

# DUNDEE URBAN RENEWAL AGENCY MEETING

## Board Meeting Agenda

Dundee Fire Station Community Room  
801 N. Highway 99W  
Dundee, OR 97115

TELECONFERENCED MEETING OPEN TO THE PUBLIC IN-PERSON OR VIA ZOOM

Join Zoom Meeting:

<https://us02web.zoom.us/j/83342786635>

Or Via Phone: +1-301-715-8592

Meeting ID: 833 4278 6635

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**August 15, 2023**

**8:30 PM\***

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- 1. Call to Order**
- 2. Public Comment:** Speakers will be allowed up to 3 minutes to speak after being recognized by the Chair.
- 3. Approval of Minutes**
- 4. Approval of Contract with Wine by Joe**
- 5. Discussion Regarding Municipal Financial Advisor**
- 6. Agency Member Concerns**
- 7. Adjourn**

\*Or immediately following City Council meeting.

## **AGENDA REPORT**

**TO:** Mayor Russ and City Council  
**From:** Steve Dahl, City Administrator  
**Subject:** Wine by Joe Contract

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### Background:

At the July 17<sup>th</sup> urban renewal meeting, Wine by Joe asked for, and received, a \$25,000 grant from the City of Dundee Urban Renewal to help build a wastewater tank and effluent system to better prevent stems, leaves and skins from entering the city's wastewater system.

I move to approve the contract with Wine by Joe for a wastewater tank and effluent system.

## **GRANT AGREEMENT**

THIS GRANT AGREEMENT (“Grant Agreement”) is entered into on this \_\_\_\_ day of \_\_\_\_\_, 2023 by and between the CITY OF DUNDEE, an Oregon municipal corporation, acting by and through the DUNDEE URBAN RENEWAL AGENCY (“Grantor”), and WINE BY JOE, LLC, an Oregon limited liability company (“Grantee”).

### **RECITALS**

A. The City of Dundee established the Dundee Urban Renewal Agency on June 7, 2016 via Ordinance 546-2016.

B. The City adopted the Dundee Urban Renewal Plan on April 18, 2017 via Ordinance 558-2017 (the “Plan”).

C. The Plan sets forth its stated goals of (i) promoting the revitalization of existing properties and development of underdeveloped or vacant properties within the Urban Renewal Area to meet the City’s design theme and standards; (ii) improving public facilities and utilities within the Urban Renewal Area to encourage development and improve the visual appearance of the project area; (iii) promoting a safe and convenient multi-modal transportation system; and (iv) improving cultural, recreational, and civic amenities and resources for community members and visitors to promote a vibrant business district and improve the quality of life in the City of Dundee.

D. Grantor’s primary method of financing for urban renewal projects is through tax increment financing.

E. Grantee is the fee simple owner of the real property located at 239 SE 5<sup>th</sup> Street, Dundee, Oregon (the “Property”), Parcel Number 559213, APN #R3325CB 01600 A01.

F. The Property is located within Grantor’s Urban Renewal Boundary.

G. Grantee has requested financial assistance from Grantor to aid and support the installation of a self-contained wastewater treatment system and related fixtures (the “Project”).

H. The Project will benefit the Grantor and the public by reducing detrimental impacts to the Grantor’s water treatment plant.

I. Grantor has determined the goals and objectives of the Project are consistent with, and will further the implementation of, the Grantor’s Plan, and, accordingly, Grantor is willing to provide financial assistance to Grantee for the Project, on the terms and conditions of this Grant Agreement.

NOW, THEREFORE, in consideration of the foregoing recitals, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

## AGREEMENT

1. Grant. Grantor agrees to make a grant to Grantee (“Grant”) in an amount not to exceed Twenty-Five Thousand and 00/100 Dollars (\$25,000.00) (“Grant Amount”) for the Project. This Grant is conditioned upon the resulting tax increment being in excess of the Grant Amount and/or sufficient funds being appropriated to the Grantor by the City of Dundee for discretionary use.

2. Construction of Improvements. Grantee agrees to construct improvements as submitted to and approved by the City of Dundee in accordance with the adopted specialty codes and the City, state and/or federal standards in effect at the time a building permit is issued. Grantee shall complete the Project no later than the expiration of any building permit(s) issued by the City (the “Project Completion Deadline”) and Grantor is not obligated to reimburse any Project costs incurred after this date.

3. Disbursement. The funds of the Grant shall be held in the Grantor’s Urban Renewal Fund. Upon completion of the improvements, and final inspection and approval by Grantor, Grantee must submit to Grantor an itemized statement setting forth the full and actual costs of the improvements. This statement must be signed by Grantee and must include (i) proof of payment of costs and (ii) final lien waivers from all contractors and subcontractors.

4. Payment. Grantor will, within sixty (60) days of receipt of Grantee’s itemized statement and accompanying documents as required by this Grant Agreement, cause a reimbursement to Grantee in an amount up to the Grant Amount.

5. Warranties and Representations.

- a. Existence and Authority. Grantee is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Oregon. Grantee warrants and represents it has full power and authority to carry on its business as now being conducted and how Grantee contemplates it to be conducted with respect to the Project. Grantee warrants and represents it has full power, authority, and legal right to execute and deliver this Grant Agreement and all other agreements, documents, and instruments contemplated herein (collectively, the “Grant Documents”) and to incur and perform its obligations stated herein.
- b. Compliance with Laws. Grantee warrants and represents it is in material compliance with all federal, state, and local laws, rules, regulations, ordinances, and orders applicable to the Project, and the Project, when completed, will be in compliance with all applicable health and safety, environmental, and zoning laws.
- c. Discrimination. Grantee warrants and represents it will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender, age, national origin, physical or mental disability, or disabled veteran or veteran status in violation of state or federal laws.

- d. Litigation. As of the date of the Grant Agreement, there are no pending litigation, arbitration, or administrative proceedings against Grantee or with respect to the Property or the Project that could reasonably have a material adverse effect on the business, assets, operations, or financial condition of Grantee, the Project, or the ability of Grantee to complete the Project, or which purports to affect the legality, enforceability, or validity of any Grant Document.
- e. Licenses; Maintenance of Business. Grantee will remain a limited liability company validly existing under the laws of Oregon and will keep in force all licenses and permits necessary to the proper conduct of its business and the completion of the Project including, but not limited to, a City of Dundee business license.

6. Indemnity. Grantee shall indemnify and hold Grantor, its officers, employees and agents harmless from and against any and all liabilities, claims, losses, damages, or expenses (including attorney fees and expenses) which any of them may suffer or incur in connection with (a) the inaccuracy of any of the representations and warranties made by Grantee in any Grant Documents, (b) any transaction contemplated by this Grant Agreement or any other Grant Document or (c) the actions or inactions of Grantee, or its employees, agents or contractors, related to the Project, other than claims, losses, damages, or expenses that arise solely from the gross negligence or willful misconduct of Grantor. This Section shall survive completion of the Project and any termination of this Grant Agreement.

7. Records and Inspection. Grantee shall keep proper books of account and records on all activities associated with the Grant, including but not limited to, books of account and records on the expenditure of all Grant proceeds in accordance with generally accepted accounting principles. Grantee shall retain such books of account and records until the later of three years after the Project Completion Deadline or the date that all disputes, if any, arising under this Grant Agreement or any other Grant Documents have been resolved. Grantee will permit Grantor and/or its duly authorized representatives to inspect, review and make excerpts and transcripts of its books of account and records with respect to the receipt and disbursement of funds received from Grantor. Access to these records is not limited to the required retention period. The authorized representatives shall have access to the records at any reasonable time for as long as the records are maintained. This Section shall survive completion of the Project and any termination of this Grant Agreement.

#### 8. Miscellaneous

- a. Counterparts. This Grant Agreement may be executed in any number of counterparts, and any single counterpart or set of counterparts signed, in either case, by all the parties hereto shall constitute a full and original instrument, but all of which shall together constitute one and the same instrument.
- b. Survival. All agreements, representations, and warranties shall survive the execution and delivery of this Grant Agreement, any investigation at any time made by Grantor or on its behalf and the making of the Grant.

- c. Notice. Any notice required or permitted under this Grant Agreement shall be in writing and shall be deemed effective (1) when actually delivered in person, (2) one business day after deposit with a commercial courier service for "next day" delivery, (3) two business days after having been deposited in the United States mail as certified or registered mail, or (4) when transmitted by email, addressed to the parties as follows:

GRANTOR: Dundee Urban Renewal Agency  
Attn: City Administrator  
620 SW 5<sup>th</sup> Street  
Dundee, OR 97115  
Email: Steve.Dahl@dundeecity.org

GRANTEE: Wine by Joe, LLC  
Attn: Kari Mahe  
239 SE 5<sup>th</sup> Street  
Dundee, OR 97115  
Email:

- d. Successors and Assigns. Grantee may not assign this Grant Agreement, in whole or in part, without the prior written consent of Grantor. This Grant Agreement shall be binding upon and shall inure to the benefit of the parties and their respective permitted successors and assigns.
- e. Governing Law, Jurisdiction, Venue. This Grant Agreement and any other Grant Documents shall be governed by and construed in accordance with the laws of the State of Oregon. Any legal action regarding this Grant Agreement or any other Grant Documents must be brought and conducted in the federal or state court, as appropriate, serving Yamhill County, Oregon, and the parties hereby consent to the jurisdiction and venue of such courts.
- f. Modification; Prior Grant Agreements; Headings. This Grant Agreement may not be modified or amended except by an instrument in writing signed by Grantee and Grantor. This Grant Agreement taken together with any other Grant Documents reflect and set forth the entire agreement and understanding of the parties with respect to the subject matter hereof and supersede all prior agreements and understandings relating to such subject matter. The headings in this Grant Agreement are for the purpose of reference only and shall not limit or otherwise affect any of the terms hereof.
- g. Validity; Severability. If any provision of this Grant Agreement is held to be invalid, such event shall not affect, in any respect whatsoever, the validity of the remainder of this Grant Agreement and the remainder shall be construed without the invalid provision so as to carry out the intent of the parties to the extent possible without the invalid provision.

- h. Relationship of the Parties. Nothing contained in this Grant Agreement or any acts of the parties hereto shall be deemed or construed to create the relationship of principal and agent, or of partnership, or of joint venture or of any other association other than that of independent contracting parties.
- i. No Third-Party Beneficiary Rights. No person not a party to this Grant Agreement is an intended beneficiary of this Agreement, and no person not a party to this Grant Agreement shall have any right to enforce any term of this Agreement.
- j. Public Records/City Audit. Grantee understands and acknowledges that Grantor is a public entity subject to Oregon's public records laws (ORS 192.311 – 192.478) and this Grant Agreement and related documents are subject to audit by the Grantor, public records disclosure, and applicable public ethics laws.

IN WITNESS WHEREOF, the parties hereto have caused this Grant Agreement to be executed by their duly authorized representatives effective as of the date first above written.

GRANTOR:

CITY OF DUNDEE, an Oregon municipal Corporation, acting by and through the DUNDEE URBAN RENEWAL AGENCY

By: \_\_\_\_\_  
Steve Dahl, City Administrator

GRANTEE:

WINE BY JOE, LLC, an Oregon limited liability company

By: Bacchus WBJ LLC, a Delaware limited liability company

Its: Manager

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

Approved as to Form:

\_\_\_\_\_  
Matthew L. Kahl, City Attorney

## AGENDA REPORT

**TO:** Mayor Russ and City Council  
**From:** Steve Dahl, City Administrator  
**Subject:** Municipal Financial Advisor

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### **Background:**

At the July 18<sup>th</sup> urban renewal meeting the agency discussed issues with borrowing \$3 million dollars. It was discussed and then recommended and approved to go out and find a municipal financial advisor to help the city manage its debt load, both current and future.

I contacted Newberg and McMinnville for recommendations on Municipal Financial Advisors. I was recommended the following companies: DA Davidson, PFM Financial Advisors, Government Capital, and Piper Sandler and Company.

I received responses from DA Davidson, PFM Financial Advisors, and Piper Sandler and Company.

