

PFM FINANCIAL ADVISORS LLC
AGREEMENT FOR FINANCIAL ADVISORY SERVICES

This agreement ("Agreement" or "Contract"), made and entered into this ____ day of _____, 2018, by and between the City of Sunrise, Florida ("Client" or "CITY" or "City") and PFM Financial Advisors LLC (hereinafter called "PFM", "FINANCIAL ADVISOR" or "Contractor") sets forth the terms and conditions under which PFM shall provide services. The execution of this agreement will terminate the prior agreement between the Client and Public Financial Management, Inc.

WHEREAS, Client is desirous of obtaining the services of a financial advisor to develop and assist in implementing Client's strategies to meet its current and long-term operations, financial obligations, capital financing needs and render assistance in respect to debt transactions; and

WHEREAS, PFM is capable of providing the necessary financial advisory services.

NOW, THEREFORE, in consideration of the above mentioned premises and intending to be legally bound hereby, Client and PFM agree as follows:

I. SCOPE OF SERVICES

PFM shall provide, upon request of the Client, services related to financial planning, budget and strategic advice and planning, policy development and services related to debt issuance, as applicable and set forth in Exhibit A to this Agreement. Client acknowledges and agrees that most tasks requested by Client will not require all services provided for in Exhibit A and as such the specific scope of services for such task shall be limited to just those services required to complete the task. Any material changes in or additions to the scope of services described in Exhibit A shall be promptly reflected in a written supplement or amendment to this Agreement. Services provided by PFM which are not specifically referenced in the scope of services set forth in Exhibit A of this Agreement shall be completed as agreed in writing in advance between the Client and PFM. Upon request of Client, PFM or an affiliate of PFM may agree to additional services to be provided by PFM or an affiliate of PFM, by a separate agreement between the Client and PFM or its respective affiliate.

II. WORK SCHEDULE

The services of PFM are to commence as soon as practicable after the execution of this Agreement and a request by the Client for such service.

III. REGISTERED MUNICIPAL ADVISOR; REQUIRED DISCLOSURES

1. PFM is a registered municipal advisor with the Securities and Exchange Commission (the "SEC") and the Municipal Securities Rulemaking Board (the "MSRB"), pursuant to the Securities Exchange Act of 1934 Rule 15Ba1-2. If Client has designated PFM as its independent registered municipal advisor ("IRMA") for purposes of SEC Rule 15Ba1-1(d)(3)(vi) (the "IRMA exemption"), then services provided pursuant to such designation shall

be the services described in Exhibit A hereto, subject to any limitations provided herein. PFM shall not be responsible for, or have any liability in connection with, verifying that PFM is independent from any other party seeking to rely on the IRMA exemption (as such independent status is required pursuant to the IRMA exemption, as interpreted from time to time by the SEC). Client acknowledges and agrees that any reference to PFM, its personnel and its role as IRMA, including in the written representation of Client required under SEC Rule 15Ba1-1(d)(3)(vi)(B) shall be subject to prior approval by PFM. Client further agrees not to represent that PFM is Client's IRMA with respect to any aspect of a municipal securities issuance or municipal financial product, outside of the scope of services without PFM's prior written consent.

2. MSRB Rules require that municipal advisors make written disclosures to their clients of all material conflicts of interest, certain legal or disciplinary events and certain regulatory requirements. Such disclosures are provided in PFM's Disclosure Statement delivered to Client together with this Agreement.

IV. FINANCIAL ADVISORY COMPENSATION

For the services provided under this Agreement, PFM's professional fees shall be paid as provided in Exhibit B to this Agreement and Client shall pay expenses and fees for other services not set forth in Exhibit A as provided below.

1. Reimbursable Expenses

In addition to fees for services, PFM will be reimbursed for necessary, reasonable, and documented out-of-pocket expenses incurred, including travel allowable under Section 2-2 of the City's Code, meals, lodging, telephone, mail, and other ordinary cost and any actual extraordinary cost for graphics, printing, data processing and computer time which are incurred by PFM. Upon request of Client, documentation of such expenses will be provided.

2. Other Services

Any services which are not included in the scope of services set forth in Exhibit A of this Agreement will be subject to separate, mutually acceptable fee structures subject to the City's policies and procedures for approval of additional expenditures.

V. TERMS AND TERMINATION

This Engagement Letter shall be effective from _____, 2018 and shall renew annually unless canceled in writing by either party upon thirty (30) days written notice to the other party.

