

## FINANCIAL SERVICES AGREEMENT

This Financial Services Agreement, (the Agreement) is entered into on May \_\_\_\_, 2018 by and between City of Hapeville, Georgia (the Client) and Piper Jaffray & Co. (Piper Jaffray or the Financial Services Provider). This Agreement will serve as our mutual agreement with respect to the terms and conditions of our engagement as your financial services provider, effective on the date this Agreement is executed (the Effective Date).

### **I. Scope of Services.**

- (A) **Services to be provided.** Piper Jaffray is engaged by the Client to provide services with respect to the planned issuance of the Client's bonds to be issued from time to time during the term of this Agreement (the Issue(s)).
- (B) **Scope of Services.** The Scope of Services to be provided respecting the Issue(s) may consist of the following, if directed by the Client:
1. Develop and recommend a timeline for a given financing (a Project).
  2. Provide alternative debt retirement schedules including relevant cash flows.
  3. Comment on the value and use of credit ratings or credit enhancement; coordinate the process securing credit rating or credit enhancement.
  4. Propose relevant bond terms appropriate for the type of security being sold.
  5. Review official statement or other offering document disclosure respecting the financing terms of the bonds when applicable.
  6. Upon completion of the official statement by the City, distribute the City's official statement to potential bidders via I-Deal (to national bidders and information repositories) and printed copies (for local banks and other local financial institutions) when applicable.
  7. Assist the City in the City's conduct of the competitive bid process by evaluating and recommending the bids received to the Chairman of the City for consideration when applicable.
  8. Coordinate the closing of the transaction.
  9. Assist the City in selecting professionals (such as a trustee, escrow agent, accountant, feasibility consultant, etc.) to work on the Issue.
  10. Respond to questions from underwriters when necessary.
  11. Work with bond counsel and other transaction participants to prepare and/or review necessary authorizing documentation of the City and other documents necessary to finalize and close the Issue.
  12. Coordinate working group sessions, closing, and delivery of the new Issue and transfer of funds.
  13. Prepare a closing memorandum or transaction summary.
  14. Consult with and/or advise City on actual or potential changes in market place practices, market conditions or other matters that may have an impact on City's outstanding Issue(s).
  15. Advise City 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).
  16. Assist City in responding to inquiries from investors or other market participants in connection with City's outstanding Issue(s).

**For Services Respecting Official Statement.** Piper Jaffray has not assumed responsibility for preparing or certifying as to the accuracy or completeness of any preliminary or final official statement, other than with respect to written information about Piper Jaffray as the municipal advisor if provided by Piper Jaffray in writing for inclusion in such documents.

**II. Limitations on Scope of Services.** In order to clarify the extent of our relationship, Piper Jaffray is required under MSRB Rule G-42<sup>1</sup> to describe any limitations on the scope of the activities to be performed for you. Accordingly, the Scope of Services are subject to the following limitations:

The Scope of Services is limited solely to the services described herein and is subject to limitations set forth within the descriptions of the Scope of Services. Any duties created by this Agreement do not extend beyond the Scope of Services or to any other contract, agreement, relationship, or understanding, if any, of any nature between the Client and the Financial Services Provider.

To assist us in complying with our duties to our regulators, you agree that if we are asked to evaluate the advice or recommendations of third parties, you will provide us written direction to do so.

The Scope of Services does not include tax, legal, accounting or engineering advice with respect to any Issue or Product or in connection with any opinion or certificate rendered by counsel or any other person at closing and OPTIONAL: does not include review or advice on any feasibility study.

**III. Amending Scope of Services.** The Scope of Services may be changed only by written amendment or supplement. The parties agree to amend or supplement the Scope of Services promptly to reflect any material changes or additions to the Scope of Services.

**IV. Compensation.** As full compensation for the services rendered pursuant to this Agreement, the City shall pay the Financial Services Provider a fee of \$225.00 per hour.

For issuance of debt, where Financial Services Provider serves as Financial Advisor, a fee of \$10.00 per \$1,000 principal amount of debt issued plus out of pocket expenses approved in advance by the City.