D.A. Davidson charges the following hourly rates:

- Managing Director / Senior VP /Vice President \$350.00
- Associate Vice President \$310.00
- Clerical, administrative and support functions \$265.00

For a financing that is successfully closed, in addition to the hourly charges for services per the rates above, D.A. Davidson's compensation will include an additional amount equal to 0.075% of the par amount of the financing.

PFM Financial Advisors works with McMinnville, which highly recommends them. PFM charges the following hourly rates for work not directly related to an active debt transaction:

- Experience Level Hourly Rate Managing Director \$350.00
- Director \$325.00
- Sr. Managing Consultant \$300.00
- Sr. Analyst \$260.00
- Analyst \$215.00
- Associate (Administrative) \$195.00

For active debt transactions, PFM charges a set amount for public bond sales or federal loans and bank loans and hourly rates for state loans.

Piper Sandler has a flat fee of \$35,000.

Motion: I move to hire \_\_\_\_\_ to be the City of Dundee Municipal Financial Advisor.

July 25, 2023

Steve Dahl  
City Administrator  
City of Dundee  
PO Box 220  
620 SW 5<sup>th</sup> Street  
Dundee, Oregon 97115

Re: Municipal Advisor Services Agreement

Dear Mr. Dahl:

On behalf of D.A. Davidson & Co. (“we” or “D.A. Davidson”), we wish to thank you for the opportunity to serve as municipal advisor to the City of Dundee, Oregon (“you” or “Client”), with respect to general planning for one or more future financings for urban renewal projects, a water treatment plant or other projects the Client may consider (the “Bond Planning”) and potential future bond issuance (the “Financing” or the “Issue”). Upon your acceptance, this engagement letter (the “Agreement”) will serve as our mutual agreement with respect to the terms and conditions of our engagement as your municipal advisor with respect to such services effective on the date this Agreement is executed by you (the “Effective Date”).

1. **Scope of Municipal Advisor Services to be provided by D.A. Davidson.**

(a) You hereby engage D.A. Davidson to serve as municipal advisor with respect to the planning and proposed issuance of securities, and in such capacity D.A. Davidson agrees to provide advice as to the structure, timing, terms and other matters regarding the Financing, including the following services, if and as requested by you (the “Scope of Services”):

- A. ***General Financial Services.*** Provide some or all of the following services with respect to Client’s proposed capital projects and bond planning:
- Evaluate the Client’s financial conditions and prior funding and financing deliberations and analysis
  - Review funding and financing options, including potential financing repayment revenues, fund balances and credit impacts, and develop funding and financing alternatives
  - Provide recommendations regarding funding and financing alternatives with respect to the proposed capital projects
  - Review recommendations made by other parties to Client with respect to funding or financing the capital projects, as such recommendations develop
  - Assist the Client with determining requirements, best practices and documentation for internal funding mechanisms, if desired
  - Attend meetings with Client staff and/or with the Client’s governing body, as requested

- B. ***New Bond Issues.*** Provide some or all of the following services with respect to Client's new Issue(s) of public market bond issues, if any:
- Evaluate options or alternatives with respect to the proposed new Issue
  - Review recommendations made by other parties to Client with respect to the new Issue
  - Review financial and other information regarding Client, the proposed Issue and any source of repayment of or security for the Issue
  - Consult with and/or advise Client on actual or potential changes in market place practices, market conditions, regulatory requirements or other matters that may have an impact on Client and its financing plans
  - Assist Client in establishing a plan of financing
  - Assist Client in establishing the structure, timing, terms and other similar matters concerning the Issue
  - Prepare the financing schedule
  - Provide assistance as to scheduling, coordinating and meeting procedural requirements relating to any required bond referendum, other than through cash or in-kind contributions with respect to such referendum
  - Consult and meet with representatives of Client and its agents or consultants with respect to the Issue
  - Attend meetings of Client's governing body, as requested
  - Advise Client on the manner of sale of the Issue
  - Assist in the gathering of information with respect to financial, statistical and factual information relating to Client in connection with the preparation of the preliminary and final official statement
  - If the Issue is to be sold on a competitive bid basis and Client has not engaged disclosure counsel to prepare the preliminary and final official statement, prepare the preliminary and final official statement and the bid package, obtain CUSIP numbers and provide an electronic version of the official statement to the winning underwriter
  - If the Issue is to be sold on a negotiated basis, assist in the preparation and/or review the preliminary and final official statement
  - Make arrangements for printing, advertising and other vendor services necessary or appropriate in connection with the Issue
  - Advise Client with regard to any continuing disclosure undertaking required to be entered into in connection with the Issue, including advising on the selection of a dissemination agent
  - In a competitive bid sale, assist Client in collecting and analyzing bids submitted by underwriters and in connection with Client's selection of a winning bidder
  - In a negotiated sale, assist Client in the selection of underwriter(s)
  - At the time of sale, provide Client with relevant data on comparable issues recently or currently being sold nationally and by comparable Clients
  - In a negotiated sale, coordinate pre-pricing discussions, supervise the sale process, advise Client on matters relating to retail or other order periods and syndicate priorities, review the order book, advise on the acceptability of the lead underwriter's pricing and offer to purchase
  - Advise Client with respect to recommendations made by the underwriters and other interactions between Client and the underwriters
  - Review required underwriter disclosures to Client
  - Assist Client in selecting legal and other professionals (such as trustee, escrow agent, accountant, feasibility consultant, etc.) to work on the Issue
  - Respond to questions from bidders, underwriters or potential investors

- Arrange and facilitate visits to, prepare materials for, and make recommendations to Client in connection with credit ratings agencies, insurers and other credit or liquidity providers
  - Work with bond counsel and other transaction participants to prepare and/or review necessary authorizing documentation of Client and other documents necessary to finalize and close the Issue
  - Coordinate working group sessions, closing, delivery of the new Issue and transfer of funds
  - Prepare a closing memorandum or transaction summary, together with general guidance for Client with respect to post-closing requirements relating to the use and investment of bond proceeds and the payment of debt service
  - Provide such other usual and customary financial advisory services as may be requested by Client
- C. ***Loans.*** Provide some or all of the following services with respect to the Issuer's obtaining a loan from a commercial bank, state or federal agency, or other direct lender:
- Contact potential lenders, provide them with related financial information, respond to their inquiries and, if requested, coordinate their due diligence sessions.
  - Consult with counsel and other service providers as necessary with respect to the terms of the loan
  - Consult and meet with representatives of Client and its agents or consultants with respect to the Issue
  - Review and evaluate the proposed terms of the loan
  - Attend meetings of Client's governing body, as requested
  - Assist in the negotiation the terms, including the interest rate, of the loan
  - Plan and arrange for the closing and settlement of the loan
  - Prepare a closing memorandum or transaction summary, together with general guidance for Client with respect to post-closing requirements relating to the use and investment of bond proceeds and the payment of debt service
  - Provide advice, recommendations and analysis is customary for negotiating and executing a loan.
- D. ***Outstanding or Other Potential Issues.*** Provide some or all of the following services with respect to Client's outstanding Issue(s), if any:
- Advise Client on potential exercise of optional or other call rights, or potential tender offers, for outstanding Issue(s)
  - Advise Client on potential refunding or other refinancing opportunities of its outstanding Issue(s)
  - Review recommendations made by other parties to Client with respect to outstanding Issue(s)
  - Evaluate options or alternatives for Client with respect to, and assist in identifying, financing opportunities, including recommendations by other parties to Client for potential financings
  - Consult with and/or advise Client on actual or potential changes in market place practices, market conditions, regulatory requirements or other matters that may have an impact on Client's outstanding Issue(s)
  - Advise Client on post-issuance disclosure compliance matters, including specific issues that may arise from time to time and the preparation, review and revision of applicable policies and procedures, relating to outstanding Issue(s)
  - Assist Client and its dissemination agent in the preparation of annual filings or other continuing disclosures required under continuing disclosure undertakings for outstanding Issue(s)

- Advise Client on matters relating to compliance with, including testing and/or reporting on compliance with, bond or other covenants relating to outstanding Issue(s)
- Review documentation of outstanding Issue(s) with Client personnel and with Client's bond counsel and other consultants
- Assist Client in responding to inquiries from investors or other market participants in connection with Client's outstanding Issue(s)

Under Municipal Securities Rulemaking Board ("MSRB") Rule G-23, D.A. Davidson will not be able to serve as underwriter or placement agent for any notes, bonds or other securities to be issued and sold as part of the Financing.

(b) The Scope of Services is subject to the following limitations:

(i) The Scope of Services is limited solely to the services described above and is subject to any limitations set forth within the description of the Scope of Services.

(ii) Unless otherwise provided in the Scope of Services described herein, D.A. Davidson is not responsible for preparing any preliminary or final official statement, or for certifying as to the accuracy or completeness of any preliminary or final official statement, other than with respect to any information about D.A. Davidson provided by D.A. Davidson for inclusion in such documents.

(iii) The Scope of Services does not include tax, legal, accounting or engineering advice with respect to the Financing or in connection with any opinion or certificate rendered by counsel or any other person at closing, and does not include review or advice on any feasibility study.

(c) The Scope of Services may be changed only by written amendment or supplement to the Scope of Services described herein. The parties agree to amend or supplement the Scope of Services described herein promptly to reflect any material changes or additions to the Scope of Services.

(d) If you have designated D.A. Davidson as your independent registered municipal advisor ("IRMA") for purposes of SEC Rule 15Ba1-1(d)(3)(vi) (the "IRMA exemption") with respect to the activities and aspects described in the Scope of Services, the Scope of Services as they relate to such designation as IRMA shall be subject to any limitations with respect to D.A. Davidson's activities as IRMA as may be provided in the Scope of Services described herein. D.A. Davidson is not responsible for verifying that it is independent (within the meaning of the IRMA exemption as interpreted by the SEC) from another party wishing to rely on the exemption from the definition of municipal advisor afforded under the IRMA exemption. Any reference to D.A. Davidson, its personnel and its role as IRMA in your written representation contemplated under SEC Rule 15Ba1-1(d)(3)(vi)(B) is subject to prior approval by D.A. Davidson, and you agree not to represent, publicly or to any specific person, that D.A. Davidson is your IRMA with respect to any aspect of municipal financial products or the issuance of municipal securities, or with respect to any specific municipal financial product or any specific issuance of municipal securities, outside the Scope of Services without D.A. Davidson's prior written consent.

2. **Municipal Advisor's Regulatory Duties When Servicing You.** MSRB Rule G-42 requires that D.A. Davidson make a reasonable inquiry as to the facts that are relevant to your determination whether to proceed with a course of action or that form the basis for and advice provided by D.A. Davidson to you. The rule also requires that D.A. Davidson undertake a reasonable investigation to determine that it is not basing any recommendation on materially inaccurate or incomplete information. D.A. Davidson is also required under the rule to use reasonable diligence to know the essential facts about Client and the authority of each person acting on your behalf.

You agree to cooperate, and to cause your agents to cooperate, with D.A. Davidson in carrying out these regulatory duties, including providing to D.A. Davidson accurate and complete information and reasonable access to relevant documents, other information and personnel needed to fulfill such duties. In addition, you agree that, to the extent you seek to have D.A. Davidson provide advice with regard to any recommendation made by a third party, you will provide to D.A. Davidson written direction to do so as well as any information you have received from such third party relating to its recommendation.

3. **Compensation.** (a) For its Services, D.A. Davidson will charge the following hourly rates per title of professional performing the Services:

Managing Director / Senior VP /Vice President	\$350.00
Associate Vice President	\$310.00
Clerical, administrative and support functions	\$265.00

Because MSRB Rule G-3 excludes any person performing only clerical, administrative, support or similar functions from its definition of municipal advisor representative, D.A. Davidson may use staff who are not licensed as municipal advisor representatives to perform certain duties under this Agreement.

For a Financing that is successfully closed, in addition to the hourly charges for Services per the rates above, compensation from the Client to D.A. Davidson will include an additional amount equal to .075% of the par amount of the Financing.

(b) For work performed on Bond Planning, D.A. Davidson expects to submit bills to the Client for Services rendered semi-annually on each June 1 and December 1, commencing on December 1, 2023, unless agreed to otherwise by D.A. Davidson and the Client.

(c) For work performed on the Financing (i.e. subsequent to Bond Planning), D.A. Davidson will submit a bill to the Client for Services rendered upon closing or termination of the Financing. Such charges may be reimbursed from bond proceeds.