VI. ASSIGNMENT

PFM shall not assign any interest in this Agreement or subcontract any of the work performed under the Agreement without the prior written consent of the Client; provided that upon notice to Client, PFM may assign this Agreement or any interests hereunder to a municipal advisor entity registered with the SEC that directly or indirectly controls, is controlled by, or is under common control with, PFM.

VII. INFORMATION TO BE FURNISHED TO PFM

All information, data, reports, and records ("Data") in the possession of the Client or any third party necessary for carrying out any services to be performed under this Agreement shall be furnished to PFM and the Client shall, and shall cause its agent(s) to, cooperate with PFM in its conduct of reasonable due diligence in performing the services, including with respect to the facts that are necessary in its recommendation(s) to the Client in connection with a municipal securities transaction or municipal financial product and/or relevant to the Client's determination whether to proceed with a course of action. To the extent Client requests that PFM provide advice with regard to any recommendation made by a third party, Client will provide to PFM written direction to do so as well as any Data it has received from such third party relating to its recommendation. Client acknowledges and agrees that while PFM is relying on the Data in connection with its provision of the services under this Agreement, PFM makes no representation with respect to and shall not be responsible for the accuracy or completeness of such Data.

VIII. NOTICES

All notices given under this Agreement shall be in writing, sent by registered United States mail, with return receipt requested, addressed to the party for whom it is intended, at the designated below. The parties designate the following as the respective places for giving notice, to wit:

City of Sunrise, Florida

10770 West Oakland Park Boulevard

Sunrise, FL 33351

Attention: Wendy Dunbar, Director of Finance & Admin Services

PFM FINANCIAL ADVISORS LLC

300 South Orange Avenue

Suite 1170

Orlando, FL 32801

Attention: David Moore, Managing Director

Copy To:

PFM FINANCIAL ADVISORS LLC

1735 Market Street

43rd Floor

Philadelphia, PA 19103

Attention: Chief Executive Officer

IX. TITLE TRANSFER

All materials, except functioning or dynamic financial models, prepared by PFM pursuant exclusively to this Agreement shall be the property of the Client. Subject to the exception described above, upon termination of this Agreement, at Client's reasonable request no

later than three (3) years after the termination of this Agreement PFM shall deliver to the Client copies of any deliverables pertaining to this Agreement.

X. PFM'S REPRESENTATIVES

1. Assignment of Named Individuals

The professional employees of PFM set forth below will provide the services set forth in this Agreement; provided that PFM may, from time to time, supplement or otherwise amend the team members set forth below.

- David Moore, Managing Director
- Nicklas Rocca, Senior Managing Consultant

2. Changes in Staff Requested by the Client

The Client has the right to request, for any reason, PFM to replace any member of the advisory team. Should the Client make such a request, PFM shall promptly suggest a substitute for approval by the Client.

XI. INSURANCE

PFM shall maintain insurance coverage with policy limits not less than as stated in Exhibit C.

XII. LIMITATION OF LIABILITY

Except to the extent caused by willful misconduct, bad faith, gross negligence or reckless disregard of obligations or duties under this Agreement on the part of PFM or any of its associated persons, neither PFM nor any of its associated persons shall have liability to any person for (i) any act or omission in connection with performance of its services hereunder; (ii) any error of judgment or mistake of law; (iii) any loss arising out of any issuance of municipal securities, any municipal financial product or any other financial product, or (iv) any financial or other damages resulting from Client's election to act, or not to act, contrary to or, absent negligence on the part of PFM or any of its associated persons, upon any advice or recommendation provided by PFM to Client.

XIII. INDEPENDENT CONTRACTOR; NO THIRD-PARTY BENEFICIARY

PFM, its employees, officers and representatives at all times shall be independent contractors and shall not be deemed to be employees, agents, partners, servants and/or joint venturers of Client by virtue of this Agreement or any actions or services rendered under this Agreement. Nothing in this Agreement is intended or shall be construed to give any person, other than the Parties hereto, their successors and permitted assigns, any legal or equitable rights, remedy or claim under or in respect of this Agreement or any provisions contained herein. In no event will PFM be liable for any act or omission of any third party or for any circumstances beyond PFM's reasonable control including, but not limited to, fire, flood, or other natural disaster, war, riot, strike, act of terrorism, act of civil or military authority, software and/or

equipment failure, computer virus, or failure or interruption of electrical, telecommunications or other utility services.

