

FINANCIAL ADVISORY SERVICES AGREEMENT

THIS FINANCIAL ADVISORY SERVICES AGREEMENT (herein “**Agreement**”) is made and entered into as of the 23rd day of March 2015 by and between the TOWN OF COLLIERVILLE, TENNESSEE, a Tennessee municipal corporation, (herein the “**TOWN**”) and PUBLIC FINANCIAL MANAGEMENT, INC., a Pennsylvania corporation (herein the “**FINANCIAL ADVISOR**”).

W I T N E S S E T H:

WHEREAS, the TOWN desires to retain the services of a financial advisor to develop and assist in implementing the TOWN’s strategies to meet its current and long-term operations and capital financing needs and render assistance in respect to debt transactions, and

WHEREAS, such services are of a distinct and non-competitive nature, and

WHEREAS, the FINANCIAL ADVISOR has the requisite experience, abilities and resources to perform the foregoing, and

WHEREAS, the FINANCIAL ADVISOR has submitted a proposal for the aforesaid work dated March 12, 2015 in the form attached hereto and made a part hereof as **Exhibit A** (herein the “**Proposal**”), and

WHEREAS, the FINANCIAL ADVISOR desires to enter into this Agreement as an independent contractor and is ready, willing and able to provide the services in accordance with the terms of and subject to the conditions in this Agreement.

NOW, THEREFORE, for good and valuable consideration, received or to be received, the sufficiency of which the parties acknowledge, the parties agree as follows:

1.00 SCOPE OF AGREEMENT

The FINANCIAL ADVISOR shall perform those services enumerated in the Proposal. The TOWN shall pay the FINANCIAL ADVISOR in accordance with the terms of the Proposal. If so specified in the Proposal, the TOWN shall also perform services and provide materials in accordance with the terms of the Proposal.

2.00 TERM

The initial term of the Agreement (“**Term**”) shall be for twenty-four (24) months, beginning on April 4, 2015 and ending on April 3, 2017, subject to earlier termination as provided in Section 7.00 herein. This Agreement may be extended by the TOWN for three (3) additional successive twelve (12) month periods or portions thereof, up to a cumulative total of sixty (60) months, by written notice to the FINANCIAL ADVISOR given at least thirty (30) days before the expiration of the term then in existence.

3.00 ADDITIONAL SERVICES

For the services described, the FINANCIAL ADVISOR's professional fees and expenses shall be paid as follows:

In the event the TOWN requests that the FINANCIAL ADVISOR perform additional services not covered by the Proposal, the FINANCIAL ADVISOR shall perform such additional services after the TOWN and the FINANCIAL ADVISOR enter into an equitable agreement regarding the additional services, such agreement to be subject to the approval of the Board of Mayor and Aldermen.

4.00 FINANCIAL ADVISOR'S PERSONNEL

The FINANCIAL ADVISOR certifies that it presently employs, and shall continue to employ throughout the term of this Agreement, adequate qualified personnel for the performance of the services contemplated under this Agreement.

5.00 CONFLICT OF INTEREST

The FINANCIAL ADVISOR declares that neither the Mayor, nor any Aldermen, nor any other TOWN official holds a direct or indirect interest in this Agreement. The FINANCIAL ADVISOR pledges that it will notify the TOWN in writing should any TOWN official become either directly or indirectly interested in this Agreement. The FINANCIAL ADVISOR declares that as of the date of this declaration that it has not given or donated or promised to give or donate, either directly or indirectly, to any official or employee of the TOWN, or to pay anyone else for the benefit of any official or employee of the TOWN, any sum of money or other thing of value for aid or assistance in obtaining this Agreement. The FINANCIAL ADVISOR further pledges that neither it nor any of its owners, officers or employees will give or donate or promise to give or donate, directly or indirectly, to any official or employee of the TOWN, or anyone else for the benefit thereof, any sum of money or other thing of value for aid or assistance in obtaining any change order to this Agreement.