4. **Out-of-Pocket Expenses.** D.A. Davidson shall be responsible for any costs it may incur in the performance of its obligations under this Agreement unless otherwise provided herein

5. **Term and Termination.** The term of this Agreement shall extend from the Effective Date to December 1, 2025. Notwithstanding the forgoing, either party may terminate D.A. Davidson's engagement at any time without liability or penalty upon at least 30 days' prior written notice to the other party.

6. **Limitation of Liability.** In the absence of willful misconduct, bad faith, gross negligence or reckless disregard of obligations or duties hereunder on the part of D.A. Davidson or any of its associated persons, D.A. Davidson and its associated persons shall have no liability to you for any act or omission in the course of, or connected with, rendering services hereunder, or for any error of judgment or mistake of law, or for any loss arising out of any issuance of municipal securities, any municipal financial product or any other investment, or for any financial or other damages resulting from your election to act or not to act, as the case may be, contrary to any advice or recommendation provided by D.A. Davidson to you. No recourse shall be had against D.A. Davidson for loss, damage, liability, cost or expense (whether direct, indirect or consequential) of yours arising out of or in defending, prosecuting, negotiating or responding to any inquiry, questionnaire, audit, suit, action, or other proceeding brought or received from the Internal Revenue Service in connection with the financing or otherwise relating to the tax treatment of the financing, or in connection with any opinion or certificate rendered by counsel or any other party. Notwithstanding

the foregoing, nothing contained in this paragraph or elsewhere in this Agreement shall constitute a waiver by you of any of your legal rights under applicable U.S. federal securities laws or any other laws whose applicability is not permitted to be contractually waived, nor shall it constitute a waiver or diminution of D.A. Davidson's fiduciary duty to you under Section 15B(c)(1) of the Securities Exchange Act of 1934, as amended, and the rules thereunder.

7. **Required Disclosures.** MSRB Rule G-42 requires that D.A. Davidson provide you with disclosures of material conflicts of interest and of information regarding certain legal events and disciplinary history. Such disclosures are provided in D. A. Davidson's Municipal Advisor Disclosure Statement delivered to you together with this Agreement.

D.A. Davidson is registered as a municipal advisor with the U.S. Securities and Exchange Commission ("SEC") and the MSRB, and is subject to the regulations and rules on municipal securities activities established by the SEC and MSRB. The website address for the MSRB is [www.msrb.org](http://www.msrb.org). The MSRB website includes educational material about the municipal securities market, as well as a municipal advisory client brochure that describes the protections that may be provided by the MSRB rules and how to file a complaint with an appropriate regulatory authority.

8. **Waiver of Jury Trial.** EACH PARTY AGREES TO WAIVE ANY RIGHT TO A TRIAL BY JURY WITH RESPECT TO ANY CLAIM, COUNTERCLAIM OR ACTION ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THE RELATIONSHIP BETWEEN THE PARTIES. PARTIES AGREE TO WAIVE CONSEQUENTIAL AND PUNITIVE DAMAGES.

9. **Choice of Law.** This Agreement shall be construed and given effect in accordance with the laws of the state of Oregon.

10. **Binding Effect; Assignment.** This Agreement shall be binding upon and inure to the benefit of you and D.A. Davidson, our respective successors and permitted assigns; provided however, neither party may assign or transfer any of its rights or obligations hereunder without the prior written consent of the other party.

11. **Entire Agreement.** This instrument, including all appendices hereto, contains the entire agreement between the parties relating to the rights herein granted and obligations herein assumed. This Agreement may not be amended, supplemented or modified except by means of a written instrument executed by both parties.

12. **Severability.** If any provision of this Agreement is, or is held or deemed to be, invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions because it conflicts with any provisions of any constitution, statute, rule or public policy, or for any other reason, such circumstances shall not make the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or make any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatever.

13. **No Third Party Beneficiary.** This Agreement is made solely for the benefit of the parties and their respective successors and permitted assigns. Nothing in this Agreement, express or implied, is intended to confer on any person, other than the parties and their respective successors and permitted assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

14. **Authority.** The undersigned represents and warrants that he or she has full legal authority to execute this Agreement on behalf of Client. The following individuals have the authority to direct D.A. Davidson's performance of its activities under this Agreement:

**Print Name**      **Title**  
Steve Dahl      City Manager

15. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be an original, but which taken together, shall constitute one and the same instrument.

If there is any aspect of this Agreement that you believe requires further clarification, please do not hesitate to contact us. If the foregoing is consistent with your understanding of our engagement, please sign and return a copy of this letter.

Again, we thank you for the opportunity to assist you with the Financing and the confidence you have placed in us.

Very truly yours,

**D.A. DAVIDSON & CO.**

By: 

Name: Jonas Biery

Title: Vice President

This Agreement is hereby accepted for and on behalf of the City of Dundee, Oregon.

By:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Dated \_\_\_/\_\_\_/2023

## DISCLOSURE STATEMENT

OF

D.A. DAVIDSON & CO.

This Disclosure Statement is provided by D.A. Davidson & Co. (“D.A. Davidson”) to City of Dundee, Oregon (“you” or the “Client”) in connection with the Municipal Advisor Engagement Letter dated July 25, 2023 (the “Agreement”) and is dated as of the same date as the Agreement. This Disclosure Statement provides information regarding conflicts of interest and legal or disciplinary events of D.A. Davidson required to be disclosed to you pursuant to MSRB Rule G-42(b) and (c)(ii).

### **PART A – Disclosures of Conflicts of Interest**

MSRB Rule G-42 requires that municipal advisors provide to their clients disclosures relating to any actual or potential material conflicts of interest, including certain categories of potential conflicts of interest identified in Rule G-42, if applicable. If no such material conflicts of interest are known to exist based on the exercise of reasonable diligence by the municipal advisor, municipal advisors are required to provide a written statement to that effect.

***Material Conflicts of Interest*** – D.A. Davidson makes the disclosures set forth below with respect to material conflicts of interest in connection with the Scope of Services under this Agreement, together with explanations of how D.A. Davidson addresses or intends to manage or mitigate each conflict.

***General Mitigations*** – As general mitigations of D.A. Davidson’s conflicts, with respect to all of the conflicts disclosed below, D.A. Davidson mitigates such conflicts through its adherence to its fiduciary duty to you, which includes a duty of loyalty to you in performing all municipal advisory activities for you. This duty of loyalty obligates D.A. Davidson to deal honestly and with the utmost good faith with you and to act in your best interests without regard to D.A. Davidson’s financial or other interests. In addition, because D.A. Davidson is a broker-dealer with significant capital due to the nature of its overall business, the success and profitability of D.A. Davidson is not dependent on maximizing short-term revenue generated from individualized recommendations to its clients but instead is dependent on long-term profitability built on a foundation of integrity, and quality of service and strict adherence to its fiduciary duty. Furthermore, D.A. Davidson’s municipal advisory supervisory structure, leveraging our long-standing and comprehensive broker-dealer supervisory processes and practices, provides strong safeguards against individual representatives of D.A. Davidson potentially departing from their regulatory duties due to personal interests. The disclosures below describe, as applicable, any additional mitigations that may be relevant with respect to any specific conflict disclosed below.

**Compensation-Based Conflicts.** A portion of the fees due under this Agreement will be based on the size of the Issue and the payment of such fees shall be contingent upon the delivery of the Issue. While this form of compensation is customary in the municipal securities market, this may present a conflict because it

could create an incentive for D.A. Davidson to recommend unnecessary financings or financings that are disadvantageous to you, or to advise you to increase the size of the issue. This conflict of interest is mitigated by the general mitigations described above.

A portion of the fees due under this Agreement are based on hourly fees of D.A. Davidson's personnel, with the aggregate amount equaling the number of hours worked by such personnel times an agreed-upon hourly billing rate. This form of compensation presents a potential conflict of interest if you and D.A. Davidson do not agree on a reasonable maximum amount at the outset of the engagement, because D.A. Davidson does not have a financial incentive to recommend alternatives that would result in fewer hours worked. This conflict of interest is mitigated by the general mitigations described above.

**Other D.A. Davidson or Underwriting Relationships.** D.A. Davidson serves a wide variety of other clients that may from time to time have interests that could have a direct or indirect impact on your interests. For example, D.A. Davidson serves as municipal advisor to other municipal advisory clients and, in such cases, owes a regulatory duty to such other clients just as it does to you under this Agreement. These other clients may, from time to time and depending on the specific circumstances, have competing interests, such as accessing the new issue market with the most advantageous timing and with limited competition at the time of the offering. In acting in the interests of its various clients, D.A. Davidson could potentially face a conflict of interest arising from these competing client interests. In other cases, as a broker-dealer that engages in underwritings of new issuances of municipal securities by other municipal entities, the interests of D.A. Davidson to achieve a successful and profitable underwriting for its municipal entity underwriting clients could potentially constitute a conflict of interest if, as in the example above, the municipal entities that D.A. Davidson serves as underwriter or municipal advisor have competing interests in seeking to access the new issue market with the most advantageous timing and with limited competition at the time of the offering. None of these other engagements or relationships would impair D.A. Davidson's ability to fulfill its regulatory duties to you.

**Broker-Dealer and Investment Advisory Business.** D.A. Davidson is a broker-dealer and investment advisory firm that engages in a broad range of securities-related activities to service its clients, in addition to serving as a municipal advisor or underwriter. Such securities-related activities, which may include but are not limited to the buying and selling of new issue and outstanding securities and investment advice in connection with such securities, including your securities, may be undertaken on behalf of, or as counterparty to, your, your personnel, and current or potential investors in your securities. These other clients may, from time to time and depending on the specific circumstances, have interests in conflict with your own, such as when their buying or selling of your securities may have an adverse effect on the market for your securities, and the interests of such other clients could create the incentive for D.A. Davidson to make recommendations to you that could result in more advantageous pricing for the other clients. Furthermore, Any potential conflict arising from D.A. Davidson effecting or otherwise assisting such other clients in connection with such transactions is mitigated by means of such activities being engaged in on customary terms through units of the D.A. Davidson that operate independently from D.A. Davidson's municipal advisory business, thereby reducing the likelihood that the interests of such other clients would have an impact on the services provided by D.A. Davidson to you under this Agreement.

**Secondary Market Transactions in Client's Securities.** D.A. Davidson, in connection with its sales and trading activities, may take a principal position in securities, including your securities, and therefore D.A. Davidson could have interests in conflict your own with respect to the value of your securities while held in inventory and the levels of mark-up or mark-down that may be available in connection with purchases and sales thereof. In particular, D.A. Davidson or its affiliates may submit orders for and acquire your securities issued in an Issue under the Agreement from members of the underwriting syndicate, either for its own account or for the accounts of its customers. This activity may result in a conflict of interest with you in that it could create the incentive for D.A. Davidson to make recommendations to you that could result in more advantageous pricing of your bond in the marketplace. Any such conflict is mitigated by means of such activities being engaged in on customary terms through units of the D.A. Davidson that operate independently from D.A. Davidson's municipal advisory business, thereby reducing the likelihood that such investment activities would have an impact on the services provided by D.A. Davidson to you under this Agreement.

**Other Conflicts of Interest.** A member of the D.A. Davidson financing team assigned to this engagement is a board member of the state of Oregon's Infrastructure Finance Authority (IFA), part of Business Oregon. The IFA board is authorized to approve State-funded loan and grant programs to individual municipal entities and establish policies and procedures for administering such loan and grant programs. From time to time a board member may be asked to approve or disapprove an IFA funding or financing request for which Client has filed an application. This presents a potential conflict of interest if the IFA financing could replace more expensive financing for which the D.A. Davidson employee is serving as a municipal advisor. A potential conflict of interest could also exist if a board member recommended policies and procedures that created an advantage for D.A. Davidson municipal securities businesses. In addition to the general mitigations described above, this potential conflict is mitigated by internal policies and procedures that require a D.A. Davidson employee serving as an IFA board member to recuse him or herself from approvals of IFA financing as long as an engagement with Client is outstanding or pending.

