

MASTER PROFESSIONAL CONSULTANT SERVICES AGREEMENT

PFM FINANCIAL ADVISORS LLC

Financial Advisory Services Panel

THIS MASTER PROFESSIONAL CONSULTANT SERVICES AGREEMENT ("Agreement") is made and entered into this _____ day of _____, 2018 ("Effective Date"), by and between the CITY OF RIVERSIDE ("City"), a California charter city and municipal corporation and PFM FINANCIAL ADVISORS LLC, a Delaware limited liability company authorized to do business in California ("Consultant").

RECITALS

WHEREAS, the City requires the services of a consultant that is experienced in providing all services commonly associated with financial advisory services for various projects for the City's Finance Department and Public Utilities Department; and

WHEREAS, City issued a Request for Proposals, RFQ #1757, for purposes of retaining a consultant experienced in providing such professional services, for various projects for the City's Finance Department and Public Utilities Department; and

WHEREAS, Consultant has the necessary experience in providing such professional consulting services and advice on various issues; and

WHEREAS, selection of Consultant is expected to achieve the desired results in an expedited fashion; and

WHEREAS, Consultant has submitted a Proposal to City and has affirmed its willingness and ability to perform such work.

NOW, THEREFORE, in consideration of the foregoing recitals which are incorporated herein by this reference, City and Consultant agree as follows:

1. **Scope of Services.** City agrees to retain and does hereby retain Consultant and Consultant agrees to provide the services more particularly described in Exhibit "A," "Scope of Services" ("Services"), attached hereto and incorporated herein by reference, in conjunction with Financial Advisory Services Panel ("Project").

1.1 **Assigned Project.** During the term of this Agreement, Consultant shall submit written proposals for various Financial Advisory Services ("Assigned Project") as requested. Upon selection of Consultant, the specific scope and price of the Assigned Project shall be formalized by a Supplemental Agreement, a sample of which is attached hereto as Exhibit "B".

2. **Term.** This Agreement shall be effective on the date first written above and shall remain in effect until June 30, 2021, unless otherwise terminated pursuant to the provisions herein. The City shall have the option to extend the Agreement for three (3) years upon written notice to Consultant.

3. **Compensation/Payment.** Consultant shall perform the Services under this Agreement payable in accordance with the terms set forth in Exhibit "B" Said payment shall be made in accordance with City's usual accounting procedures upon receipt and approval of an itemized invoice setting forth the services performed. The invoices shall be delivered to City at the address set forth in Section 4 hereof.

4. **Non-Exclusivity.** Nothing herein is intended nor shall be construed as creating any exclusive agreement with Contractor. This Agreement shall not restrict City from acquiring similar, equal, or like goods and/or services from other entities or sources.

5. **Notices.** Any notices required to be given, hereunder shall be in writing and shall be personally served or given by mail. Any notice given by mail shall be deemed given when deposited in the United States Mail, certified and postage prepaid, addressed to the party to be served as follows:

City

Finance Department
City of Riverside
Attn: Chief Financial Officer
3900 Main Street, 6th Floor
Riverside, CA 92522

Consultant

PFM Financial Advisors LLC
Attn: Tyler Old, Director
601 S. Figueroa Street
Suite 4500
Los Angeles, CA 90017

6. **Prevailing Wage.** If applicable, Consultant and all subcontractors are required to pay the general prevailing wage rates of per diem wages and overtime and holiday wages determined by the Director of the Department of Industrial Relations under Section 1720 et seq. of the California Labor Code and implemented by Resolution No. 13346 of the City Council of the City of Riverside. The Director's determination is available on-line at: www.dir.ca.gov/dlsr/DPreWageDetermination.htm and is referred to and made a part hereof; the wage rates therein ascertained, determined, and specified are referred to and made a part hereof as though fully set forth herein.

7. **Contract Administration.** A designee of the City will be appointed in writing by the City Manager or Department Director to administer this Agreement on behalf of City and shall be referred to herein as Contract Administrator.

8. **Standard of Performance.** While performing the Services, Consultant shall exercise the reasonable professional care and skill customarily exercised by reputable members of Consultant's profession practicing in the Metropolitan Southern California Area, and shall use reasonable diligence and best judgment while exercising its professional skill and expertise.

9. **Personnel.** Consultant shall furnish all personnel necessary to perform the Services and shall be responsible for their performance and compensation. Consultant recognizes that the qualifications and experience of the personnel to be used are vital to professional and timely completion of the Services. The key personnel listed in Exhibit "C" attached hereto and incorporated herein by this reference and assigned to perform portions of the Services shall remain assigned through completion of the Services, unless otherwise mutually agreed by the parties in writing, or caused by hardship or resignation in which case substitutes shall be subject to City approval.

10. **Assignment and Subcontracting.** Neither party shall assign any right, interest, or obligation in or under this Agreement to any other entity without prior written consent of the other party. In any event, no assignment shall be made unless the assignee expressly assumes the obligations of assignor under this Agreement, in a writing satisfactory to the parties. Consultant acknowledges that any assignment may, at the City's sole discretion, require City Manager and/or City Council approval. Consultant shall not subcontract any portion of the work required by this Agreement without prior written approval by the responsible City Contract Administrator. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement, including without limitation, the insurance obligations set forth in Section 12. The Consultant acknowledges and agrees that the City is an intended beneficiary of any work performed by any subcontractor for purposes of establishing a duty of care between any subcontractor and the City.

11. **Independent Contractor.** In the performance of this Agreement, Consultant, and Consultant's employees, subcontractors and agents, shall act in an independent capacity as independent contractors, and not as officers or employees of the City of Riverside. Consultant acknowledges and agrees that the City has no obligation to pay or withhold state or federal taxes or to provide workers' compensation or unemployment insurance to Consultant, or to Consultant's employees, subcontractors and agents. Consultant, as an independent contractor, shall be responsible for any and all taxes that apply to Consultant as an employer.

12. **Indemnification.**

12.1 **Design Professional Defined.** For purposes of this Agreement, "Design Professional" includes the following:

- A. An individual licensed as an architect pursuant to Chapter 3 (commencing with Section 5500) of Division 3 of the Business and Professions Code, and a business entity offering architectural services in accordance with that chapter.
- B. An individual licensed as a landscape architect pursuant to Chapter 3.5 (commencing with Section 5615) of Division 3 of the Business and Professions Code, and a business entity offering landscape architectural services in accordance with that chapter.

- C. An individual registered as a professional engineer pursuant to Chapter 7 (commencing with Section 6700) of Division 3 of the Business and Professions Code, and a business entity offering professional engineering services in accordance with that chapter.
- D. An individual licensed as a professional land surveyor pursuant to Chapter 15 (commencing with Section 8700) of Division 3 of the Business and Professions Code, and a business entity offering professional land surveying services in accordance with that chapter.