Compensation is based on a fixed fee contingent on size of bond issue and/or hourly fee, if applicable .

**V. IRMA Matters.** If the Client has designated Piper Jaffray as its independent registered municipal advisor (“IRMA”) for purposes of SEC Rule 15Ba1-1(d)(3)(vi) (the “IRMA exemption”), the extent of the IRMA exemption is limited to the Scope of Services and any limitations thereto. Any reference to Piper Jaffray, its personnel and its role as IRMA in the written representation of the Client contemplated under SEC Rule 15Ba1-1(d)(3)(vi)(B) is subject to prior approval by Piper Jaffray and Client agrees not to represent, publicly or to any specific person, that Piper Jaffray is Client’s 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 Piper Jaffray’s prior written consent.

**VI. Piper Jaffray’s Regulatory Duties When Servicing the Client.** MSRB Rule G-42 requires that Piper Jaffray undertake certain inquiries or investigations of and relating to the Client in order for Piper Jaffray to fulfill certain aspects of the fiduciary duty owed to the Client. Such inquiries generally are triggered: (a) by the requirement that Piper Jaffray know the essential facts about the Client and the authority of each person acting on behalf of the Client so as to effectively service the relationship with the Client, to act in accordance with any special directions from the Client, to understand the authority of each person acting on behalf of the Client, and to comply with applicable laws, regulations and rules; (b) when Piper Jaffray undertakes a determination of suitability of any recommendation made by Piper

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<sup>1</sup> See MSRB Rule G-42(c)(v).

Jaffray to the Client, if any or by others that Piper Jaffray reviews for the Client, if any; (c) when making any representations, including with regard to matters pertaining to the Client or any Issue or Product; and (d) when providing any information in connection with the preparation of the preliminary or final official statement, including information about the Client, its financial condition, its operational status and its municipal securities or municipal financial products. Specifically, Client agrees to provide to Piper Jaffray any documents on which the Client has relied in connection with any certification it may make with respect to the accuracy and completeness of any Official Statement for the Issue.

Client agrees to cooperate, and to cause its agents to cooperate, with Piper Jaffray in carrying out these duties to inquire or investigate, including providing to Piper Jaffray accurate and complete information and reasonable access to relevant documents, other information and personnel needed to fulfill such duties.

In addition, the Client agrees that, to the extent the Client seeks to have Piper Jaffray provide advice with regard to any recommendation made by a third party, the Client will provide to Piper Jaffray written direction to do so as well as any information it has received from such third party relating to its recommendation.

**VII. Expenses.** Piper Jaffray will be responsible for all of Piper Jaffray's out-of-pocket expenses unless otherwise agreed upon or if travel is directed by Client. If travel is directed by the Client, Client will reimburse Piper Jaffray for their expenses. In the event a new issue of securities is contemplated by this Agreement, Client will be responsible for the payment of all fees and expenses commonly known as costs of issuance, including but not limited to: publication expenses, local legal counsel, bond counsel, ratings, credit enhancement, travel associated with securing any rating or credit enhancement, printing of bonds, printing and distribution of required disclosure documents, trustee fees, paying agent fees, CUSIP registration, and the like.

The Client will reimburse Piper Jaffray in addition to the fees outlined in this section for the preparation, distribution, printing and mailing costs associated with the preliminary and final official statement for the Issue contemplated herein, when applicable.

**VIII. Term of Agreement.** The term of this Agreement shall begin on the Effective Date and ends, unless earlier terminated as provided below, on May 31, 2021.

