

**CONTRACT FOR  
FINANCIAL ADVISOR SERVICES**

Contract No. 2015-74

This Contract is entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ by and between the **City of Flagstaff**, a political subdivision of the State of Arizona ("City"), and **Stifel, Nicolaus & Company, Inc.**, a corporation with offices at 2325 E. Camelback Rd., Suite 750, Phoenix, Arizona 85016 ("Contractor").

WHEREAS, the City of Flagstaff desires to receive, and Contractor is able to provide materials and/or services;

NOW THEREFORE, in consideration for the mutual promises contained herein, the parties agree as follows:

Scope of Work: Contractor shall provide the materials and/or services generally described as follows:

**FINANCIAL ADVISOR SERVICES**

and as more specifically described in the scope of work attached hereto as **Exhibit A.**

Standard Terms and Conditions: The City of Flagstaff Standard Terms and Conditions, attached hereto as **Exhibit B** are hereby incorporated in this Contract by reference. Contractor hereby warrants that it has read and agrees to the same.

Contract Term: The Contract term is for a period of one (1) year, commencing on December 2, 2015 and continuing through December 1, 2016.

Renewal: This Contract may be renewed for up to four (4) additional one (1) year terms by mutual written consent of the parties. The City Manager or his designee (the Purchasing Director) shall have authority to approve renewal on behalf of the City.

Compensation: In consideration for the Contractor's satisfactory performance of the work, City shall pay Contractor in accordance with the Price Schedule attached hereto as **Exhibit C.**

Price Adjustment: If price adjustments are permitted (see Exhibit A), any price adjustment must be approved by the City in writing, pursuant to a formal Contract Amendment. The City Council must approve the price adjustment if the annual contract price exceeds \$50,000.00; otherwise the City Manager or his designee (the Purchasing Director) shall have authority to approve a price adjustment on behalf of the City.

Insurance: Contractor shall meet insurance requirements of the City, set forth in **Exhibit D.**

Notice. Any notice concerning this Contract shall be in writing and sent by certified mail and email as follows:

To the City:

Rick Tadder, Finance Director  
Management Services Division  
City of Flagstaff  
211 W. Aspen  
Flagstaff, Arizona 86001  
[rtadder@flagstaffaz.gov](mailto:rtadder@flagstaffaz.gov)

To Contractor:

Mark Reader, Managing Director  
Stifel, Nicolaus & Company, Inc.  
2325 E, Camelback Rd., Suite 750  
Phoenix, Arizona 85016  
[mreader@stifel.com](mailto:mreader@stifel.com)

With a copy to:

Barbara Goodrich, Deputy City manager  
City of Flagstaff  
211 W. Aspen  
Flagstaff, Arizona 86001  
[bgoodrich@flagstaffaz.gov](mailto:bgoodrich@flagstaffaz.gov)

With a copy to:

Erika Coombs (Miller), Vice President  
Stifel, Nicolaus & Company, Inc.  
2325 E, Camelback Rd., Suite 750  
Phoenix, Arizona 85016  
[ecoombs@stifel.com](mailto:ecoombs@stifel.com)

Authority. Each party warrants that it has authority to enter into this Contract and perform its obligations hereunder, and that it has taken all actions necessary to enter into this Contract.

**CONTRACTOR**

\_\_\_\_\_

Print name: \_\_\_\_\_

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

**CITY OF FLAGSTAFF**

\_\_\_\_\_

Print name: \_\_\_\_\_

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

Attest:

\_\_\_\_\_  
City Clerk

Approved as to form:

\_\_\_\_\_  
City Attorney's Office

Notice to Proceed issued: \_\_\_\_\_, 20\_\_\_\_

## Exhibit A

### **CITY OF FLAGSTAFF SCOPE OF WORK—Financial Advisor Services**

As Financial Advisor for the City of Flagstaff's Financing Transactions, Contractor shall:

1. Assist the City of Flagstaff staff and others to prepare debt obligation financing plans. Contractor may be requested to include offering alternative financing techniques, make recommendations to maximize the City objectives, and otherwise provide advice regarding financing transactions. Alternatives should include entering into the lease-to-own agreements without collateral as applicable;
2. Assist the City of Flagstaff staff and others in entering necessary ground leases between the City and a trustee as applicable, and other agreements as needed if collateral is deemed necessary.
3. Assist the City of Flagstaff in developing timetables for the issuance and sale of public and private debt obligations to ensure issues are planned and executed in the most efficient and cost effective manner;
4. Assess the municipal and private debt markets, the timing of debt obligation sales and make recommendations concerning bid processes (competitive, negotiated or combinations thereof);
5. Coordinate and assist with the preparation of all necessary debt documents, including Official Statements and relevant legal documents. Serve as a clearinghouse for debt documentation reviews. The extent of involvement in the document preparation process will be dependent on the nature and form of the financing transaction;
6. Prepare preliminary and final Official Statements for each financing requiring such documents in camera-ready or other indicated format; coordinate the publication and distribution of such documents with both print and electronic publishers as appropriate;
7. Handle all necessary printing and advertising arrangements for documents associated with the financing of transactions, including but not limited to Official Statement and bond/certificate printing costs, and newspapers advertisements;
8. Assist the City of Flagstaff in developing and reviewing proposals associated with financing transactions;
9. Coordinate with rating agencies when assignment of a credit rating is determined to be in the best interest of the City of Flagstaff, which may include developing presentations.
10. Assist the City of Flagstaff in procuring any ancillary financing-related products and services.

Services may include at a minimum:

- 10.1 Credit enhancement (i.e. bond or certificate insurance);
- 10.2 Credit ratings; road shows or other investor presentations;
- 10.3 Paying agent, registrar, escrow, trustee, verification agent or other services;
- 10.4 Forward contracts; escrow investments, and travel arrangements;
- 10.5 Other such products and services as the City of Flagstaff may deem necessary or desirable in connection with any financing transaction. Type of assistance may include, but is not limited to, the taking of bids, negotiation of terms and conditions, and coordination of all activities with all other parties involved in the financing.
- 10.6 Selection of such service providers may be through a Request for Proposal (RFP) or similar process, conducted by or on behalf of the City of Flagstaff.
- 10.7 Such additional administrative services on behalf of the financial advisor may be reimbursed at a negotiated fee.
- 11 Assist and provide advice to the City of Flagstaff in all aspects of the debt obligation pricing process including but not limited to:
  - 11.1. Prepare analyses to support recommendations on structuring, pricing and spreads relative to market conditions at the time of sale;
  - 11.2. Advise the City of Flagstaff on non-price terms and conditions of each debt obligation sale;
  - 11.3. Monitor market conditions;
  - 11.4. Provide negotiation support and evaluate final pricing;
  - 11.5. Provide advice and assistance in all aspects of the bid process;
  - 11.6 Review and assess all legal documents; and
  - 11.7. Coordinate closing events, including but not limited to signature details, pre-closing formalities, wire-transfer of funds, communications with State or other officials, preparation of final financial results including debt service schedules and review of closing documents.
12. Assist the City of Flagstaff in all matters relating to compliance with SEC Rule 15c2-12 and related laws and regulations, including coordination of all activities necessary to comply with continuing disclosure requirements or any other applicable laws or rules, services may include, but are not limited to:
  - 12.1 Notification of the date(s) such filing(s) is required;

12.2 Preparation of all letters and forms of transmittal;

12.3 Notification to the City of Flagstaff of all tables and information that must be updated and submitted.

13. Assist the City of Flagstaff in conducting financial analyses or research and preparing reports and schedules to comply with legal requirements related to financing. An example is the annual debt report in accordance with A.R.S. § 41-726.

14. Any other tasks, counsel or assignments normally and customarily performed by a Financial Advisor not specifically mentioned above.

#### Travel

When requested in writing by the City of Flagstaff to perform work that requires overnight accommodations, the City will reimburse the contractor, in accordance with the current rates specified in the Rules and Regulations applicable to State employees' travel. The contractor shall itemize all per diem and lodging charges. Current rates are available at [www.gao.az.gov/travel](http://www.gao.az.gov/travel).

The Contractor shall not be paid for travel expenses, including time, incurred for normal travel to and from the City of Flagstaff.

#### Additional Expenses

The Contractor shall be reimbursed only for the additional expenses as stated on the Pricing Schedule. Cost related to any transaction or work performed under this contract shall be approved in advance by City of Flagstaff. No other fees, charges, costs nor expenses will be accepted. Acceptable charges include, preparation, printing and mailing of official offering documents, presentations to rating agencies, courier services and special audit costs and other agreed-upon costs related to financial advisory services. The City of Flagstaff will not be billed or be liable for overhead expenses, including use of cell phones. No payment of fees or reimbursement will be made by the City of Flagstaff except upon receipt of a detailed certified statement of account. The City of Flagstaff reserves the right to obtain detailed cost documentation to substantiate any additional costs.