12.2 Defense Obligation for Design Professional Liability. Consultant agrees, at its cost and expense, to promptly defend the City, and the City's employees, officers, managers, agents and council members (collectively the "Parties to be Defended") from and against any and all claims, allegations, lawsuits, arbitration proceedings, administrative proceedings, regulatory proceedings, or other legal proceedings to the extent the same arise out of, pertain to, or relate to the negligence, recklessness or willful misconduct of Consultant, or anyone employed by or working under the Consultant or for services rendered to the Consultant in the performance of the Agreement, notwithstanding that the City may have benefited from its work or services and whether or not caused in part by the negligence of an Indemnified Party. Consultant agrees to provide this defense immediately upon written notice from the City, and with well qualified, adequately insured and experienced legal counsel acceptable to City. This obligation to defend as set forth herein is binding on the successors, assigns and heirs of Consultant and shall survive the termination of Consultant's Services under this Agreement.

12.3 Indemnity for Design Professional Liability. When the law establishes a professional standard of care for Consultant's services, to the fullest extent permitted by law, Consultant shall indemnify, protect and hold harmless the City and the City's employees, officers, managers, agents, and Council Members ("Indemnified Parties") from and against any and all claim for damage, charge, lawsuit, action, judicial, administrative, regulatory or arbitration proceeding, damage, cost, expense (including counsel and expert fees), judgment, civil fines and penalties, liabilities or losses of any kind or nature whatsoever to the extent the same arise out of, pertain to, or relate to the negligence, recklessness or willful misconduct of Consultant, or anyone employed by or working under the Consultant or for services rendered to the Consultant in the performance of the Agreement, notwithstanding that the City may have benefited from its work or services and whether or not caused in part by the negligence of an Indemnified Party.

12.4 Defense Obligation for Other than Design Professional Liability. Consultant agrees, at its cost and expense, to promptly defend the City, and the City's employees, officers, managers, agents and council members (collectively the "Parties to be Defended") from and against any and all claims, allegations, lawsuits, arbitration proceedings, administrative proceedings, regulatory proceedings, or other legal proceedings which arise out of, or relate to, or are in any way connected with: 1) the Services, work, activities, operations, or duties of the Consultant, or of anyone employed by or working under the Consultant, or 2) any breach of the Agreement by the Consultant. This duty to defend shall apply whether or not such claims, allegations, lawsuits or proceedings have merit or are meritless, or which involve claims or allegations that any or all of the Parties to be Defended were actively, passively, or concurrently negligent, or which otherwise assert that the

Parties to be Defended are responsible, in whole or in part, for any loss, damage or injury. Consultant agrees to provide this defense immediately upon written notice from the City, and with well qualified, adequately insured and experienced legal counsel acceptable to City. This obligation to defend as set forth herein is binding on the successors, assigns and heirs of Consultant and shall survive the termination of Consultant's Services under this Agreement.

12.5 Indemnity for Other than Design Professional Liability. Except as to the sole negligence or willful misconduct of the City, Consultant agrees to indemnify, protect and hold harmless the Indemnified Parties from and against any claim for damage, charge, lawsuit, action, judicial, administrative, regulatory or arbitration proceeding, damage, cost, expense (including counsel and expert fees), judgment, civil fine and penalties, liabilities or losses of any kind or nature whatsoever whether actual, threatened or alleged, which arise out of, pertain to, or relate to, or are a consequence of, or are attributable to, or are in any manner connected with the performance of the Services, work, activities, operations or duties of the Consultant, or anyone employed by or working under the Consultant or for services rendered to Consultant in the performance of this Agreement, notwithstanding that the City may have benefited from its work or services. This indemnification provision shall apply to any acts, omissions, negligence, recklessness, or willful misconduct, whether active or passive, on the part of the Consultant or anyone employed or working under the Consultant.

13. Insurance.

13.1 General Provisions. Prior to the City's execution of this Agreement, Consultant shall provide satisfactory evidence of, and shall thereafter maintain during the term of this Agreement, such insurance policies and coverages in the types, limits, forms and ratings required herein. The rating and required insurance policies and coverages may be modified in writing by the City's Risk Manager or City Attorney, or a designee, unless such modification is prohibited by law.

13.1.1 Limitations. These minimum amounts of coverage shall not constitute any limitation or cap on Consultant's indemnification obligations under Section 11 hereof.

13.1.2 Ratings. Any insurance policy or coverage provided by Consultant or subcontractors as required by this Agreement shall be deemed inadequate and a material breach of this Agreement, unless such policy or coverage is issued by insurance companies authorized to transact insurance business in the State of California with a policy holder's rating of A or higher and a Financial Class of VII or higher.

13.1.3 Cancellation. The policies shall not be canceled unless thirty (30) days prior written notification of intended cancellation has been given to City by certified or registered mail, postage prepaid.

13.1.4 Adequacy. The City, its officers, employees and agents make no representation that the types or limits of insurance specified to be carried by Consultant pursuant to this Agreement are adequate to protect Consultant. If Consultant believes that any required insurance coverage is inadequate, Consultant will obtain such additional insurance coverage as Consultant deems adequate, at Consultant's sole expense.

13.2 Workers' Compensation Insurance. By executing this Agreement, Consultant certifies that Consultant is aware of and will comply with Section 3700 of the Labor Code of the State of California requiring every employer to be insured against liability for workers' compensation, or to undertake self-insurance before commencing any of the work. Consultant shall carry the insurance or provide for self-insurance required by California law to protect said Consultant from claims under the Workers' Compensation Act. Prior to City's execution of this Agreement, Consultant shall file with City either 1) a certificate of insurance showing that such insurance is in effect, or that Consultant is self-insured for such coverage, or 2) a certified statement that Consultant has no employees, and acknowledging that if Consultant does employ any person, the necessary certificate of insurance will immediately be filed with City. Any certificate filed with City shall provide that City will be given ten (10) days prior written notice before modification or cancellation thereof.

13.3 Commercial General Liability and Automobile Insurance. Prior to City's execution of this Agreement, Consultant shall obtain, and shall thereafter maintain during the term of this Agreement, commercial general liability insurance and automobile liability insurance as required to insure Consultant against damages for personal injury, including accidental death, as well as from claims for property damage, which may arise from or which may concern operations by anyone directly or indirectly employed by, connected with, or acting for or on behalf of Consultant. The City, and its officers, employees and agents, shall be named as additional insureds under the Consultant's insurance policies.

13.3.1 Consultant's commercial general liability insurance policy shall cover both bodily injury (including death) and property damage (including, but not limited to, premises operations liability, products-completed operations liability, independent contractor's liability, personal injury liability, and contractual liability) in an amount not less than \$1,000,000 per occurrence and a general aggregate limit in the amount of not less than \$2,000,000.

13.3.2 Consultant's automobile liability policy shall cover both bodily injury and property damage in an amount not less than \$1,000,000 per occurrence and an aggregate limit of not less than \$1,000,000. All of Consultant's automobile and/or commercial general liability insurance policies shall cover all vehicles used in connection with Consultant's performance of this Agreement, which vehicles shall include, but are not limited to, Consultant owned vehicles, Consultant leased vehicles, Consultant's employee vehicles, non-Consultant owned vehicles and hired vehicles.