6.00 COMPLIANCE WITH LAWS

The FINANCIAL ADVISOR agrees to observe and to comply at all times with all applicable Federal, State, and local laws, ordinances, and regulations in any manner affecting the conduct of the work and to comply with all instructions and orders issued by the TOWN regarding this Project.

7.00 TERMINATION

Upon thirty (30) days written notice, this Agreement is cancelable without cause by either party. This Agreement is cancelable by either party immediately for cause, the parties agreeing that the term "cause" as used herein shall mean the failure of either party to perform its duties and obligations as agreed hereunder. Provided, however, that if the Agreement is terminated by the FINANCIAL ADVISOR after the FINANCIAL ADVISOR has received written notice from the TOWN of its intention to sell a specified amount of Bonds or Notes which have been duly authorized by the TOWN on or about a proposed sale date, the FINANCIAL ADVISOR shall

complete such services as required for such securities if the TOWN, in its sole discretion, requests that the FINANCIAL ADVISOR complete such services. If the Agreement is terminated by the TOWN without cause after the FINANCIAL ADVISOR has commenced work which has been duly authorized by the TOWN for a specified issue or project, the FINANCIAL ADVISOR shall be reimbursed for its expenses which have been duly authorized by the TOWN and incurred as of the effective date of termination. In the event of termination by either party, with or without cause, any amount paid in advance as a quarterly retainer to the FINANCIAL ADVISOR shall be prorated so that the FINANCIAL ADVISOR shall refund to the TOWN a prorated amount of such quarterly retainer fee, which amount shall be calculated by multiplying the quarterly retainer fee times the fraction obtained by dividing the number of days remaining in the quarter after the effective date of termination of the Agreement into the total number of days in the quarter.

8.00 OWNERSHIP OF DOCUMENTS

All material prepared by the FINANCIAL ADVISOR pursuant exclusively to this Agreement shall be the property of the TOWN. Upon termination of this Agreement, the FINANCIAL ADVISOR shall deliver to the TOWN copies of any and all material pertaining to this Agreement.

9.00 REIMBURSEMENT FOR EXPENSES

The FINANCIAL ADVISOR shall not be reimbursed for any expenses, unless such expenses either are authorized in accordance with the Proposal or are authorized in writing by the TOWN before the FINANCIAL ADVISOR incurs any such expenses.

10.00 CLAIMS, LIABILITY AND INDEMNITY

The FINANCIAL ADVISOR shall assume all risk in connection with the performance of this Agreement, and shall be liable for any damages to persons or property resulting from the negligent or intentionally wrongful acts, errors, or omissions of the FINANCIAL ADVISOR, its agents, servants, and/or employees in connection with the prosecution and completion of the work covered by this Agreement. The FINANCIAL ADVISOR agrees that it will indemnify and hold the TOWN and its employees harmless from all claims of any type and for any expenses and costs including attorney's fees and court costs which may be incurred by the TOWN arising from the negligent or intentionally wrongful acts, errors, or omissions of the FINANCIAL ADVISOR, its agents, servants and/or employees in the performance of this Agreement, and the FINANCIAL ADVISOR will carry general liability and errors and omissions insurance to provide the above indemnification. The indemnities set forth herein shall survive the expiration or termination of this Agreement.

11.00 EQUAL EMPLOYMENT OPPORTUNITY

11.01. Non-discrimination. In carrying out its professional services under this Agreement, the FINANCIAL ADVISOR shall not discriminate against any employee or applicant for employment because of race, creed, color, national origin or sex. The FINANCIAL ADVISOR shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, creed, color, national

origin or sex. Such action shall include, but not be limited to, the following: employing; upgrading; demoting; or transferring; recruiting or paying recruitment compensation; and selecting for training, including apprenticeships.