\* \* \* \* \*

## **PART B – Disclosures of Information Regarding Legal Events and Disciplinary History**

MSRB Rule G-42 requires that municipal advisors provide to their clients certain disclosures of legal or disciplinary events material to its client's evaluation of the municipal advisor or the integrity of the municipal advisor's management or advisory personnel. Accordingly, D.A. Davidson sets out below required disclosures and related information in connection with such disclosures.

- (i) D.A. Davidson discloses the following legal or disciplinary events that may be material to your evaluation of D.A. Davidson or the integrity of D.A. Davidson's management or advisory personnel:

A regulatory action disclosure filed on Form MA-I relates to the Securities and Exchange Commission's Order dated February 2, 2016 (SEC Admin Releases 33-10019; 34-77021) (the

“MCDC Order”). The SEC MCDC Order was issued under the Division of Enforcement's Municipalities Continuing Disclosure Cooperation Initiative, and the violations referred to therein were self-reported by D.A. Davidson. Pursuant to the MCDC Order, the SEC deemed it appropriate and in the public interest that public administrative and cease-and-desist proceedings be instituted against D.A. Davidson arising for willfully violating Section 17(a)(2) of the Securities Act (an antifraud provision of the federal securities laws) in connection with Municipal Advisor's underwriting of certain municipal securities offerings. The MCDC Order alleged that we (a) conducted inadequate due diligence in certain municipal securities offerings, (b) failed to form a reasonable basis for believing the truthfulness of certain material representations in official statements regarding compliance by issuers with their continuing disclosure undertakings, and (c) as a result, we offered and sold municipal securities on the basis of materially misleading disclosure documents. In connection with the MCDC order, we paid a \$500,000 fine to the SEC. The MCDC Order is available at the SEC's website <https://www.sec.gov/litigation/admin/2016/33-10019.pdf>.

(ii) How to Access Form MA and Form MA-I Filings. D. A. Davidson's most recent Form MA and each most recent Form MA-I filed with the SEC are available on the SEC's EDGAR system at <http://www.sec.gov/cgi-bin/browse-edgar?action=getcompany&CIK=0000027182>. The SEC permits certain items of information required on Form MA or MA-I to be provided by reference to such required information already filed by D. A. Davidson in its capacity as a broker-dealer on Form BD or Form U4 or as an investment adviser on Form ADV, as applicable. Information provided by D. A. Davidson on Form BD or Form U4 is publicly accessible through reports generated by BrokerCheck at <http://brokercheck.finra.org>, and D. A. Davidson's most recent Form ADV is publicly accessible at the Investment Adviser Public Disclosure website at <http://www.adviserinfo.sec.gov>. For purposes of accessing such BrokerCheck reports or Form ADV, D. A. Davidson's CRD number is 199.

(iii) The date of the last material change to a legal or disciplinary event disclosure on any Form MA or Form MA-I filed by D. A. Davidson with the SEC is February 2, 2016, which change consists of the MCDC Order described above.

\* \* \* \* \*

### **PART C – Future Supplemental Disclosures**

As required by MSRB Rule G-42, this Disclosure Statement may be supplemented or amended, from time to time as needed, to reflect changed circumstances resulting in new conflicts of interest or changes in the conflicts of interest described above, or to provide updated information with regard to any legal or disciplinary events of D.A. Davidson. D.A. Davidson will provide you with any such supplement or amendment as it becomes available throughout the term of the Agreement.

Dated: July 25, 2023

July 25, 2023

## D.A. Davidson & Co., Fixed Income Capital Markets – Oregon Public Finance Team

D.A. Davidson & Co. is a registered broker-dealer, investment adviser, and municipal advisor registered with the Securities and Exchange Commission (SEC) and is a member of the Financial Industry Regulatory Authority (FINRA) as a wholly-owned subsidiary of D.A. Davidson Companies, headquartered in Great Falls, Montana. Our Portland-based Oregon Public Finance team is active as either a municipal advisor, underwriter or bank placement agent in assisting communities of all shapes and sizes with bond planning and issuance.

D.A. Davidson is an MSRB-registered Municipal Advisor, as are the professionals assigned to this proposed engagement, as described below. As Registered Municipal Advisor Representatives (Series 50), we have a deep understanding of our fiduciary duties of loyalty and care as a Municipal Advisor as described in MSRB Rule G-42, as well as our ongoing regulatory and compliance obligations. We view our municipal advisory role as serving as “on-demand” extended members of the City’s team, fully committed to the City’s objectives and priorities.

Our involvement in the local and national discussion around policies and regulations affecting municipal issuers provide the ability to alert our clients to developing issues in the municipal market throughout the planning and implementation process to help our clients to prepare for any impact on their operations or financings.

Listed below are a few highlights that speak to the unique level of expertise of our Oregon Public Finance team and our commitment to Oregon communities:

- **Experienced Local Team:** We bring a unique blend of experience, having worked with Oregon local governments as public officials, placement agents, investment bankers and municipal advisors.
- **Resources of a Top-Ranked National Firm:** Despite our smaller size relative to the largest public finance services firms, D.A. Davidson consistently ranks highly in terms of number of transactions completed. This volume of transactions – in either a municipal advisory or underwriting capacity – ensures that we have multi-faceted expertise and experience, including up-to-the-minute municipal bond market intelligence.
- **Collaborative Approach:** D.A. Davidson’s approach is a collaborative one – unique among our peers – with two Oregon-based senior professionals assigned to the municipal advisory engagement with the City. D.A. Davidson’s dual coverage model ensures that at least one professional is available to the City at all times in support of timely and comprehensive service.

## Key Professionals

Jonas Biery will provide primary day-to-day contact for the City, sharing responsibility with Matt Donahue for work performed for the City under the proposed municipal advisory engagement. Brief biographies for Jonas and Matt are provided below.

Jonas and Matt can also draw upon the extensive resources and expertise among D.A. Davidson staff nationwide, including our municipal bond underwriters and salespeople who are active in the municipal market on a daily basis, to ensure the best information is available to the City.

### Jonas Biery | Vice President, Public Finance Banker / Primary Day-to-Day Contact

Jonas Biery joined D.A. Davidson in 2020 to add capacity to the Oregon Public Finance team. In addition to serving clients in Oregon and Idaho, Jonas co-leads D.A. Davidson’s National Utility Team. From 2002-2007, Jonas worked as an independent municipal advisor to local governments in Oregon, Washington and Idaho, and subsequently for a

broker-dealer firm as a municipal advisor and investment banker from 2007-2010. Beginning in January 2011, Jonas managed the City of Portland's debt program, with responsibility for planning, issuance and management of the City's \$3.5B+ debt portfolio. From September 2015 to September 2020, Jonas managed the finance, budget and business services of the City of Portland Bureau of Environmental Services, the largest sewer/stormwater utility in the State of Oregon. Jonas has experience as an issuer, banker or advisor on over 200 financing transactions of various sizes, structures and security. From 2013-2019, Jonas served on the GFOA's Committee on Governmental Debt Management, serving as Chair of that committee from 2016-2018. He is currently a Board Member of the State of Oregon's Infrastructure Finance Authority and a Board Member of the Northwest Environmental Business Council.

Jonas graduated from Portland State University with a BA and an MBA. He currently holds Series 63, Series 50 and Series 52 (Municipal Securities Representative) designations. He has lived in the Pacific Northwest for his entire life, growing up in Oregon's mid-Willamette Valley, and currently lives in Washington County, Oregon.

### **Matt Donahue | Managing Director, Public Finance Banker**

Matt Donahue is an investment banker, municipal advisor and placement agent to local governments in Oregon and throughout the Pacific Northwest. Matt started his career in public finance as a debt manager for the State of New Jersey Treasury. Since moving back to Oregon in 2010, Matt has worked as the lead on over 200 bond transactions with local governments of all shapes and sizes including state agencies, school districts, cities, counties, community colleges, and special districts. He is currently a Commissioner for the Multnomah County Tax Supervising and Conservation Commission (TSCC).

Matt graduated from Harvard College cum laude with a Bachelor of Arts in Afro-American Studies. He also holds an MBA with a focus in finance from the Yale University School of Management. He currently holds Series 7, Series 63, Series 50 and Series 53 (Municipal Securities Principal) designations. Matt lives in Portland, Oregon and plays drums in a band.

## **Summary of Recent Oregon Public Finance Experience**

Included below is a list of currently active municipal advisory engagements of our Oregon Public Finance team. The following page includes a two-year history of all financing transactions on which we have served as advisor (highlighted), lead banker/underwriter, co-manager or placement agent. These lists reflect the range of clients that we serve and the broad scope of public finance services that we provide.

### **Oregon Municipal Advisory clients currently under active engagement:**

City of Happy Valley	Urban renewal projects and future borrowings
City of Cannon Beach	General municipal advisory
City of West Linn	General municipal advisory
City of Portland	General municipal advisory
Benton County	General municipal advisory
Clackamas Community College	Election planning and GO Bonds
Reynolds School District #7	Election planning and GO Bonds

*[continued on next page]*

Recent Oregon Public Finance Experience:

Issuer	Issue Description	Par Amount	Sale Date	Role
Umatilla Hospital District No 1	Full Faith & Credit Obligations	7,765,000	7/12/2023	Lead Banker
State of Oregon DEQ	General Obligation Bond	4,595,000	6/15/2023	Placement Agent
Benton County	Full Faith & Credit Obligations	36,000,000	6/15/2023	Financial Advisor
Corbett Fire District #14	General Obligation Bonds	4,500,000	6/8/2023	Lead Banker
State of Oregon	Highway User Tax Revenue Bonds	215,090,000	5/24/2023	Co-Manager
Umatilla School District #6R	General Obligation Bonds (Deferred Interest)	31,074,758	5/10/2023	Lead Banker
Umatilla School District #6R	General Obligation Bonds (Current Interest)	14,125,000	5/10/2023	Lead Banker
State of Oregon	General Obligation Bonds	138,880,000	5/2/2023	Co-Manager
City of Portland	Sewer Revenue and Refunding Bonds	426,670,000	5/3/2023	Financial Advisor
City of Hillsboro	Full Faith and Credit Bonds (Taxable)	12,500,000	4/6/2023	Lead Banker
State of Oregon	General Obligation Bonds	989,045,000	3/15/2023	Co-Manager
City of West Linn	Full Faith and Credit Obligations	11,470,000	2/8/2023	Financial Advisor
City of Happy Valley	Full Faith and Credit Obligations	14,575,000	2/1/2023	Financial Advisor
City of Portland	Non-Revolving Credit Facility (Sewer System)	110,000,000	12/16/2022	Financial Advisor
State of Oregon	Highway User Tax Revenue Bonds	214,035,000	12/6/2022	Co-Manager
ACE Charter Schools (OFA)	Charter School Revenue Bonds	3,900,000	11/16/2022	Lead Banker
ACE Charter Schools (OFA)	Charter School Revenue Bonds (Taxable)	320,000	11/16/2022	Lead Banker
City of Redmond	General Obligation Bonds	34,265,000	8/3/2022	Lead Banker
City of Jerome Urban Renewal Agency	Revenue Allocation (Area 3 Tax Increment) Bonds	3,755,000	7/26/2022	Lead Banker
City of Jerome Urban Renewal Agency	Revenue Allocation (Area 5 Tax Increment) Bonds	4,410,000	7/26/2022	Lead Banker
City of Portland	Limited Tax Revenue Bonds	28,075,000	7/20/2022	Financial Advisor
City of Portland	Tax Anticipation Note	28,000,000	7/6/2022	Financial Advisor
Clackamas Community College	General Obligation Refunding Bond (Taxable)	8,004,769	6/23/2022	Financial Advisor
Reynolds School District	General Obligation Refunding Bonds (Taxable)	3,956,953	6/10/2022	Financial Advisor
State of Oregon	General Obligation Bonds	242,635,000	5/10/2022	Co-Manager
State of Oregon	General Obligation Bonds	175,745,000	5/10/2022	Co-Manager
Lake Oswego School District #7	General Obligation Bonds	152,715,000	3/30/2022	Co-Manager
City of Cannon Beach	Full Faith & Credit Obligation Bonds	6,840,000	3/18/2022	Financial Advisor
Prosper Portland	Fiscal Sustainability Plan 2.0	n/a	3/16/2022	Financial Advisor
Crook County	General Obligation Bonds (Convertible CABs)	43,805,000	1/25/2022	Lead Banker
City of Portland	Limited Tax Improvement Bonds	9,505,000	1/12/2022	Co-Manager
City of Phoenix	Full Faith & Credit Financing Agreement	1,236,000	12/17/2021	Financial Advisor
City of Gresham	Water Revenue Bonds	41,455,000	12/15/2021	Co-Manager
State of Oregon	General Obligation Bonds	129,295,000	10/28/2021	Co-Manager
City of Madras	Full Faith and Credit Refunding Bonds	2,805,000	10/12/2021	Lead Banker
City of Madras	Full Faith and Credit Refunding Bonds (Taxable)	10,390,000	10/12/2021	Lead Banker
City of St. Helens	Full Faith and Credit Obligations	12,685,000	9/14/2021	Lead Banker
City of Monmouth	General Obligation Bonds	2,680,000	8/24/2021	Lead Banker
City of Veneta	Full Faith and Credit Refunding Obligations	2,830,000	8/5/2021	Lead Banker
City of Gearhart	General Obligation Refunding Bonds	2,215,000	8/3/2021	Lead Banker

July 21, 2023

Steve Dahl, *City Administrator*  
City of Dundee  
PO Box 220  
620 SW 5<sup>th</sup> Street  
Dundee, Oregon 97115

RE: Financial Advisory Services

Dear Mr. Dahl:

On behalf of PFM Financial Advisors LLC (“PFM”), we are pleased to present our qualifications to provide financial advisory services to the City of Dundee (the “City”). With eight public finance professionals and support staff serving the Northwest from Portland and Seattle, and over 340<sup>1</sup> employees nationwide, we believe PFM has resources and expertise on par with the largest investment banks, combined with the independence of a firm focused solely on the advisory needs of our clients.

