

\$8,145,000
TOWN OF PARADISE VALLEY, ARIZONA
EXCISE TAX REVENUE OBLIGATION
SERIES 2020

PLACEMENT AGENT AGREEMENT

March 12, 2020

Mayor and Common Council
Town of Paradise Valley, Arizona
6401 E. Lincoln Drive
Paradise Valley, Arizona 85253

Attention: Town Manager

Upon the terms and conditions and based upon the representations, warranties and covenants set forth herein, Stifel, Nicolaus & Company, Incorporated (the “Placement Agent”) offers to enter into this Placement Agent Agreement (this “Agreement”) with Town of Paradise Valley, Arizona (the “Issuer”), which, upon acceptance of this offer, shall be binding upon the Issuer and the Placement Agent. This offer is made subject to acceptance of this Placement Contract by the Issuer before or on March 20, 2020, and, if not so accepted, will be subject to withdrawal by the Placement Agent upon notice delivered to your office at any time prior to acceptance hereof. If the obligations of the Placement Agent shall be terminated for any reason permitted hereby, neither the Placement Agent nor the Issuer shall, except as otherwise permitted hereby, be under further obligation hereunder.

The above-captioned Obligation (the “Obligation”) is to be executed and delivered pursuant to a Resolution adopted on March 12, 2020 (the “Resolution”).

1. Purchase, Sale and Delivery of Obligation. On the basis of the representations and agreements contained herein, but subject to the terms and conditions herein set forth, the Placement Agent agrees, on a best efforts basis, to locate a purchaser for the Obligation (the “Purchaser”) at a purchase price equal to the principal amount of the Obligation of \$8,145,000.00 (the “Purchase Price”) and on terms consistent with the Resolution. The payment dates, payment amounts, interest rates and other terms and conditions of the Obligation shall be as set forth in the Resolution.

For its services hereunder, and upon payment of the Purchase Price by the Purchaser to the Issuer (the date of such payment herein, the “Closing Date”), the Placement Agent shall receive compensation, payable by the Issuer, equal to \$89,595.00 (the “Fee”). On the Closing

Date, the Issuer shall pay or cause to be paid the Fee to the Placement Agent by wire transfer of immediately available funds. The Fee does not include any services the Placement Agent may render in the future to the Issuer with respect to any offering or placement of municipal securities other than the Obligation.

2. Representations, Warranties, and Covenants of the Issuer. The undersigned, on behalf of the Issuer, but not individually, hereby represents and warrants to the Placement Agent (and it shall be a condition of the obligation of the Placement Agent to perform under this Agreement that it shall be represented and warranted on the Closing Date) that:

(a) The Issuer is duly organized and validly existing under the laws of the State of Arizona (the “State”) with the power to adopt the Resolution, perform the agreements on its part contained therein and in the agreements approved thereby and cause the execution and delivery of the Obligation.

(b) The Issuer has complied materially and, in all respects on the Closing Date will be in material compliance, with all of the provisions of applicable law of the State.

(c) The Issuer has duly adopted the Resolution, and the Issuer has duly authorized and approved the execution and delivery of this Agreement and the Purchase Agreement and the Trust Agreement (as such terms are defined in the Resolution and, with this Agreement, collectively, the “Documents”) as well as the performance of its obligations contained in the Obligation and the consummation by it of all other transactions contemplated hereby.

(d) The Documents have been duly authorized, executed and delivered by the Issuer, and, assuming due authorization, execution and delivery by the other party to each, constitute legal, valid and binding agreements of the Issuer enforceable in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, moratorium, reorganization, fraudulent conveyance or other laws affecting the enforcement of creditors’ rights generally and by the application of equitable principles if sought and by the limitations on legal remedies imposed on actions against the Issuer in the State.

(e) The Issuer is not in material breach of or material default under any applicable law or administrative regulation of the State or any department, division, agency or instrumentality thereof, or of the United States, or any applicable judgment or decree or any loan agreement, note, resolution, certificate, agreement or other instrument to which the Issuer is a party or is otherwise subject, which breach or default would materially and adversely affect the Issuer or its ability to perform its duties and obligations under the Documents, and the execution and delivery of the Documents, the adoption of the Resolution and the execution and delivery of the Obligation and compliance with the provisions of each will not conflict materially with or constitute a material breach of or default under any applicable law or administrative regulation of the State or under any certificate, agreement or other instrument to which the Issuer is a party or is otherwise

subject, which breach or default would materially and adversely affect the Issuer or its ability to perform its duties and obligations under the Documents.