## Exhibit B

### CITY OF FLAGSTAFF STANDARD TERMS AND CONDITIONS

#### **IN GENERAL**

**NOTICE TO PROCEED:** Contractor shall not commence performance until after City has issued a Notice to Proceed.

**LICENSES AND PERMITS:** Contractor its expense shall maintain current federal, state, and local licenses, permits and approvals required for performance of the Contract, and provide copies to City upon request.

**COMPLIANCE WITH LAWS:** Contractor shall comply with all applicable federal, state and local laws, regulations, standards, codes and ordinances in performance of this Contract.

**NON-EXCLUSIVE:** The City's proposed form of contract is exclusive and is included as part of this procurement process for your review. The final form of contract will be conformed to match this Solicitation prior to Contract award.

**SAMPLES:** Any sample submitted to the City by the Contractor and relied upon by City as representative of quality and conformity, shall constitute an express warranty that all materials and/or service to be provided to City shall be of the same quality and conformity.

#### **MATERIALS**

**PURCHASE ORDERS:** The City will issue a purchase order for the materials covered by the Contract, and such order will reference the Contract number.

**QUALITY:** Contractor warrants that all materials supplied under this Contract will be new and free from defects in material or workmanship. The materials will conform to any statements made on the containers or labels or advertisements for the materials, and will be safe and appropriate for use as normally used. City's inspection, testing, acceptance or use of materials shall not serve to waive these quality requirements. This warranty shall survive termination or expiration of the Contract.

**ACCEPTANCE:** All materials and services provided by Contract are subject to final inspection and acceptance by the City. Materials and services failing to conform to the Contract specifications may be rejected in whole or part. If rejected, Contractor is responsible for all costs associated arising from rejection.

**MANUFACTURER'S WARRANTIES:** Contractor shall deliver all Manufacturers' Warranties to City upon City's acceptance of the materials.

**PACKING AND SHIPPING:** Contractor shall be responsible for industry standard packing which conforms to requirements of carrier's tariff and ICC regulations. Containers shall be clearly marked as to lot number, destination, address and purchase

Contract for Purchase of Services and/or Materials (Short form)

Form No.

Revised \_\_\_, 2014

order number. All shipments shall be F.O.B. Destination, City of Flagstaff, 211 West Aspen Avenue, Flagstaff, Arizona 86001, unless otherwise specified by the City. C.O.D. shipments will not be accepted.

**TITLE AND RISK OF LOSS:** The title and risk of loss of material shall not pass to the City until the City actually receives the material at the point of delivery, and the City has completed inspection and has accepted the material, unless the City has expressly provided otherwise in the Contract.

**NO REPLACEMENT OF DEFECTIVE TENDER:** Every tender of materials shall fully comply with all provisions of the Contract. If a tender is made which does not fully conform, this shall constitute a breach and Contractor shall not have the right to substitute a conforming tender without prior written approval from the City.

**DEFAULT IN ONE INSTALLMENT TO CONSTITUTE TOTAL BREACH:** Contractor and may not substitute nonconforming materials, or services. Delivery of nonconforming materials, and/or services, or a default of any nature, at the option of the City, shall constitute shall deliver conforming materials, or services, in each installment or lot of the contract a breach of the contract as a whole.

**SHIPMENT UNDER RESERVATION PROHIBITED:** Contractor is not authorized to ship materials under reservation and no tender of a bill of lading shall operate as a tender of the materials.

**LIENS:** All materials and other deliverables supplied to the City shall be free of all liens other than the security interest held by Contractor until payment in full is made by the City. Upon request of the City, Contractor shall provide a formal release of all liens.

**CHANGES IN ORDERS:** The City reserves the right at any time to make changes in any one or more of the following: (a) methods of shipment or packing; (b) place of delivery; and (c) quantities. If any change causes an increase or decrease in the cost of or the time required for performance, an equitable adjustment may be made in the price or delivery schedule, or both. Any claim for adjustment shall be evidenced in writing and approved by the City Purchasing Director prior to the institution of the change.