13.3.3 Prior to City's execution of this Agreement, copies of insurance policies or original certificates along with additional insured endorsements acceptable to the City evidencing the coverage required by this Agreement, for both commercial general and automobile liability insurance, shall be filed with City and shall include the City and its officers, employees and agents, as additional insureds. Said policies shall be in the usual form of commercial general and automobile liability insurance policies, but shall include the following provisions:

It is agreed that the City of Riverside, and its officers, employees and agents, are added as additional insureds under this policy, solely for work done by

and on behalf of the named insured for the City of Riverside.

13.3.4 The insurance policy or policies shall also comply with the following provisions:

- a. The policy shall be endorsed to waive any right of subrogation against the City and its sub-consultants, employees, officers and agents for services performed under this Agreement.
- b. If the policy is written on a claims made basis, the certificate should so specify and the policy must continue in force for one year after completion of the services. The retroactive date of coverage must also be listed.
- c. The policy shall specify that the insurance provided by Consultant will be considered primary and not contributory to any other insurance available to the City and Endorsement No. CG 20010413 shall be provided to the City.

13.4 Errors and Omissions Insurance. Prior to City's execution of this Agreement, Consultant shall obtain, and shall thereafter maintain during the term of this Agreement, errors and omissions professional liability insurance in the minimum amount of \$1,000,000 to protect the City from claims resulting from the Consultant's activities.

13.5 Subcontractors' Insurance. Consultant shall require all of its subcontractors to carry insurance, in an amount sufficient to cover the risk of injury, damage or loss that may be caused by the subcontractors' scope of work and activities provided in furtherance of this Agreement, including, but without limitation, the following coverages: Workers Compensation, Commercial General Liability, Errors and Omissions, and Automobile liability. Upon City's request, Consultant shall provide City with satisfactory evidence that Subcontractors have obtained insurance policies and coverages required by this section.

14. Business Tax. Consultant understands that the Services performed under this Agreement constitutes doing business in the City of Riverside, and Consultant agrees that Consultant will register for and pay a business tax pursuant to Chapter 5.04 of the Riverside Municipal Code and keep such tax certificate current during the term of this Agreement.

15. Time of Essence. Time is of the essence for each and every provision of this Agreement.

16. City's Right to Employ Other Consultants. City reserves the right to employ other Consultants in connection with the Project. If the City is required to employ another consultant to complete Consultant's work, due to the failure of the Consultant to perform, or due to the breach of any of the provisions of this Agreement, the City reserves the right to seek reimbursement from Consultant.

17. **Accounting Records.** Consultant shall maintain complete and accurate records with respect to costs incurred under this Agreement. All such records shall be clearly identifiable. Consultant shall allow a representative of City during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Consultant shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

18. **Confidentiality.** All ideas, memoranda, specifications, plans, procedures, drawings, configurations, descriptions, computer program data, or network or system information, input record data, written information, and other materials either created by or provided to Consultant in connection with the performance of this Agreement shall be held confidential by Consultant and its employees, except as otherwise directed by City's Contract Administrator. Nothing furnished to Consultant which is otherwise known to the Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. Consultant shall not use City's name or insignia, photographs of the Project, or any publicity pertaining to the Services or the Project in any magazine, trade paper, newspaper, television or radio production, website, or other similar medium without the prior written consent of the City. This provision shall survive the expiration or termination of this Agreement.

19. **Ownership of Documents.** All reports, maps, drawings, and other contract deliverables prepared under this Agreement by Consultant shall be and remain the property of City. Consultant shall not release to others information furnished by City without prior express written approval of City. This provision shall survive the expiration or termination of this Agreement.

20. **Copyrights.** Consultant agrees that any work prepared for City which is eligible for copyright protection in the United States or elsewhere shall be a work made for hire. If any such work is deemed for any reason not to be a work made for hire, Consultant assigns all right, title and interest in the copyright in such work, and all extensions and renewals thereof, to City, and agrees to provide all assistance reasonably requested by City in the establishment, preservation and enforcement of its copyright in such work, such assistance to be provided at City's expense but without any additional compensation to Consultant. Consultant agrees to waive all moral rights relating to the work developed or produced, including without limitation any and all rights of identification of authorship and any and all rights of approval, restriction or limitation on use or subsequent modifications. This provision shall survive the expiration or termination of this Agreement.

21. **Conflict of Interest.** Consultant, for itself and on behalf of the individuals listed in Exhibit "C", represents and warrants that by the execution of this Agreement, they have no interest, present or contemplated, in the Project affected by the above-described Services. Consultant further warrants that neither Consultant, nor the individuals listed in Exhibit "C" have any real property, business interests or income interests that will be affected by this project or, alternatively, that Consultant will file with the City an affidavit disclosing any such interest.

22. **Solicitation.** Consultant warrants that Consultant has not employed or retained any person or agency to solicit or secure this Agreement, nor has it entered into any agreement or understanding for a commission, percentage, brokerage, or contingent fee to be paid to secure this Agreement. For breach of this warranty, City shall have the right to terminate this Agreement without liability and pay Consultant only for the value of work Consultant has actually performed, or, in its sole discretion, to deduct from the Agreement price or otherwise recover from Consultant the full amount of such commission, percentage, brokerage or commission fee. The remedies specified in this section shall be in addition to and not in lieu of those remedies otherwise specified in this Agreement.

23. **General Compliance with Laws.** Consultant shall keep fully informed of federal, state and local laws and ordinances and regulations which in any manner affect those employed by Consultant, or in any way affect the performance of services by Consultant pursuant to this Agreement. Consultant shall at all times observe and comply with all such laws, ordinances and regulations, and shall be solely responsible for any failure to comply with all applicable laws, ordinances and regulations. Consultant represents and warrants that Consultant has obtained all necessary licenses to perform the Scope of Services and that such licenses are in good standing. Consultant further represents and warrants that the services provided herein shall conform to all ordinances, policies and practices of the City of Riverside.

24. **Waiver.** No action or failure to act by the City shall constitute a waiver of any right or duty afforded City under this Agreement, nor shall any such action or failure to act constitute approval of or acquiescence in any breach thereunder, except as may be specifically, provided in this Agreement or as may be otherwise agreed in writing.

25. **Amendments.** This Agreement may be modified or amended only by a written agreement and/or change order executed by the Consultant and City.

26. **Termination.** City, by notifying Consultant in writing, shall have the right to terminate any or all of Consultant's services and work covered by this Agreement at any time. In the event of such termination, Consultant may submit Consultant's final written statement of the amount of Consultant's services as of the date of such termination based upon the ratio that the work completed bears to the total work required to make the report complete, subject to the City's rights under Sections 16 and 26 hereof. In ascertaining the work actually rendered through the termination date, City shall consider completed work, work in progress and complete and incomplete reports and other documents only after delivered to City.

26.1 Other than as stated below, City shall give Consultant thirty (30) days prior written notice prior to termination.

26.2 City may terminate this Agreement upon fifteen (15) days written notice to Consultant, in the event:

26.2.1 Consultant substantially fails to perform or materially breaches the Agreement; or

26.2.2 City decides to abandon or postpone the Project.

27. **Offsets.** Consultant acknowledges and agrees that with respect to any business tax or penalties thereon, utility charges, invoiced fee or other debt which Consultant owes or may owe to the City, City reserves the right to withhold and offset said amounts from payments or refunds or reimbursements owed by City to Consultant. Notice of such withholding and offset, shall promptly be given to Consultant by City in writing. In the event of a dispute as to the amount owed or whether such amount is owed to the City, City will hold such disputed amount until either the appropriate appeal process has been completed or until the dispute has been resolved.