The following attributes help to distinguish PFM from other financial advisory firms:

- **The Nation’s Leading Financial Advisor.** For 28 years, PFM has been the #1 financial advisory firm in the United States in terms overall par amount of transactions.<sup>2</sup> In 2022, we served as advisor on more transactions for a larger total par amount than the leading investment banks (in their capacity as senior managing underwriters).<sup>3</sup>
- **Our Local Experience.** Our team serves nearly 100 financial advisory clients in the Pacific Northwest, including over 30 clients in Oregon.<sup>1</sup> This includes 17 cities currently under contract in Oregon, many of which also have active urban renewal agencies. Each year since 2001, PFM has been ranked as the #1 financial advisor in Oregon in terms of overall par amount.<sup>2</sup>
- **Our Strong Local Engagement.** PFM is an active member and sponsor of numerous local municipal finance organizations, including the Oregon Government Finance Officers Association (OGFOA), Oregon Association of School Business Officials (OASBO), Women in Public Finance (Pacific Northwest Chapter), Washington Finance Officers Association (WFOA), and Washington Public Treasurers Association (WPTA). Our proposed City team regularly speaks at annual conferences for these organizations; we also provide additional CPE-accredited trainings to clients on a regular basis. (Our next training, a one-day seminar in Portland, will take place Friday, August 18<sup>th</sup>.)

<sup>1</sup> Source: PFM internal records as of June 30, 2023.

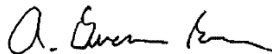
<sup>2</sup> Source: Ipreo as of December 31, 2022.

<sup>3</sup> Source: Refinitiv as of December 31, 2022.

- ◆ **Our Independence.** As a municipal advisor registered with both the Securities and Exchange Commission (SEC) and Municipal Securities Rulemaking Board (MSRB), PFM provides independent financial advice, always putting your interests first and serving in a fiduciary capacity. Unlike broker-dealers that also provide advisory services, PFM's sole role is as a trusted advisor – we do not have to “switch hats” between investment banking and financial advisory roles.
- ◆ **Our Extensive Resources.** Unique among independent financial advisors, PFM's financial advisory practice includes specialty groups focused on bond pricing, government relations, rating agency research, and quantitative model development.

We appreciate the City's consideration of our qualifications and would be happy to answer any questions.

Sincerely,



**Duncan Brown**  
*Director*  
503.837.8445  
brownd@pfm.com

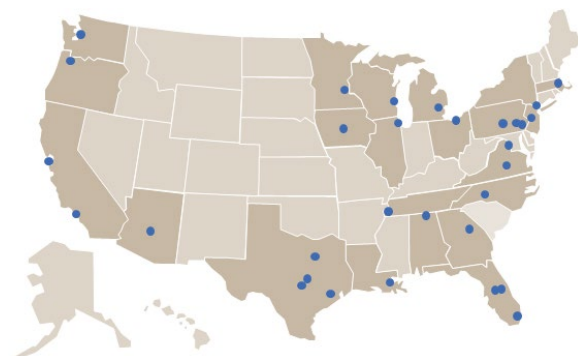


**Thomas Toepfer**  
*Managing Director*  
206.858.5360  
toepfert@pfm.com

## Firm Information

### Overview of PFM

PFM's original practice was founded in 1975<sup>4</sup> with the objective of providing sound independent and fiduciary financial advice to governmental and not-for-profit entities. With over 340 employees in 31 locations throughout the United States, PFM continues to be the nation's leading provider of independent financial advisory services to public agencies and not-for-profit organizations.<sup>5</sup> PFM's financial advisory services to municipalities and not-for-profit organizations in the Pacific Northwest are provided primarily from our offices in Portland and Seattle.



PFM and its affiliates (described below) are indirect wholly owned subsidiaries of a holding company known as PFM II, LLC. This holding company is 100% owned by its 52 Managing Directors, who set the firm's strategic direction.

- **PFM Financial Advisors LLC** advises on debt management and portfolio optimization, transaction structuring and execution, capital and financial planning, credit analysis, and policy development, among other services. *Financial advisory services to the City will be provided by PFM Financial Advisors LLC.*

PFM Financial Advisors LLC is a registered municipal advisor with the SEC and MSRB. As such, we have a fiduciary responsibility to our clients: we provide advice in their best interest. Our work is distinct from that of an underwriting firm, which represents its own interests and those of its bond investor customers. During a bond transaction, we sit on the same "side of the table" as our clients, helping negotiate terms and providing advice to further their interests.

Services provided by PFM affiliates are offered pursuant to separate agreements with each affiliate. *No PFM affiliate is a broker dealer.*

- **PFM Swap Advisors LLC ("PFMSA")** advises clients on obtaining interest rate swaps, caps, and collars to help manage exposure to interest rates. PFMSA is registered as a municipal advisor with both the MSRB and SEC under the Dodd-Frank Act of 2010, and as a commodity trading advisor with the Commodity Futures Trading Commission.
- **PFM Group Consulting LLC's Management and Budget Consulting practice ("MBC")** provides a broad range of services, including multi-year financial planning, consolidating and shared-services analysis, operational and program analysis, revenue maximization, fleet management, workforce analysis, and pension and other post-employment benefits (OPEB) review and strategies.
- **PFM Solutions LLC** offers Synario®, a flexible financial modeling platform designed to produce dynamic, multi-year financial projections to facilitate strategic planning for various industry sectors.

<sup>4</sup> Public Financial Management, Inc. (PFM, Inc.), former affiliate, was founded in 1975 on the principle of providing sound independent and fiduciary advice to public entities, and as of June 1, 2016, the registered municipal advisory services historically offered through PFM, Inc. are now offered through PFM Financial Advisors LLC ("PFMFA").

<sup>5</sup> Sources: PFM internal records as of June 30, 2023; Ipreo as of December 31, 2022.

## **PFM's Pacific Northwest Practice**

The team serving the City will be led by **Duncan Brown**, *Director*, in PFM's Portland office. Duncan leads the firm's local government practice in Oregon and serves local government and special district clients throughout Oregon and Washington. Duncan will be the primary day-to-day contact for the City and will be responsible for coordinating the efforts of other members of the assigned team.

**Maggie Marshall**, *Senior Managing Consultant*, will provide senior support to our work with the City. Maggie works with a variety of local governments and other special districts in Oregon and throughout the Pacific Northwest. Duncan and Maggie's résumés can be found at the end of this section.

**Thomas Toepfer**, *Managing Director*, leads our Northwest financial advisory practice and is authorized to bind the firm contractually. Other members of PFM's Northwest team may be called upon as needed to serve the City, including **Fred Eoff**, *Director*, and **Matt Schoenfeld**, *Senior Managing Consultant*. **Ben Kelly** and **Elli Halperin**, *Analysts*, will provide analytical and bond sizing services in support of the engagement with the City. **Andi Beebe**, *Senior Associate*, will provide support with respect to contracts, billing, and compliance with legal and regulatory matters. Thomas, Duncan, Fred, Maggie, Matt, Ben, and Elli are Municipal Advisor Representatives (Series 50). Thomas is also a Municipal Advisor Principal (Series 54). (Résumés senior members of the Northwest practice can be found in Exhibit A.)

In addition, PFM's local team members may call upon specialized support groups if necessary to best serve the City's needs. This includes our Pricing Group, Quantitative Strategies Group, and Research Group. Responsibility for coordinating these efforts will rest with PFM's local project management team (i.e., Duncan and Maggie).

- PFM's in-house bond **Pricing Group** may join the core finance team to support a bond sale (particularly a negotiated public offering). We believe our Pricing Group is involved in more bond pricings annually than most major investment banking firms and as such is very much in tune with current market conditions and investor expectations. To the best of our knowledge, PFM is the only independent advisory firm with a dedicated team with access to all the same information and resources as the largest investment banks.
- PFM also has a **Quantitative Strategies Group (QSG)** whose mission is to develop proactive strategies and tools for all of PFM's clients and services. The QSG administers the firm's extensive three-month municipal finance training program for new and lateral hires; it also hosts what we believe is a popular and highly rated Client Training program. These trainings - available only to clients - became a series of virtual webinars in 2020 because of the pandemic, allowing clients to select topics à la carte and earn CPE credit.
- Lastly, we have a dedicated **Research Group** with access to various subscription services such as Thomson Reuters Municipal Market Monitor and Bloomberg Terminal. We also have access to all rating reports for entities and sector reports from Moody's Investors Service, S&P Global Ratings, Fitch Ratings, and Kroll Ratings which discuss trends and rating criteria for the City's bonds. Additionally, PFM subscribes to Moody's Financial Ratio Analysis (MFRA), providing us with substantial detail on all Moody's-rated credits and sectors, including those relevant to the City.

## *Résumés of Key Personnel*

### **Duncan Brown, Director**



Duncan started his career at PFM in 2006 and is based in PFM's Portland office. He advises clients on debt transactions under many different structures and security types, including voted and non-voted general obligation bonds, full faith & credit obligations, port revenue bonds, essential service utility revenue bonds, sales and special tax bonds, 501(c)(3) conduit transactions, tax increment/urban renewal financings, and special assessment bonds. Additionally, his experience includes non-transactional projects such as levy analysis, funding studies, credit ratio analysis, and capital planning. He has worked with a wide range of clients in Oregon, Washington, and Idaho, including cities, counties, port districts, school districts, hospital districts, other special districts, and not-for-profit institutions. He leads the majority of PFM's engagements with Oregon local governments and special districts. A Northwest native, Duncan graduated with a B.A. in Politics from Pomona College in Claremont, California. He is a regular speaker at industry conferences and a Municipal Advisor Representative (Series 50).