## **PAYMENT**

**INVOICES:** A separate invoice shall be issued for each shipment and each job completed. Invoices shall include the Contract and/or Purchase Order number, and dates when goods were shipped or work performed. Invoices shall be sent within 30 days following performance. Payment will only be made for satisfactory materials and/or services received and accepted by City.

**LATE INVOICES:** The City may deduct up to 10% of the payment price for late invoices. The City operates on a fiscal year budget, from July 1 through the following June 30. Except in unusual circumstances, which are not due to the fault of Contractor, City will not honor any invoices or claims submitted after August 15 for materials or services supplied in the prior fiscal year.

**TAXES:** Contractor shall be responsible for payment of all taxes including federal, state,  
Contract for Purchase of Services and/or Materials (Short form)  
Form No.  
Revised \_\_\_, 2014



and local taxes related to or arising out of Contractor's performance of this Contract. Such taxes include but are not limited to federal and state income tax, social security tax, unemployment insurance taxes, transaction privilege taxes, use taxes, and any other taxes or business license fees as required.

Exception: The City will pay any taxes which are specifically identified as a line item dollar amount in the Contractor's bid, proposal, or quote, and which were considered and approved by the City as part of the Contract award process. In this event, taxes shall be identified as a separate line item in Contractor's invoices.

**FEDERAL EXCISE TAXES:** The City is exempt from paying certain Federal Excise Taxes and will furnish an exemption certificate upon request.

**FUEL CHARGES:** Contractor at its own expense is liable for all fuel costs related to performance. No fuel surcharges will be accepted or paid by City.

**DISCOUNTS:** If the Contract provides for payment discounts, payment discounts will be computed from the later date of the following: (a) when correct invoice is received by the City; or (b) when acceptable materials and/or materials were received by City.

**AMOUNTS DUE TO THE CITY:** Contractor must be current and remain current in all obligations due to the City during performance. Payments to Contractor may be offset by any delinquent amounts due to City or fees and charges owed to City under this Contract.

**OFAC:** No City payments may be made to any person in violation of Office of Foreign Assets Control regulations, 31 C.F.R. Part 501.

## **SERVICES**

**INDEPENDENT CONTRACTOR:** Contractor shall be an independent contractor for purposes of all laws, including but not limited to the Fair Labor Standards Act, Federal Insurance Contribution Act, Social Security Act, Federal Unemployment Tax Act, Internal Revenue Code, Immigration and Naturalization Act; Arizona revenue and taxation, workers' compensation, and unemployment insurance laws.

**CONTROL:** Contractor shall be responsible for the control of the work.

**WORK SITE:** Contractor shall inspect the work site and notify the City in writing of any deficiencies or needs prior to commencing work.

**SAFEGUARDING PROPERTY:** Contractor shall responsible for any damage to real property of the City or adjacent property in performance of the work.

**QUALITY:** All work shall be of good quality and free of defects, performed in a diligent and professional manner.

**ACCEPTANCE:** If work is rejected by the City due to noncompliance with the Contract, The City, after notifying Contractor in writing, may require Contractor to correct the deficiencies at Contractor's expense, or cancel the work order and pay Contractor only for work properly performed.

Contract for Purchase of Services and/or Materials (Short form)  
Form No.  
Revised \_\_\_, 2014

**WARRANTY:** Contractor warrants all work for a period of one (1) year following final acceptance by the City. Upon receipt of written notice from the City, Contractor at its own expense shall promptly correct work rejected as defective or as failing to conform to the Contract, whether observed before or after acceptance, and whether or not fabricated, installed or completed by Contractor, and shall bear all costs of correction. If Contractor does not correct deficiencies within a reasonable time specified in the written notice from the City, the City may perform the work and Contractor shall be liable for the costs. This one-year warranty is in addition to, and does not limit Contractor's other obligations herein. This warranty shall survive termination or expiration of the Contract.

### **INSPECTION, RECORDS, ADMINISTRATION**

**RECORDS:** The City shall have the right to inspect and audit all Contractor books and records related to the Contract for up to five (5) years after completion of the Contract.

**RIGHT TO INSPECT BUSINESS:** The City shall have the right to inspect the place of business of the Contractor or its subcontractor during regular business hours at reasonable times, to the extent necessary to confirm Contract performance.