XIV. APPLICABLE LAW

This Agreement shall be construed, enforced, and administered according to the laws of the State of Florida. PFM and the Client agree that, should a disagreement arise as to the terms or enforcement of any provision of this Agreement, each party will in good faith attempt to resolve said disagreement prior to pursuing other action.

XV. ENTIRE AGREEMENT; SEVERABILITY

This Agreement represents the entire agreement between Client and PFM and may not be amended or modified except in writing signed by both parties. For the sake of clarity, any separate agreement between Client and an affiliate of PFM shall not in any way be deemed an amendment or modification of this Agreement. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision.

XVI. EXECUTION; COUNTERPARTS

Each party to this Agreement represents and warrants that the person or persons signing this Agreement on behalf of such party is authorized and empowered to sign and deliver this Agreement for such party. This Agreement may be signed in any number of counterparts, each of which shall be an original and all of which when taken together shall constitute one and the same document.

XVII. STATUTORY TERMS

Discriminatory Vendor List. Pursuant to Section 287.134, Florida Statutes, an entity or affiliate who has been placed on the discriminatory vendor list may not submit a bid, proposal, or reply on a contract to provide any goods or services to a public entity; may not submit a bid, proposal, or reply on a contract with a public entity for the construction or repair of a public building or public work; may not submit bids, proposals, or replies on leases of real property to a public entity; may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity; and may not transact business with any public entity. By execution of this Contract, Contractor represents that it has not been placed on the discriminatory vendor list as provided in Section 287.134, Florida Statutes.

Public Entity Crimes. Pursuant to Section 287.133, Florida Statutes, a person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid, proposal, or reply on a contract to provide any goods or services to a public entity; may not submit a bid, proposal, or reply on a contract with a public entity for the construction or repair of a public building or public work; may not submit bids, proposals, or replies on leases of real property to a public entity; may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity; and may not transact business with any public entity in excess of the threshold amount provided in s. 287.017 for CATEGORY TWO for a period of 36 months following the date of being placed on the convicted vendor list.

By execution of this Contract, Contractor represents that it has not been placed on the convicted vendor list as provided in Section 287.133, Florida Statutes.

Scrutinized Company.

- A. Pursuant to Section 287.135, Florida Statutes, Contractor certifies that it is not on the Scrutinized Companies that Boycott Israel List created pursuant to Section 215.4725, Florida Statutes and that it is not engaged in a boycott of Israel.
- B. Pursuant to Section 287.135, in the event the Contract is for one million dollars or more, Contractor certifies that it is not on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List created pursuant to Section 215.473, Florida Statutes; and Contractor further certifies that it is not engaged in business operations in Cuba or Syria.
- C. Pursuant to Section 287.135, Florida Statutes, City may, at the option of the City Commission, terminate this Contract if Contractor is found to have submitted a false certification as provided under subsection 287.135(5), Florida Statutes; has been placed on the Scrutinized Companies that Boycott Israel List, or is engaged in a boycott of Israel; has been placed on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List; or has been engaged in business operations in Cuba or Syria.

Public Records. The Contractor shall comply with all applicable requirements contained in the Florida Public Records Law (Chapter 119, Florida Statutes), including but not limited to any applicable provisions in Section 119.0701, Florida Statutes. To the extent that the Contractor and the Contract are subject to the requirements in Section 119.0701, Florida Statutes, the Contractor shall:

- A. Keep and maintain public records required by the City to perform the services provided hereunder.
- B. Upon request from the City's custodian of public records, provide the City with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes, or as otherwise provided by law.
- C. Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed, except as authorized by law for the duration of the term of the Contract and following completion of the Contract if the Contractor does not transfer the records to the City.
- D. Upon completion of the Contract, transfer, at no cost, to the City all public records in the possession of the Contractor or keep and maintain public records required by the City to perform the service. If the Contractor transfers all public records to the City upon completion of the Contract, the Contractor shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If

the Contractor keeps and maintains public records upon completion of the Contract, the Contractor shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the City, upon request from the City's custodian of public records, in a format that is compatible with the information technology systems of the City.

If the Contractor fails to comply with the requirements in this Public Records Section, the City may enforce these provisions in accordance with the terms of this Contract. If the Contractor fails to provide the public records to the City within a reasonable time, it may be subject to penalties under Section 119.10, Florida Statutes.