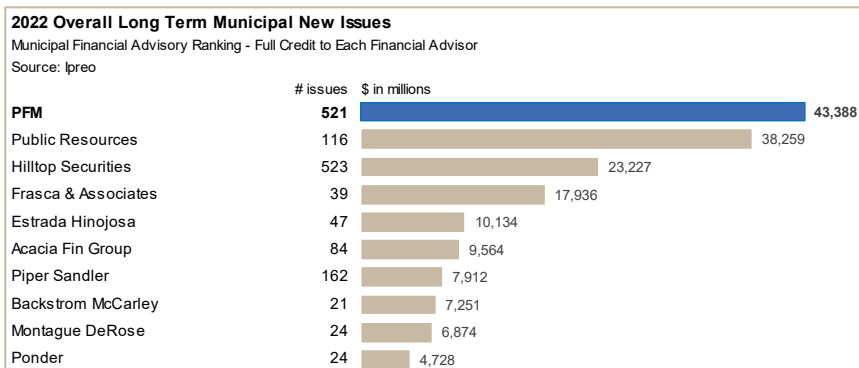
### **Maggie Marshall, Senior Managing Consultant**

Maggie joined PFM's Seattle office in 2018, after spending two years on the debt management team at the Washington State Treasurer's Office. She primarily provides and coordinates technical and quantitative support to a variety of clients throughout Oregon, Washington and Nevada, including cities, counties, state agencies, and special districts. Her areas of focus include debt capacity analysis, cash flow modeling, and the structuring, sizing, and pricing of new money and refunding municipal bond transactions. Maggie participates as an active member of Women in Public Finance, Oregon Government Finance Officers Association, and the Washington Finance Officers Association, and regularly has speaking engagements at their conferences. Maggie holds an M.P.A. from the University of Washington's Evans School of Public Policy and Governance, and a B.S. in Business Administration from the University of Colorado. She is a registered Municipal Advisor Representative (Series 50).

## Relevant Experience

### *Municipal Debt Experience*

Over our 48-year history,<sup>5</sup> PFM has built a leading presence in the municipal marketplace. Nationwide, we have been the number-one ranked financial advisor – both in number of transactions and total par (principal) amount – every year since 1995.<sup>2</sup> In 2022, the firm advised on more than 500 bond issues for more than \$43.3 billion in volume.

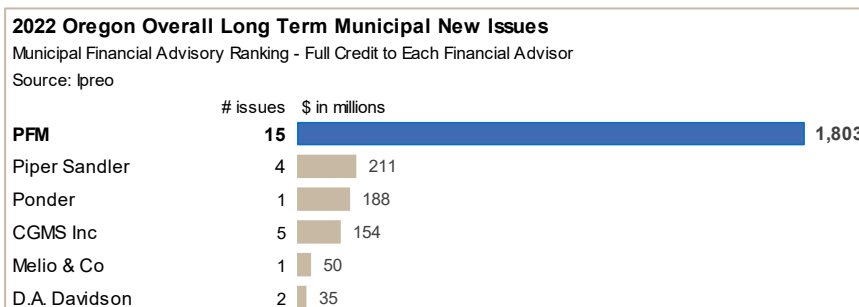


### *Oregon Experience*

PFM’s proposed project team has experience working with Oregon local governments, special districts, healthcare providers, higher education institutions, K-12 school districts, and more in implementing debt transactions for a wide variety of projects, spanning an equally wide variety of issuers and plans of finance. PFM’s Portland and Seattle offices are combined for organizational purposes and serve as our unified “Northwest practice,” jointly providing advisory services to clients throughout the region.

PFM’s Northwest practice currently has over 30 active clients under contract within Oregon.<sup>6</sup> Our Northwest team serves a wide variety of client types and sizes – from small water/sewer and hospital districts, to mid-size cities, to the City of Portland. This comprehensive experience has led to a thorough understanding of Oregon debt issuance statutes, property tax mechanics, and relevant administrative rules.

Together with its predecessor firms, PFM has consistently been the number-one ranked financial advisor to Oregon issuers since 2001, both in total bond volume and number of transactions. As seen in the associated chart to the right, in 2022 PFM advised on 15 transactions for \$1.8 billion in total par amount (principal).<sup>7</sup> (A detailed list of transactions is available upon request.)



In addition to transactional work, PFM frequently advises our clients on other matters related to financial planning and debt management. This work includes local option levy analysis, credit analysis, and policy development.

<sup>6</sup> Source: PFM internal records as of June 30, 2023.

<sup>7</sup> Source: Ipreo as of December 31, 2022.

PFM's roots in Oregon public finance date back to the 1990s. Our Portland office was re-established in 2012, and we gained additional experience and expertise with the acquisition of Western Financial Group (a longstanding, Portland-based, independent financial advisory firm) in 2016.

PFM's local government practice in Oregon is led by Duncan Brown. He began working with Oregon local governments in 2008 and serves as project manager for each of the cities listed in the table below. Duncan also works with various special districts including water and wastewater treatment providers such as the Tualatin Valley Water District, Clean Water Services, and the Medford Water Commission. PFM advised the Tualatin Valley Water District on one of the first loans in Oregon under the federal Water Infrastructure Finance and Innovation Act (WIFIA); we subsequently advised on WIFIA loans for water utilities operated by the cities of Beaverton and Portland and the Medford Water Commission, and we are currently working with the City of Ashland on finalizing its WIFIA application.

Other members of PFM's Northwest team, as well as other PFM offices, provide services to Oregon clients as varied as Oregon State University, the University of Oregon, the State of Oregon – Debt Management Division, and the Port of Portland (Portland International Airport). PFM's consistency as the number-one ranked financial advisor to Oregon issuers since 2001 is illustrated in the graphic to the right.

PFM is an active sponsor and member of the Oregon Government Finance Officers Association (OGFOA), and members of our Northwest team are regular speakers at their semiannual conferences. PFM has historically hosted an annual one-day client seminar in Portland to discuss relevant public finance topics and market trends in the region and nationally, offering CPE credit to attendees. We are currently planning 2023's event, scheduled to be in-person in Portland Friday, August 18<sup>th</sup>.

References for any client described herein are available upon request.

**PFM's First Place Ranking  
Oregon Overall Long Term  
2001 - 2020**

	Par Amount (millions)	# of Transactions
2020	2,396	21
2019	2,594	27
2018	762	11
2017	2,047	14
2016	2,215	25
2015	1,221	24
2014	1,097	14
2013	1,168	14
2012	930	19
2011	1,111	24
2010	2,068	24
2009	1,811	20
2008	956	15
2007	2,213	29
2006	804	17
2005	548	23
2004	1,429	18
2003	2,472	16
2002	736	18
2001	586	17

Source: Ipreo

### *Oregon City Experience*

The following table describes our experience with Oregon cities since 2017:

City	Experience	PFM Team Members
<b>Ashland</b>	<ul style="list-style-type: none"> <li>WIFIA loan for new water treatment plant (<i>in progress</i>)</li> </ul>	Duncan Brown, Maggie Marshall
<b>Beaverton</b>	<ul style="list-style-type: none"> <li>Assistance with updates to fund balance and debt policies (2017-19)</li> <li>General obligation bonds for new public safety facility (2017)</li> <li>Line of credit for urban renewal agency (2017)</li> <li>Water system revenue bonds (2018, 2020, 2022)</li> <li>Special revenue bonds to finance construction of Patricia Reser Center for the Arts and various urban renewal projects (2020)</li> <li>WIFIA loan for Water Supply Improvement Program (various new interties, AMI, and ASR improvements) (2021)</li> </ul>	Duncan Brown, Maggie Marshall
<b>Bend</b>	<ul style="list-style-type: none"> <li>Water revenue bonds for new water treatment plant (2016)</li> <li>Sewer revenue bonds (2020)</li> <li>Full faith and credit bonds for various purposes, including transportation and urban renewal (2018, 2020, 2021, 2022, 2023)</li> <li>General obligation bonds for transportation projects (2022)</li> </ul>	Duncan Brown, Maggie Marshall, Ben Kelly
<b>Central Point</b>	<ul style="list-style-type: none"> <li>Full faith &amp; credit bank loan for new corporate yard (public works facility) (2021)</li> </ul>	Duncan Brown
<b>Coquille</b>	<ul style="list-style-type: none"> <li>Potential financing for new fire station / emergency services building (<i>in progress</i>)</li> </ul>	Duncan Brown
<b>Dallas</b>	<ul style="list-style-type: none"> <li>Full faith &amp; credit bank loan for streetscape improvements and new senior center (2019)</li> </ul>	Duncan Brown
<b>Eugene</b>	<ul style="list-style-type: none"> <li>Replacement of general obligation bank line of credit for transportation projects (2019)</li> <li>Full faith &amp; credit bank loan to finance improvements in Riverfront Urban Renewal District (2020)</li> <li>General obligation bonds for parks and open space projects (2019 and 2023)</li> <li>Advice related to potential airport expansion and concourse improvements (<i>in progress</i>)</li> </ul>	Duncan Brown, Maggie Marshall, Elli Halperin
<b>Forest Grove</b>	<ul style="list-style-type: none"> <li>Modeling and analysis for potential general obligation bond ballot measure(s) (<i>ongoing</i>)</li> </ul>	Duncan Brown
<b>Lafayette</b>	<ul style="list-style-type: none"> <li>General obligation bonds to construct a new fire station (2019)</li> </ul>	Duncan Brown
<b>Lake Oswego</b>	<ul style="list-style-type: none"> <li>Full faith &amp; credit obligations for various purposes, including urban renewal, transportation, and water system projects (2017, 2018, 2019, 2020, 2023)</li> <li>General obligation bonds for parks and open space purposes (2019, 2023)</li> </ul>	Duncan Brown, Matt Schoenfeld, Elli Halperin

City	Experience	PFM Team Members
<b>Lebanon</b>	<ul style="list-style-type: none"> <li>● Full faith &amp; credit bank loan to refinance various outstanding debt (2020)</li> <li>● Ad-hoc analysis regarding debt capacity, credit ratings, and pension obligation bonds (ongoing)</li> </ul>	Duncan Brown
<b>McMinnville</b>	<ul style="list-style-type: none"> <li>● General obligation bonds for transportation projects (2018)</li> <li>● Ad-hoc analysis regarding credit ratings, management of state loans, and potential general obligation bond ballot measures (ongoing)</li> </ul>	Duncan Brown, Maggie Marshall
<b>Portland</b>	<ul style="list-style-type: none"> <li>● Water system revenue bonds (2019, 2021, 2022, and 2023 in progress)</li> <li>● Sewer system revenue bonds (2018 and 2019)</li> <li>● Limited tax revenue bonds and limited tax improvement bonds (2018, 2019, 2021, and 2022)</li> <li>● Tax anticipation notes (2020, 2021, and 2023 in progress)</li> <li>● General obligation bonds (2019, 2020, and 2023 in progress)</li> <li>● Housing revenue bonds (2020)</li> <li>● Urban renewal revenue bonds (2020)</li> <li>● WIFIA loan for Bull Run Water Treatment Plant (2021)</li> </ul>	Duncan Brown, Maggie Marshall, Fred Eoff, Ben Kelly, Elli Halperin
<b>Redmond</b>	<ul style="list-style-type: none"> <li>● Full faith &amp; credit bonds for various airport-related projects (2019)</li> </ul>	Duncan Brown
<b>Sherwood</b>	<ul style="list-style-type: none"> <li>● Full faith &amp; credit bank loan to refinance state loans for water projects (2017)</li> <li>● Ad-hoc analysis regarding early prepayment of urban renewal borrowings (2019)</li> </ul>	Duncan Brown
<b>Springfield</b>	<ul style="list-style-type: none"> <li>● Sewer revenue bonds to refinance outstanding debt (2017, 2020)</li> <li>● Bank loans for Glenwood urban renewal area (2018, 2022)</li> <li>● General obligation bank loan for streets projects (2019)</li> </ul>	Duncan Brown, Maggie Marshall, Ben Kelly
<b>St. Helens</b>	<ul style="list-style-type: none"> <li>● Full faith &amp; credit bonds for new public safety building (2021)</li> </ul>	Duncan Brown
<b>Tigard</b>	<ul style="list-style-type: none"> <li>● Urban renewal financings for Tigard Triangle and Town Center urban renewal areas (2019, 2021)</li> <li>● General obligation bank loan to refinance outstanding debt (2020)</li> <li>● Water system revenue bonds to refinance outstanding debt (2020)</li> <li>● Ad-hoc analysis regarding City Facilities Consolidation plan and related financing needs (2021-2022)</li> </ul>	Duncan Brown, Maggie Marshall
<b>Wilsonville</b>	<ul style="list-style-type: none"> <li>● Full faith &amp; credit bank loan to refinance outstanding sewer system debt (2021)</li> <li>● Full faith &amp; credit bank loans to finance an expansion of the city's water treatment plant and construction of a new public works complex (2022)</li> </ul>	Duncan Brown

### ***Proposed Scope of Services***

We understand that the City is considering several potential projects to be funded by its urban renewal agency, some or all of which may involve debt financing. We also understand that, on a longer-term basis, the City may consider investing in its water utility, potentially including a new or upgraded water treatment plant.

