

May 9, 2019

Mr. Patrick Bryant  
City Manager  
City of Avondale Estates  
21 North Avondale Plaza  
Avondale Estates, GA 30002

Dear Mr. Bryant,

This Financial Advisory Agreement (the “Agreement”) is entered into as of \_\_\_\_\_, 2019 between the City of Avondale Estates, GA (the “City”) and Davenport & Company LLC (“Davenport”). Specific to the services that Davenport will provide related to the City’s upcoming Bond Anticipation Note, Davenport proposes the following Scope of Work and Fee Arrangement.

At the City’s discretion, additional Financial Advisory services may be requested from time to time, including various projects, investments, additional financings, and other services. At the time of such request for additional services, the City and Davenport will agree on a Scope of Work and Fee Arrangement that will be memorialized as an addendum to this Agreement.

In accordance with Rule G-23 of the Municipal Securities Rulemaking Board, Davenport is required to have a written agreement with the City disclosing the financial advisory services it will provide and the basis of its compensation.

## **Scope of Work**

### **Phase 2 – Transaction Services**

Davenport will assist the City in executing the approved Plan of Finance completed as part of Davenport’s deliverables in Phase 1 of our agreement dated November 21, 2018. More specifically, Davenport will assist in the financing of the Bond Anticipation Note through the following deliverables:

1. Prepare a detailed financing calendar to best situate the City to price and close on the Bond Anticipation Note to meet the City's financing needs. Working with the City’s Bond Counsel, the financing calendar will include all required notices, BOMC actions, public hearings, and other financing milestones.
2. In cooperation with City Staff, and the City's Bond Counsel, assist in reviewing the necessary documentation including the following:
  - a. Bond Orders / Bond Indentures / Trust Agreements.
  - b. Issuance / Sale Resolutions.
  - c. Request for Proposals (Direct Bank Loan Only).
  - d. Other related Bond documentation.

3. Conduct a Request for Proposals process to obtain financing proposals from local, regional and national financial institutions.
  - a. Establish terms and conditions for the Request for Proposals that are consistent with the needs of the City.
  - b. Prepare the Request for Proposals and distribute to the active local, regional and national banks.
  - c. Contact all potential bidders to discuss the Request For Proposals requirements and assist potentials bidders with the due diligence process, as applicable, to maximize the number of bidders.
  - d. Prepare a summary analysis of each proposal such that issuance costs, interest rates and terms and conditions of each proposal can be easily compared to support the City in making their selection of the winning proposal.
  - e. Negotiate terms and conditions of the proposals, including:
    - i. Call provisions;
    - ii. Closing requirements; and,
    - iii. Other terms and conditions, as applicable.
  - f. Review bond related documentation related to financial terms of the bank loan.
  - g. Model the proposed Bond Anticipation Note and produce schedules outlining sources and uses of funds, debt service, bond statistics, and other schedules necessary for bond counsel.
  - h. Coordinate the closing process.
4. Attend BOMC work sessions, meetings and Working Group calls, as requested.

## **Compensation**

### **Phase 2 – Transaction Services:**

For these services, Davenport will charge a fee of \$40,000 for the Bond Anticipation Note. Additionally, customary direct out-of-pocket expenses, including mileage at the prevailing federal rate, meals, and lodging will be billed at cost and there will be a 4% charge for reimbursement of indirect costs such as phone, computer time, printing, and binding.

For the Phase 2 fees, Davenport shall only be compensated for any issuance of bonds and/or notes or loan upon successful completion and closing of such financing which may be paid from the proceeds of the financing.

## **Term and Termination**

This Agreement shall remain in effect until such time that it is terminated by either party. Either party may terminate this Agreement with 30-day written notice. If any party terminates this Agreement as set forth above, it is understood and agreed that the only amount due to Davenport will be for services provided and expenses incurred through the date of termination.

City of Avondale Estates, GA

Davenport & Company LLC



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By:

Title:

Date:

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By: Douglas J. Gebhardt

Title: Vice President

Date: May 9, 2019