(f) No action, suit, proceeding or investigation at law or in equity before or by any court of governmental agency or body is pending or overtly threatened in any way affecting the existence of the Issuer or the title of the members of the legislative body of the Issuer to their respective offices or seeking to restrain or to enjoin the sale or execution and delivery of the Obligation, or the payment or collection of any amounts to pay the principal of and interest on the Obligation, or in any way contesting or affecting the validity or enforceability of the Obligation, the Resolution or the Documents, or contesting the powers of the Issuer or the members of the legislative body of the Issuer with respect to the Obligation.

(g) The Issuer has furnished the Placement Agent with certain information and materials concerning the Issuer and the Obligation that the Placement Agent requested (the "Information Package"). The following documents and information comprise the Information Package: _____. The Issuer represents and warrants that all information contained in the Information Package is, and will at all times during the period of the engagement of the Placement Agent hereunder be, true and correct in all material respects and will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein not misleading in light of the circumstances under which such statements are made.

3. Conditions to Closing. The obligations of the Placement Agent under this Agreement shall be subject, at the option of the Placement Agent, to the accuracy in all material respects of the representations, warranties and covenants on the part of the Issuer contained herein as of the date hereof and as of the Closing Date and to the performance by the Issuer of its obligations to be performed under the Documents at or prior to the Closing Date and to the following additional conditions:

(a) At the Closing Date, the Obligation and the Documents shall have been duly authorized, executed and delivered, as applicable, by the respective parties thereto, in substantially the forms heretofore submitted to the Placement Agent with only such changes as shall have been agreed to by the Placement Agent, and the Documents shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Placement Agent, and there shall have been taken in connection therewith, with the execution and delivery of the Obligation and with the transactions described therein and in this Agreement, all such action as the Placement Agent and hereinafter defined Bond Counsel shall deem to be necessary and appropriate;

(b) At or prior to the Closing Date, the Placement Agent shall have received the following documents, in each case satisfactory in form and substance to the Placement Agent:

(1) The Documents (or certified copies thereof) duly executed and delivered by the respective parties thereto, with such amendments, modifications or supplements as may have been agreed to by the Placement Agent;

(2) The opinion of Greenberg Traurig, LLP, Special Counsel, dated the Closing Date in form and substance satisfactory to the Placement Agent, relating to the validity of the Obligation and the tax-exempt status of the Obligation, together with a letter from such counsel, dated the Closing Date and addressed to the Placement Agent to the effect that the foregoing opinion may be relied upon by the Placement Agent to the same extent as if such opinion was addressed to it and providing that the offer and sale of the Obligation shall be exempt from registration under the securities act of 1933, as amended, and that the Trust Agreement does not need to be qualified pursuant to the Trust Indenture Act of 1939, as amended;

(3) A certificate of the Issuer, dated the Closing Date, in form and substance satisfactory to the Placement Agent, to the effect that:

(i) the Issuer has complied with and satisfied all the conditions on its part to be performed or satisfied under the Documents at or prior to the Closing Date and

(ii) the representations, warranties and covenants of the Issuer contained in this Agreement are true and correct as if made on the Closing Date.

(4) An Investor Letter, in the form attached to this Agreement as the Exhibit and in form and substance acceptable to the Placement Agent, executed by the purchaser of the Obligation and addressed to the Placement Agent; and

(5) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Placement Agent or its counsel, if any, and Special Counsel may reasonably request to evidence compliance by the Issuer with legal requirements, the truth and accuracy, as of the Closing Date, of the representations of the Issuer, and the due performance or satisfaction by the Issuer at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Issuer.

4. Termination. This Agreement may be terminated by either party upon ten (10) business days' prior written notice; provided, however, that, to the extent the Issuer may agree to do so pursuant to applicable law, the Fee shall be immediately due and payable by the Issuer if the Issuer terminates this Agreement and sells the Obligation to an investor identified by the Placement Agent to the Issuer prior to such termination and such sale occurs within six (6) months after termination of this Agreement.