28. **Successors and Assigns.** This Agreement shall be binding upon City and its successors and assigns, and upon Consultant and its permitted successors and assigns, and shall not be assigned by Consultant, either in whole or in part, except as otherwise provided in paragraph 9 of this Agreement.

29. **Venue.** Any action at law or in equity brought by either of the parties hereto for the purpose of enforcing a right or rights provided for by this Agreement shall be tried in the Superior Court of the County of Riverside, State of California, and the parties hereby waive all provisions of law providing for a change of venue in such proceedings to any other county. In the event either party hereto shall bring suit to enforce any term of this Agreement or to recover any damages for and on account of the breach of any term or condition of this Agreement, it is mutually agreed that each party will bear their own attorney's fees and costs.

30. **Nondiscrimination.** During Consultant's performance of this Agreement, Consultant shall not discriminate on the grounds of race, religious creed, color, national origin, ancestry, age, physical disability, mental disability, medical condition, including the medical condition of Acquired Immune Deficiency Syndrome (AIDS) or any condition related thereto, marital status, sex, genetic information, gender, gender identity, gender expression, or sexual orientation, military and veteran status, in the selection and retention of employees and subcontractors and the procurement of materials and equipment, except as provided in Section 12940 of the California Government Code. Further, Consultant agrees to conform to the requirements of the Americans with Disabilities Act in the performance of this Agreement.

31. **Severability.** Each provision, term, condition, covenant and/or restriction, in whole and in part, of this Agreement shall be considered severable. In the event any provision, term, condition, covenant and/or restriction, in whole and/or in part, of this Agreement is declared invalid, unconstitutional, or void for any reason, such provision or part thereof shall be severed from this Agreement and shall not affect any other provision, term, condition, covenant and/or restriction of this Agreement, and the remainder of the Agreement shall continue in full force and effect.

32. **Authority.** The individuals executing this Agreement and the instruments referenced herein on behalf of Consultant each represent and warrant that they have the legal power, right and actual authority to bind Consultant to the terms and conditions hereof and thereof.

33. **Entire Agreement.** This Agreement constitutes the final, complete, and exclusive statement of the terms of the agreement between the parties pertaining to the subject matter of this Agreement, and supersedes all prior and contemporaneous understandings or agreements of the parties. Neither party has been induced to enter into this Agreement by and neither party is relying on, any representation or warranty outside those expressly set forth in this Agreement.

34. **Interpretation.** City and Consultant acknowledge and agree that this Agreement is the product of mutual arms-length negotiations and accordingly, the rule of construction, which provides that the ambiguities in a document shall be construed against the drafter of that document, shall have no application to the interpretation and enforcement of this Agreement.

34.1 Titles and captions are for convenience of reference only and do not define, describe or limit the scope or the intent of the Agreement or any of its terms. Reference to section numbers, are to sections in the Agreement unless expressly stated otherwise.

34.2 This Agreement shall be governed by and construed in accordance with the laws of the State of California in effect at the time of the execution of this Agreement.

34.3 In the event of a conflict between the body of this Agreement and Exhibit "A" - Scope of Services, attached hereto, the terms contained in Exhibit "A" shall be controlling.

35. **Exhibits.** The following exhibits attached hereto are incorporated herein to this Agreement by this reference:

- Exhibit "A" - Scope of Services
- Exhibit "B" - Compensation
- Exhibit "C" - Key Personnel
- Exhibit "D" - Supplemental Agreement for Assigned Project
- Exhibit "E" - Disclosures and Other Miscellaneous Addenda
- Exhibit "F" - Consultant's Proposal

(Signatures on following page)

IN WITNESS WHEREOF, City and Consultant have caused this Agreement to be duly executed the day and year first above written.

CITY OF RIVERSIDE, a California
charter city and municipal corporation

PFM FINANCIAL ADVISORS LLC,
a Delaware limited liability company
authorized to do business in California

By: _____
City Manager

By: _____
Michael Beruanger
[Printed Name]
Managing Director
[Title]

Attest: _____
City Clerk

By: _____
Laura Franke
[Printed Name]
Managing Director
[Title]

Approved as to Form:

By: _____
Deputy City Attorney

Certified as to Availability of Funds:

By: _____
Chief Financial Officer/Treasurer

EXHIBIT "A"

SCOPE OF SERVICES

EXHIBIT A

Scope of Services

The City would like to establish a pool or panel of financial advisory service Companies to assist the City with various debt and financial related matters, including but not limited to: credit rating agencies and investor relations strategies, evaluating financial and financing related proposals, providing investment advisory services and identifying refinancing and escrow restructuring opportunities. The following lists are not all inclusive:

SERVICES RELATED TO FINANCIAL PLANNING

- Provide advice regarding various financing options available and methods the City could use to finance the construction of facilities and re-finance outstanding debt. The financial advisor is expected to recommend the best financing options, while minimizing interest cost.
- Explore and evaluate short-term financing options, including but not limited to, bond anticipation notes and line of credit, as well as long-term financing, including the development on a long-term financial plan, sizing of each bond issue, and calculations of the resulting debt service requirements.
- Proactively inform the City of events in the debt markets and economy in general that may have an impact on decisions to issue additional debt, refund bonds, or complete other debt or financing transactions. Provide information that may have an effect on currently outstanding issues.
- Provide financial consulting services as required in matters related to debt planning and debt management.
- Assist as needed in the review of financial policies (i.e., policies pertaining to investments, financing, swaps, etc.) and debt compliance and disclosure policies.
- Advise on current market conditions, future bond issues, and other information which might be influenced by interest rates and bidding conditions; these factors will be considered for the timing, scheduling, and structuring of each stage of a bond issue to produce the best financing terms. Recommendations for and assistance in acquiring bond insurance, if needed, are also to be provided.
- Provide financial consultant services, as needed, pertaining to obtaining or renewing credit facilities.

- Recommend financial provisions to be included in the bond transcript documents.
- Assist staff with preparation, review, and delivery of the notice of sale, preliminary official statement, official statement, bid form, and other documents necessary for each issue, as applicable.
- Participate, as requested by the City, in assembling materials and representing the City in dealings with bond counsel, rating agencies, the City Council, underwriters, and others, as needed, in finalizing offering documents, obtaining required approvals, and closing a bond issue.
- Act as a liaison to the municipal bond market, including, but not limited to, responding to questions or requests for information from prospective investors.
- Evaluate pricing received for proposed bond issues and recommend the most favorable to the City; assist in arranging the delivery of the bonds.
- Provide a post-market evaluation/verification of, including, but not limited to, the underwriters' spread, reasonableness of coupon rates and discounts/ premiums, issuance at a fair market price, and the costs of issuance.
- Provide all other services necessary and/or requested by the City for the issuance of bonds and coordination of an offering.
- Assist with arbitrage compliance and annual arbitrage calculations, as requested.
- Review, analyze and provide guidance on the extension or replacement of letters of credit (LOC) for outstanding variable rate debt, including evaluation of other financing alternatives, such as refunding the bonds with long-term fixed rate debt, short-term fixed rate notes, or floating rate notes.