So long as Piper Jaffray is performing pursuant to this Agreement, the Client may not terminate this Agreement during its term. In the event of non-performance by Piper Jaffray, the Client shall first give written notice to Piper Jaffray of the specific event of non-performance, and shall allow Piper Jaffray 30-days to remedy the specific item of non-performance, prior to termination. If Piper Jaffray fails to remedy the specific item of non-performance within the prescribed 30-day period of time, the Client may immediately terminate this Agreement by providing payment to Piper Jaffray for all Reasonable Fees. Piper Jaffray may terminate this Agreement at any time, however, in the event of termination, only the sum of the Reasonable Fees earned, whether previously billed to the Client or not (if not previously paid) shall be due and payable. Reasonable Fees shall mean: With respect to each Issue, the gross fee for that component of bonds multiplied by the ratio that is the total amount of time, in months, that have passed since the execution of this Agreement divided by the total amount of time, in months, necessary to financial closing of the component of the Issue. By way of example, if the Agreement is executed on January 1, 2015, and the expected completion of one component of Bonds is September 1, 2015 (that being 8 months), and the Agreement is terminated on July 1, 2015 (6 months after execution), then the ratio shall be gross fee multiplied by (6/8). The provisions of Sections IV, VII, XII, XIV, XV and XVII shall survive termination of this Agreement.

**IX. Independent Contractor.** The Financial Services Provider is an independent contractor and nothing herein contained shall constitute or designate the Financial Services Provider or any of its employees or agents as employees or agents of the Client.

**X. Entire Agreement/Amendments.** This Agreement, including any amendments and Appendices hereto which are expressly incorporated herein, constitute the entire Agreement between the parties

hereto and sets forth the rights, duties, and obligations of each to the other as of this date. Any prior agreements, promises, negotiations, or representations not expressly set forth in this Agreement are of no force and effect. This Agreement may not be modified except by a writing executed by both the Financial Services Provider and Client.

**XI. Required Disclosures.** MSRB Rule G-42 requires that Piper Jaffray provide you with disclosures of material conflicts of interest and of information regarding certain legal events and disciplinary history. Such disclosures are provided in Piper Jaffray's Disclosure Statement attached as Appendix A to this Agreement.

**XII. 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 Piper Jaffray or any of its associated persons, Piper Jaffray and its associated persons shall have no liability to the Client 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 the Client's election to act or not to act, as the case may be, contrary to any advice or recommendation provided by Piper Jaffray to the Client. No recourse shall be had against Piper Jaffray for loss, damage, liability, cost or expense (whether direct, indirect or consequential) of the Client 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 any Issue or Product, if any or otherwise relating to the tax treatment of any Issue or Product if any, 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 Client of any of its 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 Piper Jaffray's fiduciary duty to Client under Section 15B(c)(1), if applicable, of the Securities Exchange Act of 1934, as amended, and the rules thereunder.

**XIII. Indemnification.** Unless prohibited by law, the Client hereby indemnifies and holds harmless the Financial Services Provider, each individual, corporation, partnership, trust, association or other entity controlling the Financial Services Provider, any affiliate of the Financial Services Provider or any such controlling entity and their respective directors, officers, employees, partners, incorporators, shareholders, trustees and agents (hereinafter the "Indemnitees") against any and all liabilities, penalties, suits, causes of action, losses, damages, claims, costs and expenses (including, without limitation, fees and disbursements of counsel) or judgments of whatever kind or nature (each a "Claim"), imposed upon, incurred by or asserted against the Indemnitees arising out of or based upon (i) any allegation that any information in the Preliminary Official Statement or Final Official Statement contained (as of any relevant time) an untrue statement of a material fact or omitted (as of any relevant time) or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

**XIV. Official Statement.** The Client acknowledges and understands that state and federal laws relating to disclosure in connection with municipal securities, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Client and that the failure of the Financial Services Provider to advise the Client respecting these laws shall not constitute a breach by the Financial Services Provider or any of its duties and responsibilities under this Agreement. The Client acknowledges that any Official Statement distributed in connection with an issuance of securities are statements of the Client and not of Piper Jaffray.