5. Expenses. In addition to the Fee as provided in Section 1, hereof, there shall be paid solely from the proceeds of the sale of the Obligation, upon or promptly after the Closing Date: (a) the cost, if any, of the preparation and printing of the Obligation and (b) the fees and disbursements of Special Counsel and of any other counsel or consultants retained by the Issuer. The Placement Agent shall be under no obligation to pay any expenses incident to this Agreement.

6. Regulatory Disclosure. The Issuer acknowledges that, in connection with the purchase and sale of the Obligation, the offering of the Obligation for sale and the discussions

and negotiations relating to the terms of the Obligation pursuant to and as set forth in this Agreement that (a) the Placement Agent has acted at “arm’s length”, is acting solely for its own account and is not agent of or advisor (including, without limitation, a Municipal Advisor (as such term is defined in Section 975(e) of the Dodd-Frank Wall Street Reform and Consumer Protection Act)) and owes no fiduciary duty to, the Issuer or any other person, (b) the Placement Agent’s duties and obligations to the Issuer shall be limited to those contractual duties and obligations set forth in this Agreement, (c) the Placement Agent may have interests that differ from those of the Issuer, and (d) the Issuer has consulted its legal and financial advisors to the extent it deemed appropriate in connection with the offering and sale of the Obligation. The Issuer further acknowledges and agrees that it is responsible for making its judgment with respect to the offering and sale of the Obligation and the process leading thereto. The Issuer agrees that it will not claim that the Placement Agent acted as a Municipal Advisor to the Issuer or rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to the Issuer, in connection with the offering or sale of the Obligation or the process leading thereto.

7. Survival of Certain Representations and Obligation. The respective agreements, covenants, representations, warranties and other statements of the Issuer and its officers set forth in or made pursuant to this Agreement shall survive delivery of and payment for the Obligation and shall remain in full force and effect, regardless of any investigation, or statements as to the results thereof, made by or on behalf of the Placement Agent.

8. Notices. Any notice or other communication to be given to the Issuer under this agreement may be given by delivering the same in writing to the Issuer at its address set forth above. Any notice or other communication to be given to the Placement Agent under this Agreement may be given by delivering the same in writing to Stifel, Nicolaus & Company, Incorporated, 2325 East Camelback Road, Suite 750, Phoenix, Arizona 85016, attention: B. Mark Reader, Managing Director.

9. No Assignment. This Agreement has been made by the Issuer and the Placement Agent, and no person other than the foregoing shall acquire or have any right under or by virtue of this Agreement.

10. Applicable Law.

(a) This Agreement shall be interpreted, governed and enforced in accordance with the laws of the State.

(b) This Agreement as required by the provisions of Section 38-511, Arizona Revised Statutes, notice is hereby given that the State, its political subdivisions (including the Issuer) or any department or agency of either may, within three (3) years after its execution, cancel any contract, without penalty or further obligation, made by the State, its political subdivisions or any of the departments or agencies of either if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the State, its political subdivisions or any of the departments or agencies of either is, any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract. The

cancellation shall be effective when written notice from the Governor or the chief executive officer or governing body of the political subdivision is received by all other parties to the contract unless the notice specifies a later time. The State, its political subdivisions or any department or agency of either may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the State, its political subdivisions or any department or agency of either from any other party to the contract arising as the result of the contract. This Section is not intended to expand or enlarge the rights of the Issuer hereunder except as required by such Section. Each of the parties hereto hereby certifies that it is not presently aware of any violation of such Section which would adversely affect the enforceability of this Agreement and covenants that it shall take no action which would result in a violation of such Section.

11. 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.

12. 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.

[Remainder of page left blank intentionally.]

13. 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.

Respectfully submitted,

STIFEL, NICOLAUS & COMPANY, INCORPORATED

By.....
Grant Hamill, Managing Director

ACCEPTED this day of March __, 2020.

TOWN OF PARADISE VALLEY, ARIZONA

By.....
Printed Name:
Title:

EXHIBIT
FORM OF INVESTOR LETTER

Town of Paradise Valley, Arizona (the “Issuer”)

Stifel, Nicolaus & Company, Incorporated

Re: \$8,145,000
Town of Paradise Valley, Arizona
Excise Tax Revenue Obligation
Series 2020

The undersigned (the “Investor”) hereby acknowledges that it is purchasing \$8,150,000 aggregate principal amount of the captioned Obligation (the “Obligation”) pursuant to a Resolution (the “Resolution”) adopted March 12, 2020.