**PUBLIC RECORDS:** This Contract and any related materials are a matter of public record and subject to disclosure pursuant to Arizona Public Records Law, A.R.S. § 39-121et seq. If Contractor has clearly marked its proprietary information as "confidential", the City will endeavor to notify Contractor prior to release of such information.

**CONTRACT ADMINISTRATION:** Contractor will be required to participate in the City's Contract Administration Process. Contractor will be closely monitored for contract compliance and will be required to promptly correct any deficiencies.

### **INDEMNIFICATION, INSURANCE**

**GENERAL INDEMNIFICATION:** Contractor shall indemnify, defend and hold harmless the City, its council, boards and commissions, officers, employees from all losses, claims, suits, payments and judgments, demands, expenses, attorney's fees or actions of any kind resulting from personal injury to any person, including employees, subcontractors or agents of Contractor or damages to any property arising or alleged to have arisen out of the negligent performance of the Contract, except any such injury or damages arising out of the sole negligence of the City, its officers, agents or employees. This indemnification provision shall survive termination or expiration of the Contract. This indemnification clause shall not apply, if a different indemnification clause is included in the City's Specific Terms and Conditions.

**INSURANCE:** Contractor shall maintain all insurance coverage required by the City, including public liability and worker's compensation.

**INTELLECTUAL PROPERTY INDEMNIFICATION:** Contractor shall indemnify and hold harmless the City against any liability, including costs and expenses, for infringement of any patent, trademark or copyright or other proprietary rights of any third parties arising out of contract performance or use by the City of materials furnished or work performed under this Contract. Contractor shall promptly assume full responsibility for the defense

Contract for Purchase of Services and/or Materials (Short form)  
Form No.  
Revised \_\_\_, 2014

of any suit or proceeding which is, has been, or may be brought against the City and its agents for alleged infringement, or alleged unfair competition resulting from similarity in design, trademark or appearance of goods, and indemnify the City against any and all expenses, losses, royalties, profits and damages, attorneys fees and costs resulting from such proceedings or settlement thereof. This indemnification provision shall survive termination or expiration of the Contract.

### **CONTRACT CHANGES**

**PRICE INCREASES:** Except as expressly provided for in the Contract, no price increases will be approved.

**COMPLETE AGREEMENT:** The Contract is intended by the parties as a complete and final expression of their agreement.

**AMENDMENTS:** This Contract may be amended by written

**SEVERABILITY:** If any term or provision of this Contract is found by a court of competent jurisdiction to be illegal or unenforceable, then such term or provision is deemed deleted, and the remainder of this Contract shall remain in full force and effect.

**NO WAIVER:** Each party has the right insist upon strict performance of the Contract, and the prior failure of a party to insist upon strict performance, or a delay in any exercise of any right or remedy, or acceptance of materials or services, shall not be deemed a waiver of any right to insist upon strict performance.

**ASSIGNMENT:** This Contract may be assigned by Contractor with prior written consent of the City, which will not be unreasonably withheld. Any assignment without such consent shall be null and void. Unless expressly provided for in a separately executed Consent to Assignment, no assignment shall relieve Contractor (Assignor) from any of its obligations and liabilities under the Contract with respect to City. The Purchasing Director shall have authority to consent to an assignment on behalf of City.

**BINDING EFFECT:** This Contract shall be binding upon and inure to the benefit of the parties and their successors and assigns.

### **EMPLOYEES AND SUBCONTRACTORS**

**SUBCONTRACTING:** Unless expressly prohibited in the Contract, Contractor may subcontract work in whole or in part with the City's advance written consent. City reserves the right to withhold consent if subcontractor is deemed irresponsible and/or subcontracting may negatively affect performance. All subcontracts shall include all the terms and conditions set forth in the Contract which shall apply with equal force to the subcontract. Contractor is responsible for contract performance whether or not subcontractors are used.

**NONDISCRIMINATION:** Contractor shall not discriminate against any employee or applicant for employment or person to whom it provides services because of race, color, religion, sex, national origin, disability, genetic information, veteran's status, pregnancy, familial status and represents and warrants that it complies with all applicable federal,

Contract for Purchase of Services and/or Materials (Short form)

Form No.

Revised \_\_\_, 2014

state and local laws and executive orders regarding employment. In addition any Contractor located within City of Flagstaff limits shall comply with the City Code, Chapter 14-02 Civil Rights which also prohibits discrimination based on sexual orientation, or gender identity or expression.