IF THE CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE CONTRACTOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, THE CONTRACTOR SHOULD CONTACT THE CITY'S CUSTODIAN OF PUBLIC RECORDS: THE CITY CLERK, FELICIA M. BRAVO, BY TELEPHONE (954/746-3333), E-MAIL (CITYCLERK@SUNRISEFL.GOV), OR MAIL (CITY OF SUNRISE, OFFICE OF THE CITY CLERK, 10770 WEST OAKLAND PARK BOULEVARD, SUNRISE, FLORIDA 33351).

IN WITNESS THEREOF, the Client and PFM have executed this Agreement as of the day and year herein above written.

CITY OF SUNRISE, FLORIDA

By: _____
Name, Title

Date: _____

PFM FINANCIAL ADVISORS LLC

By: _____
Name, Title

Date: _____

EXHIBIT A
SCOPE OF SERVICES

The FINANCIAL ADVISOR shall perform Financial Advisory services, using the Financial Advisor's staff and facilities on behalf of the CITY upon notice from the City Manager, City Attorney, Finance Director or their designees. These services shall include all financial advisory services, customarily and usually performed, including computer analysis of financing alternatives, exploration of various financing methods and assistance and advice in structuring and marketing of CITY obligations. The FINANCIAL ADVISOR shall perform the following services:

- A. Monitor and review, on a continuing basis, the existing debt service and financial resources of the CITY to determine available borrowing capacity and the desirability of refinancing any or all of the existing debt. If required, FINANCIAL ADVISOR will perform all computer calculations and other supporting information as needed in the analysis of possible refundings.
- B. Assist and participate in reviewing of the long-term financing plan for the CITY's capital improvements program to include and consider all forms of financing, including the generation of funds internally without the use of debt.
- C. Recommend appropriate financing structure for proposed projects, including, without limitations, providing the CITY with information about the structures of financing programs used by other issuers.
- D. Prepare and submit to the CITY copies of written reports containing, in addition to other information, the following:
 - (a) Review of the proposed methods of financing, including sources and amounts of revenue required for debt service amortization.
 - (b) Recommendations as to proposed debt payments schedules, security pledges for the obligations, redemption features, reserve accounts, application of revenues and other details relating to the debt.
- E. Discuss the contents of the foregoing reports with the CITY's staff and make such necessary revision as shall be required.
- F. Upon approval by the CITY of a final financing plan, assist the CITY's bond counsel and the City Attorney in the preparation of resolutions and ordinances and all documents required for the authorization, validation and issuance of obligations, including final legal opinions needed at time of delivery of the obligations.
- G. Assist in the solicitation of bids for the printing of the Official Statement, the obligations and the selection of paying agents/registrars and trustees.
- H. Provide advice on terms and features of bonds and on timing and the timely marketing of all bond issues.

- I. Assist the CITY with the preparation of cash flow forecasts for proposed bond issues addressing debt service requirements and sources of funding.
- J. Provide advice on the benefits of a private placement or a negotiated sale versus a competitive bid sale for each issue.
- K. Assist the CITY in the development of the RFP and selection of investment banking and underwriting firms, trustees, escrow, registrar and paying agents when required.
- L. Whenever a competitive sale is used, supervise the sale of the CITY's bonds at a public sale and will advise the CITY as to the best bid received. The FINANCIAL ADVISOR will provide the CITY with FINANCIAL ADVISOR's recommendation as to acceptance or rejection of such bid.
- M. Assist the CITY in negotiating interest rates, management fees, bond discount, and other expenses associated with a noncompetitive sale.
- N. Arrange for the widest possible distribution of official statements to bond underwriters and investors.
- O. Assist the CITY in the timely marketing of bond issues, notes, or certificates of participation.
- P. Assist the CITY in obtaining a credit rating and coordinate applications for future credit rating in order to obtain the highest possible credit rating. Prepare applications for bond insurance, letters of credit and other credit enhancement devices. Provide analysis of savings which will result from the use of recommended credit enhancement devices.
- Q. Advise the CITY on proposed or enacted changes in tax laws and changes in Federal and State laws and regulations which would affect the municipal bond market.
- R. Assist the CITY at bond closings and coordinate printing, signing and delivery of bonds, and provide the final amortization schedule.
- S. Assist the CITY in selecting other financial intermediaries as necessary.
- T. Provide analysis of market conditions as they relate to future bond sales and advise the CITY of changes in financial markets that could affect the CITY's bond financing plans.
- U. Attend City Commission meetings with staff as requested.
- V. Consult as needed with the CITY and its financial staff regarding various financing options or problems.