**XV. Notices.** Any written notice or communications required or permitted by this Agreement or by law to be served on, given to, or delivered to either party hereto, by the other party shall be in writing and shall be deemed duly served, given, or delivered when personally delivered to the party to whom it is addressed or in lieu of such personal services, when deposited in the United States' mail, first-class postage prepaid, addressed to the Client at:

City of Hapeville  
3468 North Fulton Avenue  
Hapeville, GA 30354

Alan Hallman, Mayor  
404-669-2100  
[ahallman62@gmail.com](mailto:ahallman62@gmail.com)

Or to the Financial Services Provider at:

Piper Jaffray & Co.  
1442 Dresden Drive, Suite 257  
Atlanta, GA 30319

Edmund Wall, Managing Director  
404-405-1567  
[Edmund.J.Wall@pic.com](mailto:Edmund.J.Wall@pic.com)

With a copy to:

Piper Jaffray & Co.  
Legal Department  
800 Nicollet Mall, Suite 1000  
Minneapolis, MN 55402

**XVI. Consent to Jurisdiction; Service of Process.** The parties each hereby (a) submits to the jurisdiction of any State or Federal court sitting in the state of Georgia 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 the state of Georgia 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.

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

**XVIII. Counterparts; Severability.** This Agreement may be executed in two or more separate counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction.

**XIX. Waiver of Jury Trial.** THE PARTIES EACH HEREBY 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.

**XX. 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.

**XXI. Authority.** The undersigned represents and warrants that they have full legal authority to execute this Agreement on behalf of the Client. The following individual(s) at the Client have the authority to direct Piper Jaffray's performance of its activities under this Agreement:

Alan Hallman, Mayor

The following individuals at Piper Jaffray have the authority to direct Piper Jaffray's performance of its activities under this Agreement:

Edmund Wall, Managing Director

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first above written. By the signature of its representative below, each party affirms that it has taken all necessary action to authorize said representative to execute this Agreement.

PIPER JAFFRAY & CO.



By: Edmund Wall  
Its: Managing Director

Date: 10 May 2018

ACCEPTED AND AGREED:

CITY OF HAPEVILLE

By: \_\_\_\_\_  
Alan Hallman  
Its: Mayor  
Date: \_\_\_\_\_

Piper Jaffray & Co. is registered with the U.S. Securities and Exchange Commission and the Municipal Securities Rulemaking Board ("MSRB"). A brochure is posted on the website of the MSRB, at [www.msrb.org](http://www.msrb.org) that describes the protections that may be provided by MSRB rules and how to file a complaint with an appropriate regulatory authority.

## APPENDIX A – DISCLOSURE STATEMENT

Municipal Securities Rulemaking Board Rule G-42 (the Rule) requires that Piper Jaffray provide you with the following disclosures of material conflicts of interest and of information regarding certain legal events and disciplinary history. Accordingly, this Appendix A provides information regarding conflicts of interest and legal or disciplinary events of Piper Jaffray required to be disclosed to pursuant to MSRB Rule G-42(b) and (c)(ii).

(A) **Disclosures of Conflicts of Interest.** The Rule requires that Piper Jaffray provide to you disclosures relating to any actual or potential material conflicts of interest, including certain categories of potential conflicts of interest identified in the Rule, if applicable. If no such material conflicts of interest are known to exist based on the exercise of reasonable diligence by us, Piper Jaffray is required to provide a written statement to that effect.

Accordingly, we make the following disclosures with respect to material conflicts of interest in connection with the Scope of Services under the Agreement, together with explanations of how we address or intend to manage or mitigate each conflict. To that end, with respect to all of the conflicts disclosed below, we mitigate such conflicts through our adherence to our fiduciary duty to you in connection with municipal advisory activities, which includes a duty of loyalty to you in performing all municipal advisory activities for the Client. This duty of loyalty obligates us to deal honestly and with the utmost good faith with you and to act in your best interests without regard to our financial or other interests. In addition, as a broker dealer with a client oriented business, our success and profitability over time is based on assuring the foundations exist of integrity and quality of service. Furthermore, Piper Jaffray's supervisory structure, utilizing our long-standing and comprehensive broker-dealer supervisory processes and practices, provides strong safeguards against individual representatives of Piper Jaffray 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.** The fees due under the Agreement are based on the size of the Issue and the payment of such fees is contingent upon the successful delivery of the Issue. While this form of compensation is customary in the municipal securities market, this may present the appearance of a conflict or the potential for a conflict because it could create an incentive for Piper Jaffray to recommend unnecessary financings or financings that are disadvantageous to the Client, or to advise the Client to increase the size of the issue. We believe that the appearance of a conflict or potential conflict is mitigated by our duty of care and fiduciary duty and the general mitigations related to our duties to you, as described above.