REPORTING

- The financial advisor shall prepare and submit financial analyses and other reports as requested by the City, including but not limited to, bond transactions' post-pricing reports, schedule of financing transactions including distribution lists, review and analysis of financing proposals, refunding and debt restructuring analysis, debt service schedules, credit analysis, rating agency and investor presentations.

- Assist in evaluating remarketing agent, dealer, and credit facility performance for commercial paper program and variable rate debt, including evaluating rates, fees, and other costs.
- Attend and participate in City Council, City Council Finance Committee, Board of Public Utilities, and other meetings as required.
- Advise the City in performing due diligence investigations with respect to Companies that the City may contemplate using in financial transactions. Such due diligence shall include matters pertaining to the knowledge of, or investigation into a Company's alleged or convicted financial misconduct, securities violation, or Justice Department investigation(s).
- Provide assistance in identifying and obtaining new sources of funds for capital needs, such as may be available from state and/or federal programs.
- Assist in maintaining credit rating agency relationships, including preparation for the City's periodic credit rating review, to ensure the most favorable rating possible.
- Prepare and present reports and/or presentations as needed to the City Council, and the City's various Boards and Commissions. Presentations may at times be designed to facilitate an understanding of public sector financing and its implications to the City.
- Attend/participate (in person or by telephone, as required) in meetings related to financial activities as needed.
- Provide service in other financial analyses and technical research as may be deemed desirable by the City.

SERVICES RELATED TO DEBT ISSUANCE

- Provide debt service schedules (principal and interest) for future bond issues and final pricing documents.
- Provide a listing of prospective bidders to facilitate the selection of service providers, such as guaranteed investment contract providers, surety providers, insurance providers, etc. Provide advice, coordinate, and by following the requirements under the City Charter, assist with the bidding process.
- Provide any required assistance with bid solicitations, selection process, negotiation of contract terms, and arrangements for fee payments, for document printing, ratings, paying agents/registrar services, verification agents, underwriters, and other related, required services.

MISCELLANEOUS DISCLOSURES

A. Registered Municipal Advisor; Required Disclosures

1. Consultant is a registered municipal advisor with the Securities and Exchange Commission (the "SEC") and the Municipal Securities Rulemaking Board (the "MSRB"), pursuant to the Securities Exchange Act of 1934 Rule 15Ba1-2. If the City has designated Consultant as its independent registered municipal advisor ("IRMA") for purposes of SEC Rule 15Ba1-1(d)(3)(vi)(the "IRMA exemption"), then services provided pursuant to such designation shall be the services described in Exhibit A hereto, subject to any limitations described thereon. Consultant shall not be responsible for, or have any liability in connection with, verifying that Consultant is independent from any other party seeking to rely on the IRMA exemption (as such independent status is required pursuant to the IRMA exemption, as interpreted from time to time by the SEC). The City acknowledges and agrees that any reference to Consultant, its personnel and its role as IRMA, including in the written representation of the City required under SEC Rule 15Ba1-1(d)(3)(vi)(B) shall be subject to prior approval by Consultant. The City further agrees not to represent that Consultant is the City's IRMA with respect to any aspect of a municipal securities issuance or municipal financial product, outside of the scope of services without Consultant's prior written consent.
2. MSRB Rules require that municipal advisors make written disclosures to their clients of all material conflicts of interest, certain legal or disciplinary events and certain regulatory requirements. Such disclosures are provided in Consultant's Disclosure Statement delivered to the City together with this Agreement.

B. Information to be Furnished to Consultant

1. All information, data, reports, and records ("Data") in the possession of the City or any third party necessary for carrying out any services to be performed under this Agreement shall be furnished to Consultant and the City shall, and shall cause its agent(s) to, cooperate with Consultant in its conduct of reasonable due diligence in performing the services, including with respect to the facts that are necessary in its recommendation(s) to the City in connection with a municipal securities transaction or municipal financial product and/or relevant to the City's determination whether to proceed with a course of action. To the extent the City requests that Consultant provided advice with regard to any recommendation made by a third party, the City will provide to Consultant written direction to do so as well as any Data it has received from such third party relating to its recommendation. The City acknowledges and agrees that while Consultant is relying on the Data in connection with its provision of the services under this Agreement, Consultant makes no representation with respect to and shall not be responsible for the accuracy or completeness of such Data.

EXHIBIT "B"
COMPENSATION

City of Riverside

Fee Schedule 1 - Debt Issuance

Issuance Type	Year 1	
	< \$50 Million	> \$50 Million
Competitive fixed rate bonds:	\$ 50,000	\$ 70,000
Competitive refunding fixed rate bonds:	\$ 55,000	\$ 75,000
Negotiated fixed/variable rate bonds:	\$ 50,000	\$ 70,000
Negotiated fixed rate refunding bonds:	\$ 55,000	\$ 75,000

Issuance Type	Year 2	
	< \$50 Million	> \$50 Million
Competitive fixed rate bonds:	\$ 50,000	\$ 70,000
Competitive refunding fixed rate bonds:	\$ 55,000	\$ 75,000
Negotiated fixed/variable rate bonds:	\$ 50,000	\$ 70,000
Negotiated fixed rate refunding bonds:	\$ 55,000	\$ 75,000

Issuance Type	Year 3	
	< \$50 Million	> \$50 Million
Competitive fixed rate bonds:	\$ 50,000	\$ 70,000
Competitive refunding fixed rate bonds:	\$ 55,000	\$ 75,000
Negotiated fixed/variable rate bonds:	\$ 50,000	\$ 70,000
Negotiated fixed rate refunding bonds:	\$ 55,000	\$ 75,000

City of Riverside

Fee Schedule 2 - As Needed Services

Proposed Key Personnel Hourly Rates	Position Titles	Year 1		Year 2		Year 3	
		Fee		Fee		Fee	
only fill in the necessary amount of positions	1 Managing Director	\$ 375	/hour	\$ 375	/hour	\$ 375	/hour
	2 Director	\$ 350	/hour	\$ 350	/hour	\$ 350	/hour
	3 Senior Managing Consultant	\$ 315	/hour	\$ 315	/hour	\$ 315	/hour
	4 Senior Analyst	\$ 275	/hour	\$ 275	/hour	\$ 275	/hour
	5 Analyst	\$ 250	/hour	\$ 250	/hour	\$ 250	/hour
	6	\$	/hour	\$	/hour	\$	/hour
	7	\$	/hour	\$	/hour	\$	/hour
	8	\$	/hour	\$	/hour	\$	/hour
	9	\$	/hour	\$	/hour	\$	/hour
	10	\$	/hour	\$	/hour	\$	/hour

Miscellaneous Fees	List	Year 1		Year 2		Year 3	
		Fee		Fee		Fee	
The City recognizes that each engagement may include reimburs- able costs such as travel, etc. Please list any such fees here.	1 Per Transaction Out-of-Pocket	\$ 5,000		\$ 5,000		\$ 5,000	
	2	\$		\$		\$	
	3	\$		\$		\$	
	4	\$		\$		\$	
	5	\$		\$		\$	
	6	\$		\$		\$	

Total cost contingent upon a scope of services that may be incorporated into the
Agreement on a project by project basis.