W. Work with the CITY's engineering firms, feasibility consultants, auditing firms, verification firms as applicable in preparing necessary financial information.

It is specifically understood that the FINANCIAL ADVISOR will not in any manner assume or attempt to assume the control of any discretionary powers held by law by the CITY.

EXHIBIT B
COMPENSATION FOR SERVICES

Fees and expenses due to the FINANCIAL ADVISOR shall be payable by the CITY if, and only if, the contemplated bonds are issues, sold and delivered. In the event a fee becomes due to the FINANCIAL ADVISOR, said fee shall be payable within forty five (45) days of invoice, after receipt of the bond proceeds by the CITY. The fees and expenses are identified as follows:

- A. Fees. For each completed bond transaction, the following fee schedule, with a minimum of \$17,500 per transaction shall apply:

ISSUE AMOUNT

First \$15,000,000	\$1.00	per \$1,000 par value
Next \$10,000,000	\$.75	per \$1,000 par value
Over \$25,000,000	\$.50	per \$1,000 par value

The maximum fees for bond transactions shall not exceed \$75,000.

- B. Expenses. The CITY shall reimburse the FINANCIAL ADVISOR for reasonable "out-of-pocket" expenses incurred by the FINANCIAL ADVISOR, in the course of providing services to the CITY pursuant to; this Agreement, on an actual cost basis, not to exceed \$7,500 per financing, including expenses for long distance telephone calls, facsimiles, shipping and freight, travel, courier (overnight mail), copies, other direct costs, and travel and lodging in accordance with Section 2-2- of the City's Code. All requests for such reimbursements shall contain complete and detailed information as to the item or charge sought to be reimbursed and shall be supported with the paid invoices before reimbursement is made. The FINANCIAL ADVISOR shall be allowed to request an amount in excess of the above-stated not-to-exceed amount, provided the FINANCIAL ADVISOR can demonstrate to the Finance Director that such additional expenditures are required. However, in such event, the FINANCIAL ADVISOR shall obtain prior written approval from the Finance Director. The fees of the CITY's bond counsel, the expenses of printing and the distribution of any Preliminary Official Statements, Official Statements, or prospectus, the costs of any advertising, and the expenses of printing, signing, and delivering the bonds shall be borne by the CITY. Engineers' and architects' fees, accountants fees, court costs, travel in accordance with Section 2-2 of the City's Code, and other expenses incurred by the CITY relating to the proposed projects or the financing therefore shall not be borne by the FINANCIAL ADVISOR.

- C. Special Projects. For special projects outside the scope of this agreement, and unrelated to the financing plan and issuance of obligations, the CITY will negotiate fees for each project, on an individual project by project basis, with the FINANCIAL ADVISOR, or affiliates of the Financial Advisor.

EXHIBIT C **INSURANCE**

PFM Financial Advisors LLC (“PFM”) has a complete insurance program, including property, casualty, comprehensive general liability, automobile liability and workers compensation. PFM maintains professional liability and fidelity bond coverages which total \$30 million and \$10 million, respectively. PFM also carries a \$10 million cyber liability policy.

Our Professional Liability policy is a “claims made” policy and our General Liability policy claims would be made by occurrence.

Deductibles/SIR:

Automobile \$250 comprehensive & \$500 collision

Cyber Liability \$50,000

General Liability \$0

Professional Liability (E&O) \$1,000,000

Financial Institution Bond \$75,000

Insurance Company & AM Best Rating

Professional Liability (E&O)	Endurance American Specialty Insurance; (A+; XV) XL Specialty Insurance Company; (A; XV) Continental Casualty Company; (A; XV) Starr Indemnity & Liability Company; (A; XIV)
Financial Institution Bond	Federal Insurance Company; (A++; XV)
Cyber Liability	Indian Harbor Insurance Company (A; XV)
General Liability	Great Northern Insurance Company; (A++; XV)
Automobile Liability	Federal Insurance Company; (A++; XV)
Excess /Umbrella Liability	Federal Insurance Company; (A++; XV)
Workers Compensation & Employers Liability	Great Northern Insurance Company; (A++; XV)