

PFM FINANCIAL ADVISORS LLC

AGREEMENT FOR FINANCIAL ADVISOR SERVICES

This agreement, made and entered into this _____ day of _____, 2020, by and between Willistown Township (hereinafter called the "Client" or "Township") and PFM Financial Advisors LLC, (hereinafter called the "Financial Advisor" or "PFM") sets forth the terms and conditions under which the Financial Advisor shall provide services.

WHEREAS, Client is desirous of obtaining the financial advisory services of an advisor to assist in implementing the Client's strategic plan to enter into a public/private or public/public partnership or asset sale relating to the Client's sewer system.

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 financial advisory services including but not limited:

Phase 2 Services

- 1) Transaction Preparation & Execution services as shown in Exhibit A

Phase 3 Services

- 1) Lead Client and transaction team through the closing process as shown in Exhibit A

II. WORK SCHEDULE

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

III. FINANCIAL ADVISORY COMPENSATION

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

Phase 2 Services

PFM shall apply the hourly rates as listed below and defer those costs associated with Phase 2 until the successful closing of a transaction. **If the transaction does not close, PFM will waive all Stage 2 fees.**

Hourly Rate for Professionals

Managing Director \$350.00

Director \$ 300.00

Senior Managing Consultant/Senior Analyst \$ 250.00

Analyst \$ 225.00

Managing Associate/Associate \$ 150.00

Phase 3 Services

Upon successful closing of the transaction, PFM will charge a fee of 2.00% applied to the final closing price. **Similar to Phase 2, if the transaction does not close, there will be no fee charged for Phase 3.**

Reimbursable Expenses

In addition to fees for services, PFM will be reimbursed for necessary, reasonable, and documented out-of-pocket expenses incurred, including: travel, 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.

IV. TERMS AND TERMINATION

This agreement shall remain in effect unless canceled in writing by either party upon thirty (30) days written notice to the other party.

V. NON-ASSIGNABILITY

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.

VI. INFORMATION TO BE FURNISHED TO THE FINANCIAL ADVISOR

All information, data, reports, and records in the possession of the Client necessary for carrying out the work to be performed under this Agreement shall be furnished to the Financial Advisor and the Client shall cooperate with the Financial Advisor in all reasonable ways.

VII. 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:

Willistown Township

Charles E. Coxe Memorial Campus
688 Sugartown Road
Malvern, PA 19355
Attention: Sally Slook, Township Manager

PFM FINANCIAL ADVISORS LLC

213 Market Street
Harrisburg, PA 17101
Attention: Scott Shearer, Managing Director

VIII. TITLE TRANSFER

All materials prepared by PFM pursuant exclusively to this Agreement shall be the property of the Client. Upon termination of this Agreement, Financial Advisor shall deliver to the Client copies of any and all material pertaining to this Agreement.

IX. FINANCIAL ADVISOR'S REPRESENTATIVES

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

X. INSURANCE

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

XI. INDEPENDENT CONTRACTOR

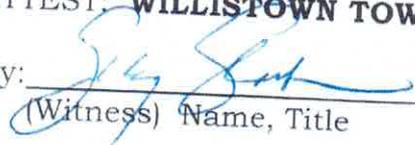
The Financial Advisor, its employees, officers and representatives at all times shall be independent contractors and shall not be deemed to be employees, agents, partners, servants and/or joint venturers of Client by virtue of this Agreement or any actions or services rendered under this Agreement.

XII. ENTIRE AGREEMENT

This Agreement represents the entire agreement between Client and PFM and may not be amended or modified except in writing signed by both parties.

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

ATTEST: **WILLISTOWN TOWNSHIP**

By:  Township Manager, Willistown Township
(Witness) Name, Title

DATE: 4/22/20

ATTEST: **PFM FINANCIAL ADVISORS LLC**

BY: 
Scott Shearer

DATE: 4/16/2020

EXHIBIT A

Phases 2 & 3 Services

In this Phase of the engagement, PFM's services to the Client will include but not be limited to the following services:

Initial activities PFM will undertake will be outreach to potential investors and/or system operators to confirm market interest in candidate assets, establishment of a timeline for the transaction, and identification of key issues to be resolved to insure successful transaction execution.

Transaction Preparation PFM will manage all aspects of transaction preparation including, but not limited to:

- Updating of the valuation model as more information is gathered
- Oversight of the documentation process, including the drafting and distribution of a Request for Qualifications to solicit expression of interest from bidding teams
- Review and analysis of the RFQ responses along with input from the Client and other professionals, and recommendation of approved bidding teams
- Oversight of the asset due diligence process and the organization of relevant data, reports, and other information in a "virtual data room" to be made available to pre-qualified bidding teams
- In consultation with team, track progress and resolution of all key issues of law, regulation and systems operation needed to assure transaction execution
- Maintain communication with prospective bidders to keep them informed and engaged regarding transaction process and schedule.

Transaction Execution. In performing all services associated with management of the transaction PFM will:

- Manage all communication with pre-qualified bidding teams
- Provide data, reports and analyses as required to inform Township officials, stakeholders and other interested parties about the transaction
- Schedule and participate in one-on-one meetings with bidding teams (if needed) to consider and negotiate terms of the sale and the bidding process
- Oversee preparation and release of the Request for Bids to be distributed to the pre-qualified bidding teams
- Participate in the review and of the bids submitted, the BAFO process, if warranted, and award of the sale
- Participate in the finalization of documents and transaction closing

Additional Services. In addition to the services listed above, PFM will be responsible for all related debt management activities, including any defeasance of outstanding debt of the Township or its agencies; coordination of the activities of all professionals retained to prepare or document this defeasance transaction. If possible such services will be provided by PFM pursuant to a separate memorandum agreement upon mutually satisfactory terms.