EXHIBIT "C"

KEY PERSONNEL

Primary Contacts

Michael Berwanger, Managing Director

Email: berwangerm@pfm.com

Tyler Old, Director

Email: oldt@berwangerm@pfm.com

601 S. Figueroa St., Suite 4500

Los Angeles, CA 90017

Ph: (213) 489-4075

Fax: (213) 489-4085

Engagement Support

Jim Carbone, Senior Managing Consultant

Los Angeles, CA

Alex Injev, Analyst

Los Angeles, CA

Laura Franke, Managing Director

Los Angeles, CA

EXHIBIT "D"

SUPPLEMENTAL AGREEMENT FOR ASSIGNED PROJECT

Consultant: _____

Project Name: _____

The Project Narrative for [name of project] ("Project"), a copy of which is attached hereto as Exhibit "A" and incorporated herein by this reference, and Consultant's proposal dated [date of proposal], a copy of which is attached hereto as Exhibit "B" and incorporated herein by this reference, shall constitute a supplement to the Master Professional Consultant Services Agreement for Financial Advisory Services Panel, by and between City and Consultant, dated [date of executed master agreement] ("Agreement"). Consultant agrees to perform the services described in the Project Narrative within the time set forth in the Notice to Proceed for the amount of **[written amount] Dollars (\$0)**. Performance of the services shall be subject to the terms and conditions contained in the Agreement.

Dated this _____ day of _____, 2018.

CITY OF RIVERSIDE, a California
charter city and a municipal corporation

CONSULTANT NAME,
[legal business entity, e.g., a sole proprietor,
California corporation, etc.]

By: _____
City Manager

By: _____

Title: _____

Attest: _____
City Clerk

By: _____

Title: _____

Approved as to form:

By: _____
Deputy City Attorney

Certified as to Availability of Funds:

By: _____
Chief Financial Officer/Treasurer

EXHIBIT "E"

DISCLOSURES AND OTHER MISCELLANEOUS ADDENDA

1. The City and Consultant hereby agree that the Indemnification and Defense Obligations, as stated in Section 12 of the Agreement, will become operative in the event of negligent or intentionally wrongful acts or willful misconduct on the part of the Consultant.
2. The City and Consultant hereby acknowledge that City's confidential information may be compelled to be disclosed pursuant to law or court order. The City and Consultant hereby agree that if Consultant is compelled by law or court order to disclose confidential information which fall under Section 18 of the Agreement, Consultant will notify the City before such information is disclosed to provide the City with the opportunity to seek a protective order if necessary.

EXHIBIT F
CONSULTANT'S PROPOSAL



I. Statement of Understanding and Approach

This section must demonstrate an understanding of the Services. It should describe the general approach, organization and staffing required for the Services requested as well as a completion schedule. If necessary, preliminary investigations, due diligence, and research shall be discussed in this section.

PFM's approach to our financial advisory engagement is to provide any and all services that the City and RPU requires in order to develop, evaluate and ultimately make data-driven and strategic decisions in implementing the most cost-effective financial plans. We see our role as working with the City and RPU to provide information, expertise, and analysis that create a framework for informed decision-making. Before beginning any engagement we communicate with the City and RPU to fully understand certain objectives and expectations. We see ourselves as an extension of City and RPU staff, and we will provide whatever resources, help, and guidance that are useful to achieve the City and RPU's objective, including all of the services outlined in the Scope of Services included in the City's request for proposals.

We would like to emphasize that PFM's assigned team for the City and RPU is equipped and ready to provide ALL of the required financial services requested in the RFP and we look forward to continuing to demonstrate the benefits of our approach to the City and RPU's financial advisory needs.

PFM's Scope of Services	
Scope	PFM's Approach
	Services Related to Financial Planning
Provide advice regarding various financing options available, including short- and long-term alternatives. Develop a financial plan, sizing of each bond issue, and calculations of debt service requirements	<ul style="list-style-type: none"> Develop a set of objectives, constraints, and other considerations that align with specific short- and long-term needs of the client Analyze alternative financing options and evaluate the merits and challenges associated with each Create a financing plan based on the appropriate financing option that adheres to specific parameters and objectives Use proprietary financing tools to structure and price bonds to achieve optimal cost of borrowing and meet specific goals of the client Provide client with market data from PFM's dedicated Research Group, as well as data sources such as Bloomberg, TM3, and Bond Buyer PFM's Pricing Group is in the market an average of 17 times per week allowing PFM to stay abreast of shifting market dynamics Monitor factors such as federal tax reform that could impact financings Utilize market knowledge to recommend appropriate financing terms, structure, and timing of sale Take active role in review and preparation of financial policies Ensure client's policies are in compliance with SB 1029, SB 450 and SEC Rule 15c2-12 Work with clients to review and advise on procedures to ensure post-issuance disclosure compliance
Inform the City of events in the debt markets and economy that may impact financing transactions	<ul style="list-style-type: none"> Provide client with periodic updates that monitor performance of remarketing agents, credit facilities, and interest rate resets on outstanding obligations
Assist as needed in the review of financial policies, debt compliance, and disclosure policies	<ul style="list-style-type: none"> Provide City and RPU staff with analysis and back-up information prior to public meetings Available at any time to participate and/or present at meetings Present key information in a manner that is easy for both internal and external stakeholders to understand
Assist in evaluating remarketing agent, dealer, and credit facility performance for commercial paper program and variable rate debt, including evaluating rates, fees, and other costs	<ul style="list-style-type: none"> PFM has worked with many of the third party service providers that certain financing engagements may require and is very familiar with the quality of services they provide We leverage our experience and familiarity to ensure our clients select reliable third parties who do not compromise on the quality of their work
Attend and participate in City Council, City Council Finance Committee, Board of Public Utilities, and other meetings as required	<ul style="list-style-type: none"> PFM uses innovative ideas and new funding programs as tools to assist clients in realizing their objectives Examples include assisting with WIFIA loans, Public-Private Partnerships, Clean Water SRF and Drinking Water SRF, green bonds, state and federal grants, among others
Advise the City in performing due diligence investigations with respect to Companies that the City may contemplate using in financial transactions.	
Provide assistance in identifying and obtaining new sources of funds for capital needs, such as those available from state and/or federal programs	



Assist in maintaining credit rating agency relationships, including preparation for the City's periodic credit rating review, to ensure the most favorable rating possible

Provide service in other financial analyses and technical research as may be deemed desirable by the City

- Formulate clear rating strategy and develop credit presentation –Example: recent communications with S&P regarding the City's Water Enterprise and successfully convincing S&P to retract a downgrade to maintain the "AAA" rating
- Anticipate potential areas of concern
- Assist in responding to supplemental questions
- PFM has a dedicated Quantitative Strategies Group that can develop customized tools to address and analyze complex quantitative issues

Services Related to Debt Issuance

Provide debt service schedules (principal and interest) for future bond issues and final pricing documents

Provide a listing of prospective bidders to facilitate the selection of service providers. Provide advice, coordinate, and assist with the bidding process

Recommend financial provisions to be included in the bond transcript documents. Assist staff with preparation, review, and delivery of transaction-related documents

Participate in assembling materials and representing the City in dealings with bond counsel, rating agencies, the City Council, underwriters, and others.

Evaluate pricing received for proposed bond issues and recommend the most favorable to the City; assist in arranging the delivery of the bonds. Provide a post-market evaluation/verification of underwriter performance

Provide all other services necessary and/or requested by the City for the issuance of bonds and coordination of an offering

Assist with arbitrage compliance and annual arbitrage calculations, as requested

Review, analyze and provide guidance on the extension or replacement of letters of credit (LOC) for outstanding variable rate debt

- PFM will prepare the necessary analyses to ensure our client fully understands the quantitative mechanics of each transaction
- PFM possesses the size to leverage competitive fees and terms from third parties, including credit providers, insurance companies, trustees, underwriters, etc.
- PFM will assist the client develop an RFP with specific bid parameters, analyze each bid response, and present specific recommendations accordingly
- Actively participate in review and preparation of all transaction-related documents
- Review all documents to ensure conditions are in the client's best interests and identify areas of concern that require further discussion
- Work with bond and tax counsel to ensure validity of recommended financial provisions
- Review all provisions to ensure the client's future financial flexibility
- Leverage substantial experience with complex legal issues
- As mentioned previously, PFM is available at any time to participate in meetings involving the interests of the client
- PFM will prepare and present the necessary materials in a clear and concise manner
- PFM's Pricing Group is a dedicated, in-house bond pricing group that will join the core advisory team to support any transaction and negotiate pricing terms
- Pricing Group is available before, during, and after pricing to advise the financing team of current market conditions, to provide pricing guidance, and to evaluate underwriter performance
- As a full-service and independent financial advisor, PFM is fully prepared to assist the Authority with any additional needs and requests that may arise
- PFM's affiliate, PFMAM, maintains a group that specializes in arbitrage rebate calculations and provides arbitrage rebate services
- Assist clients in sending out an RFP that captures all of the possible variable rate and credit alternatives
- Leverage experience to negotiate optimal financing terms and conditions

Mike Berwanger and Tyler Old will continue to lead the PFM team and marshal the full resources of PFM to deliver the scope of services discussed above. Our team remains organized around a cluster system, such as the Public Power Group, that will allow professionals with common areas of expertise in various fields to share the knowledge gained in different regions around the country. The organizational structure of PFM has been designed to allow our team to provide the highest level of services to the City and RPU through the sharing of ideas and access to more professional and technological resources than any other financial advisory firm in the business. This has allowed the PFM team to provide considerable value to the City and RPU over the years, as discussed throughout our response.

Many of the Scope of Service categories discussed above deal directly or indirectly with the City and the Utility's debt portfolios. While the following tables and charts present a summary of the City and the Utility's outstanding debt obligations, it is worth noting that PFM has advised on all of the Utility's outstanding debt and members of the PFM team has worked with the City on several of the currently outstanding debt issuances while serving as investment bankers at prior firms. Our institutional knowledge of the debt portfolios is unsurpassed and allows us to deliver a level of service that goes well beyond that of a new entrant with little to no prior experience with the City.



Summary of Riverside Public Utilities Debt

Electric System Debt Summary

Series	Issue Size (000s)	Outstanding Par	Tax Status	Structure	Credit Facility	Remarketing	Purpose	Final Maturity	Coupon Range	Call Option	Swap	Swap Rate
2013 Series A	\$79,080	\$48,560	Tax-Exempt	Fixed Rate	N/A	N/A	Multipurpose	10/1/2043	3.600%-5.300%	10/1/2023	N/A	N/A
2011 Series A	\$56,450	\$41,925	Tax-Exempt	Variable Rate	Direct Purchase Wells Fargo	N/A	Refunding	10/1/2035	Varies	Currently at Par	100%	3.20%
2010 Series B	\$7,090	\$6,995	Tax-Exempt (BC)	Fixed Rate	N/A	N/A	New Money	10/1/2019	4.000%-5.800%	Non-callable	N/A	N/A
2010 Series A	\$133,290	\$133,290	Taxable Build America Bonds	Fixed Rate	N/A	N/A	New Money	10/1/2040	3.900%-4.600%	Currently with MWC @UST +50 bps or @UST +100 bps in extraordinary events	N/A	N/A
2009 Series A	\$34,920	\$2,490	Tax-Exempt	Fixed Rate	N/A	N/A	Refunding	10/1/2018	4.000%-5.000%	Non-callable	N/A	N/A
2008 Series D	\$209,740	\$209,740	Tax-Exempt	Fixed Rate	N/A	N/A	New Money	10/1/2038	3.800%-5.300%	10/1/2018	N/A	N/A
2008 Series C	\$67,325	\$41,975	Tax-Exempt	Variable Rate	Barclays 39 bps LOC	Bank of America	Refunding	10/1/2035	Varies	Currently at Par	100%	3.20%
2008 Series A	\$84,315	\$70,540	Tax-Exempt	Variable Rate	Barclays 39 bps LOC	Barclays	Refunding	10/1/2029	Varies	Currently at Par	97%	3.11%

Water System Debt Summary

2011 Series A	\$59,000	\$54,125	Tax-Exempt	Variable Rate	N/A	Negotiated	Refunding	10/1/2035	Varies	Currently at Par	100%	3.20%
2009 Series B	\$67,790	\$67,790	SAB	Fixed Rate	N/A	N/A	New Money	10/1/2039	3.300%-4.100% or @UST +100 bps in extraordinary events	MWC @UST +35 bps	N/A	N/A
2009 Series A	\$31,695	\$9,760	Tax-Exempt	Fixed Rate	N/A	N/A	Refunding	10/2/2020	4.000%-5.900%	10/1/2019	N/A	N/A
2008 Series B	\$58,235	\$56,625	Tax-Exempt	Fixed Rate	N/A	N/A	New Money	10/1/2038	4.000%-5.000%	10/1/2018	N/A	N/A

Summary of Swap Portfolio

Associated Issue	RPU Pays	RPU Receives	Trade Date	Effective Date	Maturity Date	MTM Value (As of 11/30/2017)	Current Notional
Electric System							
2011A	3.2010%	62.68% of USD-LIBOR + 0.12%	07/10/2013	09/01/2013	10/01/2035	(\$6,872,907)	\$41,925,000
2008C	3.2040%	62.68% of USD-LIBOR + 0.12%	07/10/2013	09/01/2013	10/01/2035	(\$6,891,952)	\$41,975,000
2008A	3.1110%	62.68% of USD-LIBOR + 0.12%	07/10/2013	09/01/2013	10/01/2029	(\$5,826,099)	\$68,950,000
Water System							
2011A	3.2000%	62.68% of USD-LIBOR + 0.12%	09/15/2005	10/06/2005	10/01/2035	(\$7,501,135)	\$52,425,000