11.02. Posting and Advertising. The FINANCIAL ADVISOR agrees to post in conspicuous spaces available to employees and applicants for employment, a notice setting forth the provisions of the non-discrimination clause contained in Paragraph 11.01 hereinabove. The FINANCIAL ADVISOR shall state in all solicitations or advertisements for employees placed by or on behalf of the FINANCIAL ADVISOR, that all qualified applicants shall receive consideration for employment without regard to race, creed, color, national origin or sex. The FINANCIAL ADVISOR shall incorporate the foregoing requirements of this Paragraph 11.02 in all subcontracts, if any, for services covered by this Agreement.

12.00 TRANSFER, ASSIGNMENT OR SUBCONTRACTING

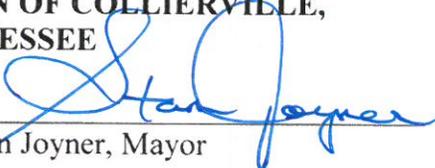
This Agreement shall not be transferred or assigned or subcontracted without prior written consent of the TOWN.

13.00 AGREEMENT CONTROLLING

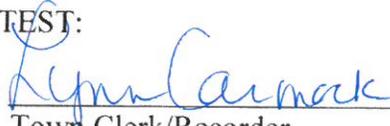
To the extent that any provision hereof is inconsistent with a provision contained in the Proposal, the provision contained herein shall govern.

WITNESS THE DUE EXECUTION HEREOF.

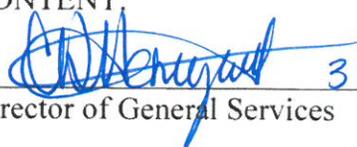
**TOWN OF COLLIERVILLE,
TENNESSEE**

By: 
Stan Joyner, Mayor

ATTEST:

By: 
Town Clerk/Recorder

APPROVED AS TO FORM AND
CONTENT:

 3-19-15
Director of General Services

**PUBLIC FINANCIAL MANAGEMENT,
INC.**

By: 
Its: MANAGING DIRECTOR

Mailing Address:
530 Oak Court Drive, Suite 160
Memphis, TN 38117-3722

Telephone Number:
(901) 682-8356

Facsimile Number:
(901) 682-8386

*MB
3/12/15*

EXHIBIT A



The PFM Group

Public Financial Management, Inc.
PFM Asset Management LLC
PFM Advisors

Suite 160
530 Oak Court Drive
Memphis, TN
38117-3722

901 682-8356
901 682-8386 fax
www.pfm.com

March 12, 2015

**LETTER OF PROPOSAL TO THE
TOWN OF COLLIERVILLE, TENNESSEE**

Public Financial Management, Inc. ("PFM") is pleased to have the opportunity to submit this proposal to serve the Town of Collierville, Tennessee (the "Town") in the capacity of Independent Financial Advisor.

**I.
SERVICES TO BE PERFORMED**

The Financial Advisor agrees to provide services described as follows:

(1) To perform all the duties customarily performed by financial consultants in connection with the public offering and sale of municipal securities.

(2) To proceed immediately with investigation, studies and planning for the purpose of formulating a sound and feasible plan of financing various capital projects for the Town in accordance with the authorization and desires of the Town.

(3) To review proposals for financial services submitted to the Town by investment bankers or other financial service providers, as the Town may require.

(4) To review the Town's outstanding debt as the market conditions dictate to identify refunding and other restructure opportunities that would reduce the Town's debt service or provide the Town with more flexibility to meet its stated financial goals.

(5) To recommend either a competitive or negotiated sale of the debt based upon the policies and goals of the Town.

(6) In the case of a competitive bond sale, to prepare and distribute to the prospective investors, financial institutions and bidders preliminary and final Official Statements which will contain the official Notice of Sale, comprehensive information with respect to any Notes or Bonds being offered by the Town, the legal documents and other necessary information for the sale of the debt.

(7) In the case of a negotiated sale, to represent the Town in the preparation and distribution of the preliminary and final Official Statements for any Notes or Bonds being offered by the Town, the legal documents and other information necessary for the sale of the debt. Based upon the Town's defined selection criteria, the Financial Advisor will recommend

an underwriting syndicate and represent the Town in all of its negotiations with the selected underwriters including, but not limited to, the actual pricing of the debt.