This letter is being provided pursuant to a Placement Agent Agreement, dated, 2020, between the Issuer and Stifel, Nicolaus & Company, Incorporated.

The Obligation is being executed and delivered to finance roadway and utility construction and improvements, drainage improvements, municipal facilities improvements, and equipment and technology purchases for the Issuer, and principal of the Obligation, together with interest thereon shall be payable from revenues from certain excise taxes and certain State shared revenues of the Issuer (the “Revenues”).

In connection with the sale of the Obligation to the Investor, the Investor hereby makes the following certifications, representations and warranties upon which you may rely:

1. The Investor has the authority and is duly authorized to purchase the Obligation and to execute this letter and any other instruments and documents required to be executed by the Investor in connection with its purchase of the Obligation.

2. The Investor is (a) a “qualified institutional buyer” as that term is defined in Rule 144A under the Securities Act of 1933, as amended (the “Securities Act”), or (b) an “accredited investor” as that term is defined in Regulation D under the Securities Act. The Purchaser (a) is a bank, any entity directly or indirectly controlled by a bank or under common control with a bank, other than a broker, dealer or municipal securities dealer registered under the Securities Exchange Act of 1934, or a consortium of such entities; and (b) has the present intent to hold the Obligation to maturity or earlier redemption or mandatory tender.

3. The Investor is not purchasing the Obligation for more than one account. The Obligation is being acquired by the Investor solely for investment and not with a view to, or

for resale in connection with, any distribution of the Obligation, and the Investor intends to hold the Obligation solely for its own account for investment purposes for an indefinite period of time, and does not intend to dispose of all or any part of the Obligation. However, the Investor may sell the Obligation at any time the Investor deems appropriate, subject to the transfer restrictions set forth in the Obligation. The Investor understands that it may need to bear the risks of this investment for an indefinite period of time, since a sale of the Obligation, or any portion thereof, prior to maturity may not be possible.

4. The Investor understands that the Obligation is not, and is not intended to be, registered under the Securities Act and that such registration is not legally required as of the date hereof and further understands that the Obligation (a) is not being registered or otherwise qualified for sale under the “blue sky” laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, (c) will not carry a rating from any rating agency, and (d) will be delivered in a form that may not be readily marketable.

5. The Investor acknowledges that it has either been supplied with or been given access to information, financial statements and other financial information to which a reasonable investor would attach significance in making investment decisions and the Investor has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Issuer and the Obligation and the security therefor so that, as a reasonable investor, the Investor has been able to make a decision to purchase the Obligation. The Investor has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of its prospective investment in the Obligation.

6. The Investor acknowledges that the Obligation is payable solely from, and secured solely by, the Revenues.

7. The Investor has made its own inquiry and analysis with respect to the Obligation and the security therefor, and other material factors affecting the security and payment of the Obligation. The Investor is aware that there are certain economic and regulatory variables and risks that could adversely affect the security for the Obligation. The Investor has reviewed the documents executed in conjunction with the execution and delivery of the Obligation, or summaries thereof, including, without limitation, the Resolution.

8. The Investor acknowledges and agrees that the Issuer takes no responsibility for and makes no representation to the Investor or any subsequent purchaser, with regard to a sale, transfer or other disposition of the Obligation in violation of the provisions hereof or any securities law or income tax law consequences thereof. The Investor also acknowledges that, with respect to the Issuer’s obligations and liabilities, the Investor is solely responsible for compliance with the sales restrictions on the Obligation in connection with any subsequent transfer of the Obligation made by the Investor.

9. The Investor agrees that it is bound by and will abide by the provisions of the Resolution relating to transfer, the restrictions noted on the face of the Obligation, and this Investor Letter. The Investor shall comply with all applicable federal and state securities laws, rules, and regulations in connection with any resale or transfer of the Obligation by the Investor.

10. The Investor acknowledges that the sale of the Obligation to the Investor is made in reliance upon the certifications, representations, and warranties herein by the addressees hereto.

The interpretation of the provisions hereof shall be governed and construed in accordance with the laws of the State of Arizona without regard to principles of conflicts of laws.

All representations of the Investor contained in this letter shall survive the execution and delivery of the Obligation to the Investor as representations of fact existing as of the date of execution and delivery of this Investor Letter.

Date:, 2020

Very truly yours,

Investor:

By:

Printed Name:

Title: