



September 11, 2020

Mr. Adam Cummins
Community & Economic Development Administrator
Mr. Thomas Fehrenbach
Community & Economic Development Director
City of East Lansing
410 Abbot Road
East Lansing, MI 48823

RE: Municipal Advising Services for the East Lansing Brownfield Redevelopment Authority

pfm

Dear Mr. Cummins & Mr. Fehrenbach:

555 Briarwood Circle
Suite 333
Ann Arbor, MI 48108
734.994.9700

pfm.com

The following is PFM Financial Advisors LLC ("PFMFA") engagement letter to provide Financial Advisory Services to the East Lansing Brownfield Redevelopment Authority's (the "Authority") in connection with the proposed Limited Obligation Tax Increment Revenue Refunding Bonds, Series 2020 (the "Bonds"). A general summary of the services PFMFA will provide in the *financial advisory capacity* for each series of bonds is as follows and any material changes in or additions to the scope of services described below shall be promptly reflected in writing:

Develop and Monitor Financing Schedule

- Coordinate a plan for timely completion of the financing

Analyze Debt Structure Alternatives

- Design a structure which seeks to maximize market interest and future financing flexibility while being consistent with debt needs and policies
- Design projected TIF coverage tables under different scenarios

Review Existing Debt Structure

- Document current debt structure
- Identify strengths and weaknesses of structure in order to structure future debt issues that seek to maximize the ability to finance future capital needs
- Identify refunding opportunities

Assistance completing Department of Treasury Applications

- Prepare necessary financial schedules required for filing with the Department of Treasury
- Prepare necessary applications required by the Department of Treasury

Advise on the sale method (Negotiated Sale, Competitive Sale or Private Placement)

- When requested, we will assist in the selection of an underwriter or underwriting syndicate and coordinate activities of the underwriters

Assist the Authority with the Selection of Working Group Members, if requested

- Coordinate the selection of a team that can effectively bring an issue to market, if requested



Develop Terms of the Financing

- Assist in helping to ensure credit quality and present terms which are attractive to investors to create broad-based interest in the debt
- Assist in helping to maximize Authority's future flexibility

Review and Assist in Preparing Marketing Information

- PFMFA will review marketing materials to assist with accuracy and completeness.
- PFMFA will assist in preparing a comprehensive Official Statement or Marketing Information package, as applicable

Develop Financing Documents

- Assist the Authority by reviewing all contractual and business terms from the Authority's perspective

Develop Marketing Plan

- With an objective to maximize underwriter and investor interest in the securities

Develop Rating Presentation and/or Assist with Rating Calls or Meetings, if Necessary

- To seek to obtain highest possible credit rating for debt issue
- Formulate and implement long-term credit rating strategy

Assist with Obtaining Credit Enhancements, if Necessary

- PFMFA will work with the Authority and other working group members to determine if credit enhancement is beneficial to the Authority and if so, will coordinate obtaining pricing on credit enhancements and advise the Authority as to the cost benefit of the purchase of the credit enhancement.

Timing Entry into the Market

- Schedule bond sale around other pertinent/comparable financings as well as the release of various economic indicators

Assist With Pricing of Bonds

- Assist Authority in obtaining the favorable interest rate for given market
- Provide written documentation of acceptability of pricing

Prepare Post-Sale Information

- Prepare a results of bidding or sale summary
- Prepare final payment schedules and applications
- Assist with the preparation of closing information including closing statements, schedules and information

Closing Activities

- Handle all activities necessary to assist in ensuring a smooth closing of the bonds



Fees for Services

PFMFA's fee for providing financial advisory services on the referenced bond issuance discussed above we propose a fee of \$47,500 based on an anticipated bond issue(s) amount of approximately \$30 million. PFMFA's fee is to be paid from bond proceeds, no fee would be due to PFMFA if the Authority does not proceed with the financing.

Registered Municipal Advisor

Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") makes it unlawful for municipal advisors to provide advice regarding municipal financial products or the issuance of municipal securities without being registered with the Municipal Securities Rulemaking Board ("MSRB").

Conflict of Interest

Attached please find a copy of the **DISCLOSURE OF CONFLICTS OF INTEREST AND OTHER INFORMATION** we have prepared for the Authority.

Termination of Engagement:

This engagement may be terminated by either party with 30 days' notice. If the termination occurs mid-transaction, the Authority would pay PFMFA a mutually agreeable amount for services rendered on the transaction up to the point of termination.

Should you have any questions or require additional information, please call.

Respectfully submitted,

Kari L. Blanchett
Managing Director

This proposal for financial advisory services provided by PFM Financial Advisors LLC to East Lansing Brownfield Redevelopment Authority is hereby accepted:

By: Peter G. Dewan
Name of Authorized Signee

Signature: Peter G. Dewan

Date: 9/15/2020