Based on this understanding, we propose the following scope of work to the City:

#### ***Services related to Financial Planning and Policy Development***

- Prepare analyses related to urban renewal forecasts and anticipated capital needs, including debt capacity
- Provide advice with respect to anticipated borrowing needs of the City, including recommendations regarding combining and/or separating future financings
- Prepare educational materials for City staff and/or Council regarding urban renewal and/or bond financing generally
- Act as the City's Independent Registered Municipal Advisor (IRMA) in connection with the Municipal Advisor Rule, and review proposals/analyses provided by underwriters/banks
- Provide general advice with respect to outstanding debt of the City
- Assist the City in the formulation and periodic review of financial and debt management policies and procedures
- Attend meetings with the City's staff, consultants, and other professionals.
- As requested, attend meetings of the City Council and/or assist City staff in the preparation of presentation materials for Council and other public meetings
- Provide other financial advisory services as requested by the City

#### ***Services Related to Debt Transactions***

- Develop, or review, a financing plan in concert with City staff which would include recommendations as to the timing and number of series of bonds to be issued
- Develop alternatives related to the proposed debt transaction , as requested
- If applicable, develop credit rating presentation(s) and coordinate with the City the presentation(s) to credit rating agencies
- Evaluate costs and benefits of bond insurance
- Assist the City by recommending the best method of sale, either as a negotiated public sale, competitive public sale, direct (bank) placement, or a state or federal loan
- For a negotiated sale, review underwriter proposals and provide analysis of same to the City
- For a direct bank placement, review lender proposals and provide analysis of same to the City

- Assist the City in the procurement of other services relating to debt issuance such as electronic dissemination of the Preliminary and final Official Statements, paying agent and registrar, etc.
- Identify key bond covenant features and advise as to the financial consequences of provisions to be included in documents
- Review Preliminary and final Official Statements prepared on behalf of the City for use in marketing any bonds and meeting regulatory requirements, it being specifically understood that PFM is not responsible for the inclusion or omission of any material in published offering documents
- File required notices with the Oregon Municipal Debt Advisory Commission
- As applicable, advise the City on the condition of the bond market at the time of sale, including volume, timing considerations, competing offerings, and general economic considerations
- Assist and advise the City in negotiations with investment banking groups regarding fees, pricing of the bonds and final terms of any security offering, and make recommendations regarding a proposed offering to obtain the most favorable financial terms based on existing market conditions
- For any competitive sale of bonds, prepare (or assist in the preparation of) the official notice of sale, recommend sale parameters, subscribe for CUSIPs, take steps necessary to ensure broad market exposure of the issue, and perform additional steps necessary and customary for competitive bond sales
- Arrange for the closing of the transaction including preparation of closing settlement instructions
- Provide other financial advisory services as necessary to execute the transaction(s)

## Fee Proposal

Our team aims to provide a high level of service at fees that represent a fair value to the City. We believe the proposed fee schedule meets that goal but would be happy to discuss alternatives at the City's request.

For work not directly related to an active debt transaction (i.e., services described under "Financial Planning and Policy Development" above), PFM proposes hourly fees as follows:

Experience Level	Hourly Rate
Managing Director	\$350
Director	\$325
Sr. Managing Consultant	\$300
Sr. Analyst	\$260
Analyst	\$215
Associate ( <i>Administrative</i> )	\$195

Transactional fees are typically paid from proceeds of the bond or loan upon closing of the transaction. For services related to debt transactions, PFM proposes fees as follows:

Transaction Type	Public Bond Sale or Federal Loan	Bank Loan	State Loan
Full faith & credit or general obligation bonds	\$25,000	\$20,000	Hourly rates as described above
Urban renewal revenue bonds	\$40,000	\$25,000	
Water system revenue bonds	\$35,000	\$25,000	
Other revenue bonds	\$40,000	\$25,000	

Hourly fees incurred as part of planning efforts that directly result in a bond transaction may be used to offset the resulting fee associated with the transaction, up to a maximum of \$5,000.

For multiple financings completed under a common financing plan, we may negotiate a reduced fee, depending on the amount of time between financings. For unusually complex financings, we may negotiate an increased fee. For interim financing, we would anticipate a reduced fee, depending on the nature and structure of the financing, and therefore the time involved. Additionally, for any transaction not completed, PFM would be compensated on an hourly basis, at the rates set forth above, which will in no case exceed the transactional fee that would have otherwise applied.

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. Upon request of the City, documentation of such expenses will be provided.

We believe PFM has the resources, experience, and personnel to best serve as the City's financial advisor. We appreciate the opportunity to provide our qualifications and look forward to discussing them with you.

## **Exhibit A – Pacific Northwest Team Résumés**



## Duncan Brown

Director

PFM Financial Advisors LLC

Duncan started his career at PFM in 2006, and is based in PFM's Portland and Seattle offices. He advises clients on debt transactions under many different structures and security types, including voted and non-voted general obligation bonds, full faith & credit obligations, port revenue bonds, essential service utility revenue bonds, sales and special tax bonds, 501(c)(3) conduit transactions, tax increment/urban renewal financings, and special assessment bonds.

Additionally, his experience includes non-transactional projects such as funding studies, credit ratio analysis, and capital planning. He has worked with a wide range of clients in Oregon, Washington, and Idaho, including cities, counties, port districts, school districts, hospital districts, other special districts, and not-for-profit institutions.

Duncan is a regular speaker at industry conferences, including the Washington Finance Officers Association, Oregon Government Finance Officers Association, Washington Public Treasurers Association, and the Washington Public Ports Association. In his spare time, he enjoys craft beer, seafood, running, and exploring the back roads of the greater Northwest. He resides in southeast Portland with his wife and two young children.



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### Contact

Liberty Centre  
650 NE Holladay St.  
Suite 1600  
Portland, OR 97232

brownd@pfm.com  
503.837.8445  
206.858.5367 office  
206.406.9220 cell

### Specialties

Financial Advisory

K-12 Schools, State & Local  
Governments, Environmental  
Utilities

### Education

B.A. in Politics  
Pomona College

### Professional Designations or Licenses

Municipal Advisor  
Representative (Series 50)

**Started with PFM:** 2006

**Started in the Field:** 2006



## Maggie Marshall

Senior Managing Consultant  
PFM Financial Advisors LLC

Maggie is a Senior Managing Consultant and has worked in the Seattle office since 2018, after spending two years on the debt management team at the Washington State Treasurer's Office. She primarily provides and coordinates technical and quantitative support for clients throughout Washington, Oregon and Nevada. Her client base includes cities, counties, environmental utilities, and state agencies.

Her areas of focus include debt capacity analysis, cash flow modeling, and the structuring, sizing, and pricing of new money and refunding municipal bond transactions. Maggie is an active member of Women in Public Finance, Washington Finance Officers Association, Washington Public Treasurers Association, and Oregon Government Finance Officers Association.



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### Contact

Holyoke Building  
107 Spring Street  
Seattle, WA 98104

marshallm@pfm.com  
206.858.5361 office

### Specialties

Financial Advisory

Environmental Utilities,  
Housing Authorities, State &  
Local Governments

### Education

B.S. in Business  
Administration  
University of Colorado at  
Boulder

### M.P.A.

University of Washington  
Evans School of Public Policy  
and Governance

### Professional Designations or Licenses

Municipal Advisor  
Representative (Series 50)

**Started with PFM:** 2018

**Started in the Field:** 2016



## Thomas Toepfer

Managing Director

PFM Financial Advisors LLC

Thomas Toepfer joined PFM in 2009 and provides financial advisory services to private and public universities, as well as cities and counties in the Western United States. Thomas advises his clients on a broad range of capital markets related services such as capital structure evaluation, risk assessment and management, debt capacity analysis, operating pro-forma analysis, rating agency strategy and evaluating public-private partnerships. He advises on negotiated and competitive bond transactions, and direct bank loans for various types of fixed and variable rate debt. He has most recently worked with University of Southern California, Oregon State University, Washington State University, Loyola Marymount University, Seattle Pacific University and Whitworth University.

Thomas also provides financial advisory services to several local government clients on debt issuances for infrastructure projects. Recently, Thomas led our PFM team advising Clark County, NV on the \$750 million public funding portion for the new NFL Raiders stadium in Las Vegas.

Thomas is a graduate of Humboldt-University of Berlin School of Business and Economics, where he earned the German Diplom-Kaufmann (MBA). He also studied abroad at the University of Washington completing several MBA finance courses. He also served as a speaker at finance conferences such as Western Association of College and University Business Officers (WACUBO), the Washington State Association of County Treasurers (WSACT) and the Washington Public Treasurers Association (WPTA).



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### Contact

Holyoke Building  
107 Spring Street  
Seattle, WA 98104

toepfert@pfm.com  
206.858.5360 office

### Specialties

Financial Advisory

Higher Education

### Education

Finance Courses  
University of Washington

German Diplom-Kaufmann  
(MBA)  
Humboldt University of Berlin

### Professional Designations or Licenses

Municipal Advisor  
Representative (Series 50)  
Municipal Advisor Principal  
(Series 54)

**Started with PFM:** 2009

**Started in the Field:** 2009



## Fred Eoff

Director

PFM Financial Advisors LLC

Fred is a director based in Seattle. With more than 40 years of municipal financial advisory and investment banking experience, he serves as project manager for state agency clients, cities, utilities, special purpose districts, and non-profit issuers. Fred is also well-versed in unique project development work. Representative clients include the Alaska Municipal Bond Bank Authority, Alaska Industrial Development and Export Authority, Alaska Railroad Corporation, Washington State Convention Center, Nevada Housing Division, and numerous municipalities.

He provides advisory services for special project development financings, general municipal infrastructure, affordable housing, and water and wastewater utilities. Fred has assisted clients with the development of key enabling legislation and has given testimony and explanatory presentations to state legislative bodies in support of approval.

Fred served as senior advisor with SDM Advisors until PFM acquired SDM in 2013. He spent 13 years as senior vice president with Piper Jaffray & Co. and eight years as a managing director with D.A. Davidson & Co. Fred has been a frequent speaker at regional and national finance conferences.



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### Contact

Holyoke Building  
107 Spring Street  
Seattle, WA 98104

eofff@pfm.com  
206.858.5370 office

### Specialties

Financial Advisory

Housing Authorities

### Education

B.A. in Finance  
University of Washington

MBA in Finance  
Oklahoma City University

### Professional Designations or Licenses

Municipal Advisor  
Representative (Series 50)

**Started with PFM:** 2013

**Started in the Field:** 1975



## Matthew Schoenfeld

Senior Managing Consultant  
PFM Financial Advisors LLC

Matt is a senior managing consultant, joining PFM's Seattle office in 2022 after spending the past five years at the Washington State Treasurer's Office debt management team. He most recently managed Washington State's Certificates of Participation (COP) program, where during his tenure he led the issuance of over \$524 million on behalf of State agencies and local governments. He primarily works with states, cities, counties, ports, and higher education clients in Alaska, Nevada, Oregon and Washington. His areas of focus include pooled bond programs, credit and debt capacity analysis, cash flow modeling, and the structuring, sizing, and pricing of new money and refunding municipal bond transactions.

Matt has graduated twice from the University of Washington, where he earned a double B.A. in political science and law, societies and justice, and a M.P.A. with a focus in public financial management. He is an active member of the Alaska Government Finance Officers Association, Washington Finance Officers Association, and the Washington Public Treasurers Association, for which he has had speaking engagements and held various leadership positions.



