities Act.
- 12.24 **Buy Texas.** Contractor represents and warrants that it shall purchase products and materials produced in Texas when they are reasonably available at a comparable price and in a comparable period of time in accordance with Texas Government Code, Section 2155.4441.
- 12.25 **Excluded Parties.** Contractor certifies that it is not listed on the federal government's terrorism watch list as described in Executive Order 13224.
- 12.26 **Foreign Terrorist Organizations.** Contractor represents and warrants that it is not engaged in business with Iran, Sudan, or a foreign terrorist organization, as prohibited by Texas Government Code, Section 2252.152.

- 12.27 **Entities that Boycott Israel.** Contractor represents and warrants that Contractor does not boycott Israel and will not boycott Israel during the term of the contract, pursuant to Texas Government Code, Section 2270.002.
- 12.28 **Prior Disaster Relief Contract Violation.** Contractor certifies that Garza is not ineligible to receive the specified contract and acknowledges that this contract may be terminated, and payment withheld if this certification is inaccurate, as provided for by Texas Government Code, Sections 2155.006 and 2261.053.
- 12.29 **Suspension and Debarment.** Contractor certifies that it and its principals are not suspended or debarred from doing business with the state or federal government as listed on the *State of Texas Debarred Vendor List* maintained by the Texas Comptroller of Public Accounts and the *System for Award Management (SAM)* maintained by the General Services Administration.
- 12.30 **E-Verify Program.** Contractor certifies that for contracts and services, Contractor shall utilize the U.S. Department of Homeland Security's E-Verify system during the term of the Contract to determine the eligibility of:
1. all persons employed by Contractor to perform duties within Texas; and
 2. all persons assigned by Contractor to perform work pursuant to the Contract within the United States of America.
- 12.31 **Felony Convictions.** Contractor represents and warrants that Contractor and Contractor's employees have not been convicted of any felony criminal offense, or that, if such a conviction has occurred, Contractor has fully advised the SSB as to the facts and circumstances surrounding the conviction.
- 12.32 **False Statements; Breach of Representations.** By signature to this Contract, Contractor makes all the representations, warranties, guarantees, certifications, and affirmations included in this Contract. If Contractor signed its proposal with a false statement or signs this Contract with a false statement or it is subsequently determined that Contractor has violated any of the representations, warranties, guarantees, certifications, or affirmations included in this Contract, Contractor shall be in default under this Contract and the SSB may terminate or void this Contract for cause and pursue other remedies available to the SSB under this Contract and applicable law.
- 12.33 **Force Majeure.** Except as otherwise provided, neither Contractor nor the SSB shall be liable to the other for any delay in, or failure of performance of, any requirement contained in this Contract caused by force majeure. The existence of such causes of delay or failure shall extend the period of performance in the exercise of reasonable diligence until after the causes of delay or failure have been removed. Force majeure is defined as those causes generally recognized under Texas law as constituting impossible conditions. Each party must inform

the other in writing with proof of receipt within three (3) business days of the existence of such force majeure or otherwise waive this right as a defense.

- 12.34 **Debts or Delinquencies to the State.** Contractor acknowledges and agrees that, to the extent Contractor owes any debt or delinquent taxes to the State of Texas, any payments or other amounts Contractor is otherwise owed under or related to the Contract may be applied by the SSB toward any debt or delinquent taxes the Contractor owes the State of Texas until the debt or delinquent taxes are paid in full. These provisions are effective at any time Contractor owes any such debt or delinquency. Contractor shall comply with all applicable laws and regulations regarding the satisfaction of debts and delinquencies to the State of Texas.
- 12.35 **Prohibited Use of Appropriated or Other Funds under Control of State Agency; Lobbying.** Contractor represents and warrants that the SSB payments to the Contractor and Contractor's receipt of appropriated or other funds under any of this or any resulting agreement are not prohibited by §§556.005 or 556.008, Tex. Gov't Code.

Funding

- 13.1 The SSB's performance of its obligations under this Contract is contingent upon and subject to the availability of and actual receipt by the SSB of sufficient and adequate funds from the sources contemplated by this Contract. This Contract is subject to immediate cancellation or termination, without penalty to the SSB or the State of Texas, subject to the availability and receipt of these funds. In addition, the SSB is a state agency whose authority and appropriations are subject to the actions of the Texas Legislature. If the SSB becomes subject to legislative change, revocation of statutory authority, or lack of funds that would render the services to be provided under this Contract impossible or unnecessary, the SSB may terminate this Contract without penalty to the SSB or the State of Texas. In the event of a cancellation or termination under this paragraph, the SSB shall not be required to give notice and shall not be liable for any damages or losses caused or associated with such cancellation or termination.

Notices

- 14.1 Any written notices required under this Contract will be by hand delivery or U.S. Mail, certified, return receipt requested, to Garza's office address as specified on Page 1 of this Contract or to the SSB's Securities Commissioner, 208 E. 10th Street, Suite 610, Austin, Texas 78701, in like manner. Notice will be effective upon receipt by the affected party. Either party may change the designated notice address in this paragraph by written notification to the other party.

Entire Agreement

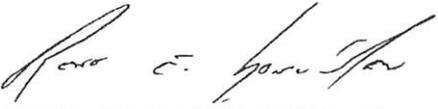
- 15.1 This Contract contains the entire agreement between the parties, Garza and the SSB, relating to the rights granted and obligations assumed in it. Any oral representations or modifications concerning this Contract shall be of no force or effect unless set forth in a subsequent writing as provided for in this Contract and signed by both parties.
- 15.2 The undersigned, on behalf of Garza, represents, warrants and certifies that the signatory is authorized to act on behalf of Garza for purposes of executing the Contract.

Texas State Securities Board

By: 
Robert Belt
Member, State Securities Board
Chair, Audit Committee

Date: 4/27/20

Garza/Gonzalez & Associates

By: 
Rene E. Gonzalez, CPA
Senior Partner

Date: 5/18/20