**DRUG FREE WORKPLACE:** The City has adopted a Drug Free Workplace policy for itself and those doing business with the City to ensure the safety and health of all persons working on City contracts and projects. Contractor shall require all its personnel to abstain from use or possession of illegal drugs while engaged in performance of this Contract.

**IMMIGRATION LAWS:** Pursuant to A.R.S. § 41-4401, Contractor hereby warrants to the City that the Contractor and each of its subcontractors will comply with, and are contractually obligated to comply with, all State and Federal Immigration laws and regulations that relate to its employees and A.R.S. § 23-214(A) (hereinafter "Contractor Immigration Warranty"). A breach of the Contractor Immigration Warranty shall constitute a material breach of this Contract and shall subject the Contractor to penalties up to and including termination of this Contract at the sole discretion of the City. The City retains the legal right to inspect the papers of any Contractor or subcontractor employee who works on this Contract to ensure compliance with the Contractor Immigration Warranty. Contractor agrees to assist the City in regard to any such inspections. The City may, at its sole discretion, conduct random verification of the employment records of the Contractor and any subcontractors to ensure compliance with Contractor's Immigration Warranty. Contractor agrees to assist the City in regard to any random verification performed. Neither Contractor nor any subcontractor shall be deemed to have materially breached the Contractor Immigration Warranty if Contractor or subcontractor if Contractor or subcontractor establishes that it has complied with the employment verification provisions prescribed by sections 274A and 274B of the Federal Immigration and Nationality Act and the E-verify requirements prescribed by A.R.S. § 23-214(A).

## **DEFAULT AND TERMINATION**

**TERMINATION FOR DEFAULT:** Prior to terminating this Contract for a material breach, the non-defaulting party shall give the defaulting party written notice and reasonable opportunity to cure the default, not to exceed thirty (30) days unless a longer period of time is granted by the non-defaulting party in writing. In the event the breach is not timely cured, or in the event of a series of repeated breaches the non-defaulting party may elect to terminate Contract by written notice to Contractor, which shall be effective upon receipt. In the event of default, the parties may execute all remedies available at law in addition Contract remedies provided for herein.

**CITY REMEDIES:** In the event of Contractor's default, City may obtain required materials and/or services from a substitute contractor, and Contractor shall be liable to the City to pay for the costs of such substitute service. City may deduct or offset the cost of substitute service from any balance due to Contractor, and/or seek recovery of the costs of substitute service against any performance security, and/or collect any liquidated damages provided for in the Contract. Remedies herein are not exclusive.

**CONTRACTOR REMEDIES:** In the event of City's default, Contractor may pursue all remedies available at law, except as provided for herein.

Contract for Purchase of Services and/or Materials (Short form)  
Form No.  
Revised \_\_\_, 2014

**SPECIAL DAMAGES:** In the event of default, neither party shall be liable for incidental, special, or consequential damages.

**TERMINATION FOR NONAPPROPRIATION OF FUNDS:** The City may terminate all or a portion of this Contract due to budget constraints and non-appropriation of funds for the following fiscal year, without penalty or liability to Contractor.

**TERMINATION FOR CONVENIENCE:** Unless expressly provided for otherwise in the Contract, this Contract may be terminated in whole or part by the City for convenience upon thirty (30) days written notice, without further penalty or liability to Contractor. If this Contract is terminated, City shall be liable only for payment for satisfactory materials and/or services received and accepted by City before the effective date of termination.

**TERMINATION DUE TO INSOLVENCY:** If Contractor becomes a debtor in a bankruptcy proceeding, or a reorganization, dissolution or liquidation proceeding, or if a trustee or receiver is appointed over all or a substantial portion of the property of Contractor under federal bankruptcy law or any state insolvency law, Contractor shall immediately provide the City with a written notice thereof. The City may terminate this Contract, and Contractor is deemed in default, at any time if the Contractor becomes insolvent, or is a party to any voluntary bankruptcy or receivership proceeding, makes an assignment for a creditor, or there is any similar action that affects Contractor's ability to perform under the Contract.

**PAYMENT UPON TERMINATION:** Upon termination of this Contract, City will pay Contractor only for satisfactory performance up until the effective date of termination. City shall make final payment within thirty (30) days from receipt of the Contractor's final invoice.