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### Contact

Holyoke Building  
107 Spring Street  
Seattle, WA 98104

schoenfeldm@pfm.com  
206.858.5365 office

### Specialties

Financial Advisory

Higher Education, State &  
Local Governments

### Education

B.A. Law, Societies and  
Justice; Political Science,  
University of Washington

M.P.A. University of  
Washington, Evans School of  
Public Policy and Governance

### Professional Designations or Licenses

Municipal Advisor  
Representative (Series 50)

**Started with PFM:** 2022

**Started in the Field:** 2017

August 8, 2023

Steve Dahl, City Administrator  
City of Dundee  
PO Box 220  
620 SW 5th Street  
Dundee, Oregon, 97115

Re: Placement Agent Engagement Letter  
Financing for Urban Renewal Projects in 2023-2024 (the "Securities")

Dear Steve:

This letter confirms the agreement (the "Agreement") between Piper Sandler & Co. ("Piper Sandler" or "we" or "us") and the City of Dundee (the "Issuer" or "you") as follows:

1. **Engagement.** The Issuer engages Piper Sandler to act as its exclusive representative to assist you on a best efforts basis in placing the proposed private transaction (the "Transaction") of the above-referenced Securities. You acknowledge and agree that Piper Sandler's engagement hereunder is not an agreement by Piper Sandler or any of its affiliates to underwrite, place or purchase the Securities or otherwise provide any financing to you. We may decline to participate in the Transaction if we reasonably determine that the Transaction has become impractical or undesirable. We accept this engagement upon the terms and conditions set forth in this agreement.

As currently contemplated, the Transaction will be a placement of the Securities with gross proceeds of approximately \$3,000,000. You may in your discretion postpone, modify, abandon or terminate the Transaction prior to closing. Sale and delivery of the Securities by the Issuer and purchase by the purchasers will occur on the day of closing ("Closing Date").

During the term of our engagement, we will as directed by you and as appropriate to the Transaction, provide the following services:

- (a) consult with you in planning and implementing the Transaction;
  - (b) assist you in reviewing any transaction materials (the "Transaction Materials") we mutually agree are beneficial or necessary to the consummation of the Transaction;
  - (c) assist you in preparing for due diligence conducted by potential investors;
  - (d) identify potential investors and use our reasonable commercial efforts to assist in arranging sales of the Securities to investors;
  - (e) consult with you in structuring the investment; and
  - (f) assist you in negotiating definitive documentation.
2. **Fees and Expenses.** For our services, you agree to pay us a flat fee of \$35,000 payable by wire transfer of immediately available funds at closing. For avoidance of doubt, the fee shall not be payable in the event a closing of the Transaction does not occur.

3. **Representations, Warranties and Agreements of the Issuer.**

You represent and warrant to, and agree with us, that:

- (a) the Securities will be sold by you in compliance with the requirements for exemptions from registration or qualification of, and otherwise in accordance with, all federal and state Securities laws and regulations;
- (b) all financial projections that have or will be made available to Piper Sandler by you or any of your representatives in connection with the Transaction (the "Projections") have been and will be prepared in good faith and will be based upon assumptions believed by you to be reasonable (it being understood that projections by their nature are inherently uncertain and no assurances are being given that the results reflected in the Projections will be achieved);
- (c) you will make available to us and each purchaser such documents and other information which we and each purchaser reasonably deem (the "Transaction Materials") appropriate and will provide access to your officers, directors, employees, accountants, counsel and other representatives and will provide each purchaser and us opportunities to ask questions and receive answers from these persons; it being understood that we and each purchaser will rely solely upon such information supplied by you and your representatives without assuming any responsibility for independent investigation or verification thereof;
- (d) you agree to be responsible for the accuracy and completeness of any Transaction Materials to the extent of federal securities laws applicable to the Transaction. You agree to notify us promptly of any material adverse changes, or development that may lead to any material adverse change, in your business, properties, operations, financial condition or prospects and concerning any statement contained in any Transaction Material, or in any other information provided to us, which is not accurate or which is incomplete or misleading in any material respect;
- (e) On the Closing Date, you will deliver or cause to be delivered to the Placement Agent:
  - (1.) The Opinion of Bond Counsel to the Issuer, dated the Closing Date relating to:
    - (i) the validity of the Securities;
    - (ii) exemption from registration and qualification under federal and state securities law; and
    - (iii) the tax-exempt status of the Securities, together with a reliance letter from such counsel, dated the Closing Date and addressed to us and in a form acceptable to us.

4. **Other Matters Relating to Our Engagement.** You acknowledge that you have retained us solely to provide the services to you as set forth in this agreement. As placement agent, Piper Sandler may provide advice concerning the structure, timing, terms, and other similar matters concerning the Transaction. You acknowledge and agree that: (i) the primary role of Piper Sandler as a placement agent, is to place securities to investors in an arms-length commercial transaction and that Piper Sandler has financial and other interests that differ from your interests (ii) Piper Sandler is not acting as a municipal advisor, financial advisor or fiduciary to you or any other person or entity and has not assumed any advisory or fiduciary responsibility to you with respect to the transaction contemplated herein and the discussions, undertakings and proceedings leading thereto (irrespective of whether Piper Sandler has provided other services or is currently providing other services to you on other matters) (iii) the only obligations Piper Sandler has to you with


respect to the transaction contemplated hereby expressly are set forth in this agreement and (iv) you have consulted your own legal, accounting, tax, financial and other advisors, as applicable, to the extent deemed appropriate in connection with the transaction contemplated herein.

5. **Disclosure.** Attached to this letter are regulatory disclosures required by the Securities and Exchange Commission and the Municipal Securities Rulemaking Board to be made by us at this time because of this engagement. We may be required to send you additional disclosures regarding the material financial characteristics and risks of such transaction or describing those conflicts. At that time, we also will seek your acknowledgement of receipt of any such additional disclosures. It is our understanding that you have the authority to bind the Issuer by contract with us, and that you are not a party to any conflict of interest relating to the Securities. If our understanding is incorrect, please notify the undersigned immediately.
6. **Termination.** You or we may terminate our engagement under this agreement, with or without cause, upon ten days' written notice to the other party. The fee, expense reimbursement, your representations, warranties and agreements and miscellaneous provisions of this agreement will survive any termination of our engagement under this agreement.
7. **Section Headings.** Section headings contained herein are for convenience of reference only and are not part of this agreement.
8. **Amendment.** This agreement may be amended only by a written instrument executed by each of the Parties. The terms of this agreement may be waived only by a written instrument executed by the party waiving compliance.
9. **Entire Agreement.** This agreement embodies the entire agreement and understanding between you and us and supersedes all prior agreements and understandings relating to the subject matter of this agreement.
10. **No Assignment.** This agreement has been made by the Issuer and Piper Sandler, and no other person shall acquire or have any right under or by virtue of this agreement.
11. **Governing Law.** This agreement, and all claims or causes of action (whether in contract or tort) that may be based upon, arise out of or relate to this agreement or the negotiation, execution or performance of this agreement, will be governed by and construed in accordance with the laws of New York. You and we hereby waive all right to trial by jury in any action, proceeding, or counterclaim (whether based upon contract, tort or otherwise) in connection with any dispute arising out of this agreement or any matters contemplated by this agreement.
12. **Consent to Jurisdiction; Service of Process.** The parties each hereby (a) submits to the jurisdiction of any state or federal court sitting in the County of New York, State of New York for the resolution of any claim or dispute with respect to or arising out of or relating to this agreement or the relationship between the parties (b) agrees that all claims with respect to such actions or proceedings may be heard and determined in such court, (c) waives the defense of an inconvenient forum, (d) agrees not to commence any action or proceeding relating to this agreement other than in a state or federal court sitting in the County of New York, State of New York and (e) agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 16. Nothing in this agreement will affect the right of any party to this agreement to serve process in any other manner permitted by law.
13. **Effectiveness.** This agreement shall become effective upon its execution by duly authorized officials of all parties hereto and shall be valid and enforceable from and after the time of such execution.

14. **Severability.** In the event any provision of this agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof. You and us will endeavor in good faith negotiations to replace the invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid or unenforceable provisions.
15. **Counterparts.** This agreement may be executed in several counterparts (including counterparts exchanged by email in PDF format), each of which shall be an original and all of which shall constitute but one and the same instrument.
16. **Notices.** Any notice required or permitted to be given under this agreement shall be given in writing and shall be effective from the date sent by registered or certified mail, by hand, facsimile or overnight courier to the addresses set forth on the first page of this agreement with a copy sent to the General Counsel of such Party.
17. THE PARTIES HEREBY IRREVOCABLY WAIVE ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT.

Please confirm that the foregoing correctly and completely sets forth our understanding by signing and returning to us the enclosed duplicate of this engagement agreement.

Sincerely,



\_\_\_\_\_  
Lauren MacMillan, Piper Sandler  
Piper Sandler & Co.

Acknowledgement and Approval of Engagement  
and Receipt of Appendix A Disclosures

\_\_\_\_\_  
Steve Dahl, City Administrator  
City of Dundee

Date: \_\_\_\_\_

## Appendix A – G-17 Disclosure

Thank you for engaging Piper Sandler & Co. to serve as your placement agent. We are writing to provide you with certain disclosures relating to the captioned bond issue (Bonds), as required by Municipal Securities Rulemaking Board (MSRB) Rule G-17 as set forth in MSRB Notice 2019-20 (Nov. 8, 2019).<sup>1</sup>

Piper Sandler intends to serve as a placement agent respecting the Bonds and not as a financial advisor or municipal advisor to you. As part of our services as a placement agent, we may provide advice concerning the structure, timing, terms, and other similar matters concerning the issuance of the Bonds.

### **Standard Disclosures**

- Disclosures Concerning the Placement Agent Role:
  - MSRB Rule G-17 requires us to deal fairly at all times with both municipal issuers and investors.
  - Our primary role in this transaction is to facilitate the sale and purchase of municipal securities between you and one or more investors for which we will receive compensation.
  - Unlike a municipal advisor, a placement agent does not have a fiduciary duty to the Issuer under the federal securities laws and is, therefore, not required by federal law to act in the best interests of the Issuer without regard to its own financial or other interests.
  - The placement agents have a duty to purchase the Bonds from the Issuer at a fair and reasonable price but must balance that duty with their duty to sell the Bonds to investors at prices that are fair and reasonable.
  - In the event an official statement is prepared, the placement agent will review the official statement for the Bonds in accordance with, and a part of, their respective responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of this transaction.<sup>2</sup>
  
- Disclosures Concerning the Placement Agent's Compensation:
  - The placement agent will be compensated by a fee that was negotiated and entered into in connection with the issuance of the Bonds. Payment or receipt of the placement agent fee will be contingent on the closing of the transaction and the amount of the fee may be based, in whole or in part, on a percentage of the principal amount of the Bonds. While this form of compensation is customary in the municipal securities market, it presents a conflict of interest since the placement agent may have an incentive to recommend to the Issuer a transaction that is unnecessary or to recommend that the size of the transaction be larger than is necessary.

If you or any other Issuer officials have any questions or concerns about these disclosures, please make those questions or concerns known immediately to the undersigned. In addition, you should consult with the Issuer's own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent you deem appropriate.

Please note that nothing in this letter should be viewed as a commitment by the placement agent to purchase or sell all the Bonds and any such commitment will only exist upon the execution of any bond

<sup>1</sup> Revised Interpretive Notice Concerning the Application of MSRB Rule G-17 to Underwriters of Municipal Securities (effective Mar. 31, 2021).

<sup>2</sup> Under federal securities law, an issuer of securities has the primary responsibility for disclosure to investors. The review of the official statement by the underwriters is solely for purposes of satisfying the underwriters' obligations under the federal securities laws and such review should not be construed by an issuer as a guarantee of the accuracy or completeness of the information in the official statement.

purchase agreement or similar agreement and then only in accordance with the terms and conditions thereof.

You have been identified by the Issuer as a primary contact for the Issuer's receipt of these disclosures, and that you are not a party to any disclosed conflict of interest relating to the subject transaction. If our understanding is incorrect, please notify the undersigned immediately. We are required to seek your acknowledgement that you have received this letter. Accordingly, please send me an email to that effect, or sign and return the enclosed copy of this letter to me at the address set forth above. Otherwise, an email read receipt from you or automatic response confirming that our email was opened by you will serve as an acknowledgment that you received these disclosures.

Depending on the structure of the transaction that the Issuer decides to pursue, or if additional actual or potential material conflicts are identified, we may be required to send you additional disclosures regarding the material financial characteristics and risks of such transaction and/or describing those conflicts. At that time, we also will seek your acknowledgement of receipt of any such additional disclosures.