

July 13, 2016

City Council, City of Dunnellon  
20750 River Drive  
Dunnellon, Florida 34431

Re: Bond Counsel Services Agreement

Gentlemen:

We are pleased to have an opportunity to offer the following as our agreement to serve as bond counsel to the City of Dunnellon, Florida (the "City"). We propose that our services and responsibilities as bond counsel include the following:

### **BASIC SERVICES**

1. Review of financing documents in connection with participation by the City in any bond or note pool, if applicable.
2. Preparation of all resolutions and other basic agreements and documents which may underly any proposed financing; and advice regarding escrow structuring for refunding issues.
3. Preparation of validation pleadings, research with respect to the pertinent legal issues and advice and consultation with respect to the validation hearing, if the bonds, notes or lease-purchase agreements (collectively, the "Bonds") are validated; participation in the validation hearing at the trial court level to the extent requested by the City Attorney; and, if necessary, appellate services before the Florida Supreme Court.
4. Services in connection with the sale of the Bonds, including preparation of the resolution authorizing the sale of the Bonds, and the notice of sale and bid forms (if the Bonds are sold at public sale); review of the bond purchase contract (if the Bonds are sold at negotiated sale to an investment banker); review of the bank loan commitment (if

the Bonds evidence a negotiated private placement with a commercial bank); limited assistance in the preparation of the official statement for the Bonds (if the Bonds are publicly offered); and preparation of Bond certificates.

5. If the Bonds bear interest at variable rates per annum (and include liquidity providers) and/or if any interest rate swap agreements or other derivative or "hedging" products (collectively, the "Derivatives") are used in connection with the Bonds, review of the documentation for the liquidity facility and the Derivatives, as applicable. Also, if any guaranteed investment contracts ("GIC's") dealing with the investment of Bond proceeds are utilized, review of the GIC's. *However, please be aware that as bond attorneys, we do not provide financial advice to our clients and are never involved in the recommendations by financial advisor professionals to use a Derivative and/or GIC in connection with any financing.*

6. Preparation of all necessary closing documents used in connection with the delivery of the Bonds.

7. Issuance of our opinion with respect to the validity of the Bonds and exemption of interest thereon from federal income taxation (as applicable), including review and analysis of all information necessary in order to deliver such an opinion.

8. Attendance at the Bond closing and, as necessary, planning, document drafting and negotiating sessions.

9. Additional services requested by City staff.

Furthermore, and if applicable, our firm would serve as disclosure counsel to the City, at your request, and assume responsibility for preparation of the official statement for the Bonds and the preparation of the continuing disclosure agreement in order to address the anti-fraud provisions of SEC Rule 10b-5 and the requirements of SEC Rule 15c2-12. We would render the appropriate opinions to you as our client. However, assumption of this additional responsibility would be for a separate additional fee based upon the current hourly rate or rates of the attorneys assigned to this task or such other fee negotiated with the City.

## **CONFLICTS**

The rules regulating The Florida Bar provide that common representation of multiple parties is permissible where the clients are generally aligned in interest, even though there is some difference in interest among them. We have disclosed to the City that we have, and may in the future, serve as bond, disclosure or other counsel to other local governments or otherwise act as underwriter's counsel on public finance matters in Florida. From time to time, we may represent the firm or firms which may underwrite the City's bonds, notes or other obligations (and other financial institutions hired by the City)

on financings for other governmental entities in Florida on unrelated matters. In either case, such representations are standard and customary within the industry and we can effectively represent the City and the discharge of our professional responsibilities to the City will not be prejudiced as a result, either because such engagements will be sufficiently different or because the potential for such prejudice is remote and minor and outweighed by consideration that it is unlikely that advice given to the other client will be relevant in any respect to the subject matter, and the City expressly consents to such other representations consistent with the circumstances herein described. The City acknowledges and agrees that our role as bond counsel, disclosure counsel, or counsel to any local governmental entity or financial institution or in conjunction with public finance transactions is not likely to create or cause any actual conflict, and service as disclosure counsel, bond counsel, or counsel to other clients of ours will not per se be construed as a conflict or be objectionable to the City. However, the City reserves the right to identify a representation that it finds objectionable in the future, in which case we agree to take appropriate steps to resolve the issue.

#### **ATTORNEY-CLIENT RELATIONSHIP**

In these transactions, the City will be our client and an attorney-client relationship will exist between the City and the firm. In performing our services as bond counsel, we will represent the interests of the City exclusively. However, our representation of the City will not affect our responsibility to render an objective bond opinion.

Upon the closing of the Bond transaction, without notice, it will be presumed that our services on that transaction shall be complete, and the firm will not be actively providing any services under this engagement letter, until requested again by the City or its counsel.

#### **GENERAL MATTERS**

We propose that our fees as bond counsel be fixed on an issue-by-issue basis, after negotiation with City staff. Except in extraordinary circumstances and subject to agreement of the parties, payment of our bond counsel fee in connection with the proposed Bonds of the City would be contingent upon the successful closing of the Bonds, but in any event we would still expect reimbursement for our out-of-pocket expenses if the issue does not close. For our services as bond counsel in connection with the Refunding Water and Sewer Revenue Note, Series 2016, of the City, we propose that our contingent fee be \$20,000, which will include our expected out-of-pocket expenses.

Finally, if City staff desires that we review or prepare any other documents and/or perform substantial research in connection with a financing plan or other special project (for example, Bond referenda), or provide other post-issuance services (including, but not limited to, interest rate mode changes, changes in other bond professionals or services in connection with state or federal regulatory or investigative proceedings), that do not

result in the issuance of Bonds, we propose that our fee be based upon the current hourly rates of those attorneys performing work on the matter, plus our out-of-pocket expenses, or be a fixed amount approved by you.

This proposal and resulting agreement, if accepted by the City, may be terminated by the City or our firm upon 30 days written notice by the applicable party.

If this proposal is acceptable to the City, please execute it in the space below.

This proposal may be executed in several counterparts, and each counterpart shall for all purposes be deemed an original; and all such counterparts shall constitute one and the same instrument.

Yours very truly,

Bryant Miller Olive P.A.

Accepted \_\_\_\_\_, 2016, by the City.

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Nathan Whitt, Mayor  
City of Dunnellon, Florida