**CANCELLATION FOR GRATUITIES:** The City may cancel this Contract at any time, without penalty or further liability to Contractor, if City determines that Contractor has given or offered to give any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant ("Gratuities") in connection with award or performance of the Contract.

**CANCELLATION FOR CONFLICT OF INTEREST (A.R.S. § 38-511):** The City may cancel this Contract within three (3) years after its execution, without penalty or further liability to Contractor.

## **MISCELLANEOUS**

**ADVERTISING:** Contractor shall not advertise or publish information concerning its Contract with City, without the prior written consent of the City.

**NOTICES:** All notices given pursuant to this Contract shall be delivered at the addresses as specified in the Contract, or updated by Notice to the other party. Notices may be: (a) personally delivered, with receipt effective upon personal delivery; (b) sent via certified mail, postage prepaid, with receipt deemed effective four (4) days after being sent; (c) or sent by overnight courier, with receipt deemed effective two (2) days after being sent. Notice may be sent by email as a secondary form of notice.

**THIRD PARTY BENEFICIARIES:** This Contract is intended for the exclusive benefit of the parties. Nothing herein is intended to create any rights or responsibilities to third parties.

**GOVERNING LAW:** This Contract shall be governed by and construed in accordance with the laws of the State of Arizona.

**FORUM:** In the event of litigation relating to this Contract, any action at law or in equity shall be filed in Coconino County, Arizona.

**ATTORNEYS FEES:** If any action at law or in equity is necessary to enforce the terms of this Contract, the prevailing party shall be entitled to recover its reasonable attorney's fees, costs, professional fees and expenses.

## Exhibit C

### CITY OF FLAGSTAFF PRICE SCHEDULE

In connection with the City's request for a Best and Final Offer, Stifel, Nicolaus & Company, Inc. has agreed to adjust their fees as outlined below:

Principal Amount of Issue:	Less than 2 Million	2 to 9.999 Million	10 to 24.999 Million	25 to 49.999 Million	50 to 74.999 Million	75 to 99.999 Million	100 Plus Million
<b>New General Obligation Bonds</b>							
Fee for Financial Advisor	up to \$20,000	\$2.65 (minimum \$20,000)	\$1.65 (minimum \$26,500)	\$1.15 (minimum \$41,250)	\$0.95 (minimum \$57,500)	\$0.90 (minimum \$71,250)	\$0.75 (minimum \$90,000)
<b>New Revenue Bonds &amp; New Certificates of Participation (Lease Purchase)</b>							
Fee for Financial Advisor	up to \$25,000	\$3.15 (minimum \$25,000)	\$2.15 (minimum \$31,500)	\$1.90 (minimum \$53,750)	\$1.45 (minimum \$95,000)	\$1.20 (minimum \$108,750)	\$0.85 (minimum \$120,000)
<b>Refinancing General Obligation Bonds</b>							
Fee for Financial Advisor	up to \$22,500	\$2.75 (minimum \$22,500)	\$1.75 (minimum \$27,500)	\$1.25 (minimum \$43,750)	\$1.05 (minimum \$62,500)	\$1.00 (minimum \$78,750)	\$0.85 (minimum \$100,000)
<b>Refinancing Revenue Bonds &amp; Refinancing Certificates of Participation (Lease Purchase)</b>							
Fee for Financial Advisor	up to \$27,500	\$3.25 (minimum \$27,500)	\$2.25 (minimum \$32,500)	\$2.00 (minimum \$56,250)	\$1.55 (minimum \$100,000)	\$1.30 (minimum \$116,250)	\$0.95 (minimum \$130,000)

Stifel will provide the City with significant on-going professional services such as legislative matters, redevelopment opportunities, GPLETs, property tax analyses, continuing disclosure and rating agency assistance at no additional costs as part of our advisory service. As mentioned in the interview, the Stifel team assigned to the City of Flagstaff account is always available to prepare analyses, presentation materials and attend meetings. Additionally, the City has access to other Firm resources such as our economists, fixed income portfolio strategists and bond underwriter (Mike Imhoff) on an as needed basis. As our Firm typically underwrites more Arizona issued bonds than any other firm, our underwriters know the market better than other underwriters and we see this as an advantage to our advisory clients when they issue bonds.