(8) To assist, prepare and monitor the financing schedule and, working with the Town and its other advisors, insure that the debt is issued in a timely manner.

(9) To assist the Town in preparing for all meetings and public presentations related to the issuance of debt, to include but not be limited to: rating agency presentations, insurer presentations, investor presentations, Commission presentations, internal staff presentations and public presentations.

(10) To assist the bond counsel in any and every way needed.

(11) To assist with the adoption of all resolutions, the publishing of all legal notices and any other matter required for the successful sale and delivery of the Bonds.

(12) To attend Board of Mayor and Aldermen and other meetings, including but not limited to: rating agency meetings, investor meetings, public meetings to explain the financing, insurer meetings, bond pricings and closings and all planning and document review meetings pertaining to bond issuance, as needed and/or requested by the Town.

(13) To advise the Town on market conditions and other factors affecting the successful sale of the Bonds.

(14) To assist in the marketing of the Bonds or Notes among prospective bond underwriters and/or investors.

(15) To assist the Town in developing a viable rating strategy with respect to the transaction, participate in rating agency meetings and assist in providing the rating agencies complete information.

(16) To assist in soliciting bids for and procuring the services of credit enhancement agencies, banking services, internet disclosure and bidding services and related financial services essential to any alternative forms of financing which the Town may elect to use.

(17) On behalf of the Town to arrange for the printing, signing, and delivery of the securities and to arrange for the electronic or hardcopy printing and delivery of necessary disclosure documents.

(18) To assist the Town in coordinating compliance with federal and state laws, regulations and guidelines related to a particular debt transaction.

(19) To provide additional financial services to the Town on an individual as needed basis, including but not limited to:

- strategic financial planning,
- debt capacity analysis,
- investor relations activities,
- capital budget planning,
- ratings strategy,
- debt management policy,

- investment policy formulation,
- project planning,
- fee and revenue studies,
- performance budgeting initiatives,
- investment strategy and advice,
- labor studies/negotiations,
- fleet management reviews/analysis,
- expert advice on financial regulations.

**II.
FEE SCHEDULE**

(1) **Transaction Based Services.** In consideration of the transaction based services described above in Section I, the Financial Advisor will be compensated for services associated with the **issuance of long term bonds and capital outlay notes** on a per bond fee basis. This fee is contingent upon the successful closing of the bond issue and will not be payable until that time.

The Financial Advisor agrees to the following fee schedule on a per bond basis:

<u>Issue Amount</u>	<u>Fee Per \$1,000</u>
First \$5 million	\$2.50 per thousand
Next \$5 million	\$2.00 per thousand
Next \$15 million	\$1.50 per thousand
Next \$25 million	\$1.00 per thousand
Over \$50 million	\$0.75 per thousand

For services rendered with respect to any derivative product financings, revenue and refundings or variable rate financing, the above fees shall be increased by 25%. The minimum compensation for advisory work related to any single debt transaction shall be \$20,000.

(2) **Retainer / General Consulting Services.** For consideration associated with the rendering of non-transactional general consulting financial advisory services, the Financial Advisor proposes to charge a quarterly retainer of \$1,500. This retainer covers items such as preparing presentations and meetings with rating agencies outside of a transaction; analyzing, reviewing and making recommendations on investment banking proposals; negotiating third party contracts; and debt planning; and other similar services.

(3) **Non-Transactional Special Projects.** For consideration associated with the rendering of financial advisory services associated with non-transactional special projects, the Financial Advisor proposes to charge hourly rates for professional services. These rates are as follows:

<u>TITLE</u>	<u>Rate/Hour</u>
Managing Director/Principal	\$250
Senior Managing Consultant	200
Consultant	190
Research Associate	125

The Financial Advisor will prepare a written budget prior to the start of the project, set a not-to-exceed amount for the project, and secure Town approval prior to proceeding. **No price escalation will be allowed without prior written approval from the Town.**