The fees due under the Agreement are in a fixed amount established at the outset of the Agreement. The amount is usually based upon an analysis by the Client and Piper Jaffray of, among other things, the expected duration and complexity of the transaction and the Scope of Services to be performed by Piper Jaffray. This form of compensation presents the appearance of a conflict or a potential conflict of interest because, if the transaction requires more work than originally contemplated, Piper Jaffray may suffer a loss. Thus, Piper Jaffray may have an incentive to recommend less time-consuming alternatives, or fail to do a thorough analysis of alternatives. In addition, contingent-based compensation, i.e. based upon the successful delivery of the Issue while customary in the municipal securities market, may present the appearance of a conflict or the potential for a conflict because it could create an incentive for Piper Jaffray to recommend unnecessary financings or financings that are disadvantageous to the Client. This conflict of interest is mitigated by our duty of care and fiduciary duty and the general mitigations related to our duties to you, as described above.

The fees due under the Agreement are based on hourly fees of Piper Jaffray'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 the appearance of a conflict or a potential conflict of interest if the Client and Piper Jaffray do not agree on a reasonable maximum amount at the outset of the engagement, because Piper Jaffray does not have a financial incentive to recommend alternatives

that would result in fewer hours worked.[In addition, contingent-based compensation, i.e. based upon the successful delivery of the Issue while customary in the municipal securities market, may present the appearance of a conflict or the potential for a conflict because it could create an incentive for Piper Jaffray to recommend unnecessary financings or financings that are disadvantageous to the Client. ]This conflict of interest is mitigated by our duty of care and fiduciary duty and general mitigations related to our duties to you, as described above.

**Transactions in Client's Securities.** As a municipal advisor, Piper Jaffray cannot act as an underwriter in connection with the same issue of bonds for which Piper Jaffray is acting as a municipal advisor. From time to time, Piper Jaffray 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 trading account or for the accounts of its customers. Again, while we do not believe that this activity creates a material conflict of interest, we note that to mitigate any perception of conflict and to fulfill Piper Jaffray's regulatory duties to the Client, Piper Jaffray's activities are engaged in on customary terms through units of Piper Jaffray that operate independently from Piper Jaffray's municipal advisory business, thereby eliminating the likelihood that such investment activities would have an impact on the services provided by Piper Jaffray to you under the Agreement.

(B) **Disclosures of Information Regarding Legal Events and Disciplinary History.** The Rule requires that all municipal advisors provide to their clients certain disclosures of legal or disciplinary events material to a client's evaluation of the municipal advisor or the integrity of the municipal advisor's management or advisory personnel. Accordingly, Piper Jaffray sets out below required disclosures and related information in connection with such disclosures.

- I. **Material Legal or Disciplinary Event.** There are no legal or disciplinary events that are material to the Client's evaluation of Piper Jaffray or the integrity of Piper Jaffray's management or advisory personnel disclosed, or that should be disclosed, on any Form MA or Form MA-I filed with the SEC.
- II. **Most Recent Change in Legal or Disciplinary Event Disclosure.** Piper Jaffray has not made any material legal or disciplinary event disclosures on Form MA or any Form MA-I filed with the SEC.

(C) **How to Access Form MA and Form MA-I Filings.** Piper Jaffray'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/edgar/searchedgar/companysearch.html>. The Form MA and the Form MA-I include information regarding legal events and disciplinary history about municipal advisor firms and their personnel, including information about any criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation. 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 Piper Jaffray 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 Piper Jaffray on Form BD or Form U4 is publicly accessible through reports generated by BrokerCheck at <http://brokercheck.finra.org>, and Piper Jaffray'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, Piper Jaffray's CRD number is 665.

(D) **Future Supplemental Disclosures.** As required by the Rule, this Section 5 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 Piper Jaffray. Piper Jaffray will provide you with any such supplement or amendment as it becomes available throughout the term of the Agreement.