#### Offering statement preparation

If Stifel, Nicolaus & Company, Inc. takes the lead role in preparing the Preliminary Official Statement (including assistance with the Final Official Statement), we hereby agree to not charge any additional fee. All work associated with compiling such documents would be included in our Financial Advisor Fees as summarized in the above schedule.

## Exhibit D

### CITY OF FLAGSTAFF INSURANCE REQUIREMENTS

#### **Insurance Representations and Requirements**

1. Contractor agrees to comply with all applicable City Ordinances and state and federal laws and regulations.
2. Without limiting any obligations or liabilities of Contractor, Contractor shall purchase and maintain, at its own expense, the minimum insurance required by this Contract with insurance companies duly licensed by the State of Arizona (admitted insurer) with an AM Best, Inc. rating of B ++ 6 or above or an equivalent qualified unlicensed insurer by the State of Arizona (non-admitted insurer) with policies and forms satisfactory to City. Failure to maintain insurance as specified may result in termination of this Contract at City's option.
3. **No Representation of Coverage Adequacy:** By requiring insurance herein, City does not represent that coverage and limits will be adequate to protect Contractor. City reserves the right to review any and all of the insurance policies and/or endorsements cited in this Contract but has no obligation to do so. Failure to demand such evidence of full compliance with the insurance requirements set forth in this Contract or failure to identify any insurance deficiency shall not relieve Contractor from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this Contract.
4. **Coverage Term:** All insurance required herein shall be maintained in full force and effect until all work or services required to be performed under the terms of subject Contract is satisfactorily performed, completed and formally accepted by the City, unless specified otherwise in this Contract.
5. **Claims Made:** In the event any insurance policies required by this Contract are written on a "claims made" basis, coverage shall extend, either by keeping coverage in force or purchasing an extended reporting option, for three (3) years past completion and acceptance of the work or services evidenced by submission of annual Certificates of Insurance citing applicable coverage is in force and contains the provisions as required herein for the three year period.
6. **Use of Subcontractors:** Contractor shall not use subcontractors to perform work under this Contract, unless specifically authorized by the City.
7. **Evidence of Insurance:** Prior to commencing any work or services under this Contract, Contractor shall furnish City with Certificate(s) of Insurance, or formal endorsements as required by this Contract, issued by Contractor's insurer(s) as evidence that policies are placed with acceptable insurers as specified herein and provide the required coverages, conditions, and limits of coverage and such coverage and provisions are in full force and effect. If a Certificate of Insurance is submitted as verification of coverage, City shall reasonably rely upon the



Certificate of Insurance as evidence of coverage but such acceptance and reliance shall not waive or alter in any way the insurance requirements or obligations of this Contract. If any of the cited policies expire during the life of this Contract, it shall be Contractor's responsibility to forward renewal Certificates within ten (10) days after the renewal date containing all the aforementioned insurance provisions.

8. **Required Coverage:**

8.1 **Professional Liability:** Contractor shall maintain Professional Liability insurance covering errors and omissions arising out of the work or services performed by Contractor, or anyone employed by Contractor, or anyone for whose acts, mistakes, errors and omissions Contractor is legally liable, with a liability insurance limit of \$1,000,000 each claim and \$2,000,000 all claims. In the event the Professional Liability insurance policy is written on a "claims made" basis, coverage shall extend for three (3) years past completion and acceptance of the work or services, and Contractor shall be required to submit Certificates of Insurance evidencing proper coverage is in effect as required above.

8.2 **Vehicle Liability:** Contractor shall maintain Business Automobile Liability insurance with a limit of \$1,000,000 each accident on Contractor's owned, hired, and non-owned vehicles assigned to or used in the performance of the Contractor's work or services under this Contract.

Workers' Compensation Insurance: Contractor shall maintain Workers Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Contractor's employees engaged in the performance of work or services under this Contract and shall also maintain Employers Liability Insurance of not less than \$100,000 for each accident, \$100,000 disease for each employee and \$500,000 disease policy limit.

8.3 **Additional Insurance Requirements:**

City, its agents, representatives, officers, directors, officials and employees shall be named an Additional Insured under the following policies: a) Business Automobile Liability.

Contractor's insurance shall be primary insurance as respects performance of this Contract.

All policies, except Professional Liability insurance, waive rights of recovery (subrogation) against City, its agents, representatives, officers, directors, officials and employees for any claims arising out of work or services performed by Contractor under this contract.