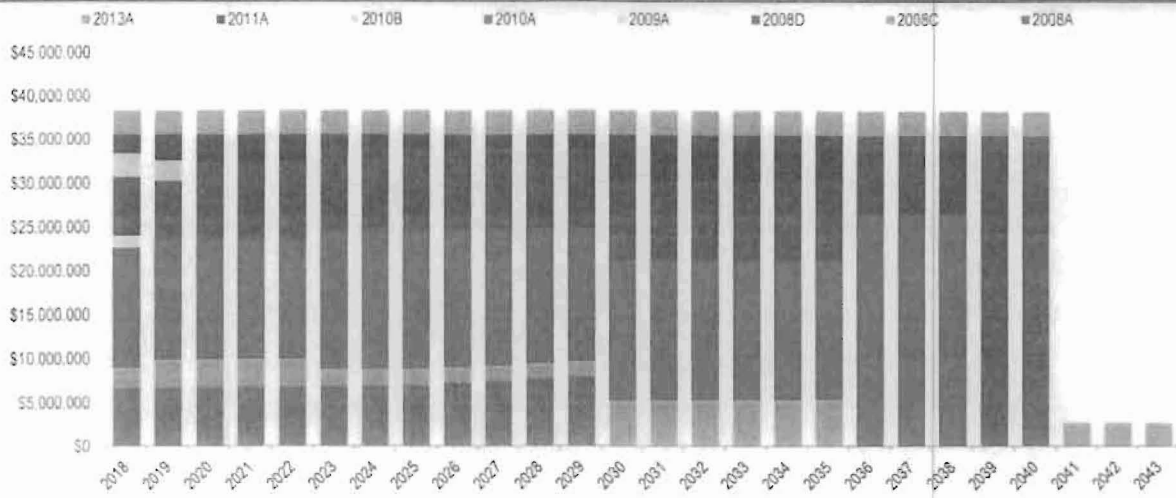
Summary of Swap Portfolio Counterparty Risk

Summary of Swap Portfolio Interest Rate Risk (As of 11/30/2017)

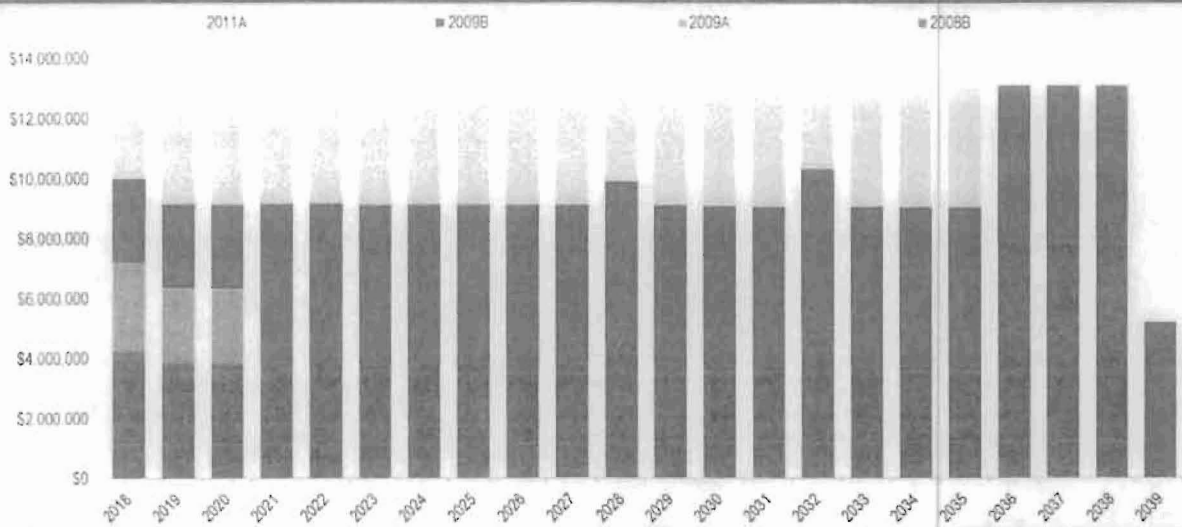
Associated Issue	Counterparty	Counterparty Ratings	Product	Replacement Rate	DV01	Weighted Avg. Life	PV01
Electric System							
2011A	JPMorgan Chase Bank, N.A.	Aa3/A+/AA-	Swap	1.62538%	\$31,286	12.19	\$43,620
2008C	JPMorgan Chase Bank, N.A.	Aa3/A+/AA-	Swap	1.62533%	\$31,346	12.18	\$43,657
2008A	Merrill Lynch Capital Services, Inc.	Baa1/A-/A-	Swap	1.52329%	\$28,944	6.75	\$42,993
Water System							
2011A	JPMorgan Chase Bank, N.A.	Aa3/A+/AA-	Swap	1.59595%	\$32,986	10.21	\$46,764



Riverside Public Utilities – Electric System Debt Service



Riverside Public Utilities – Water System Debt Service



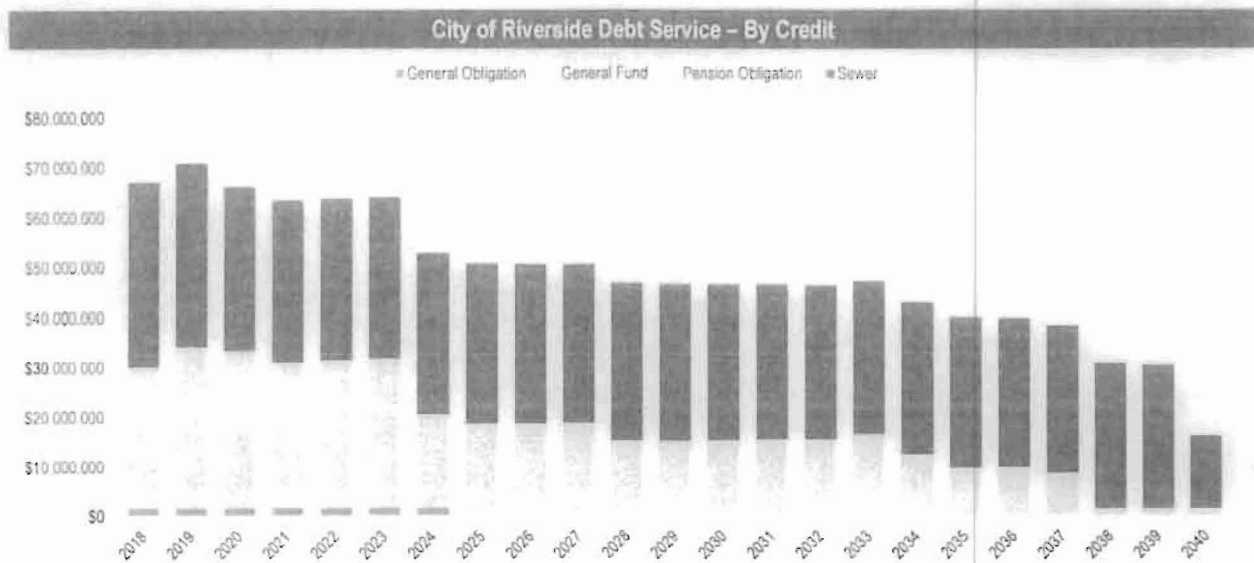
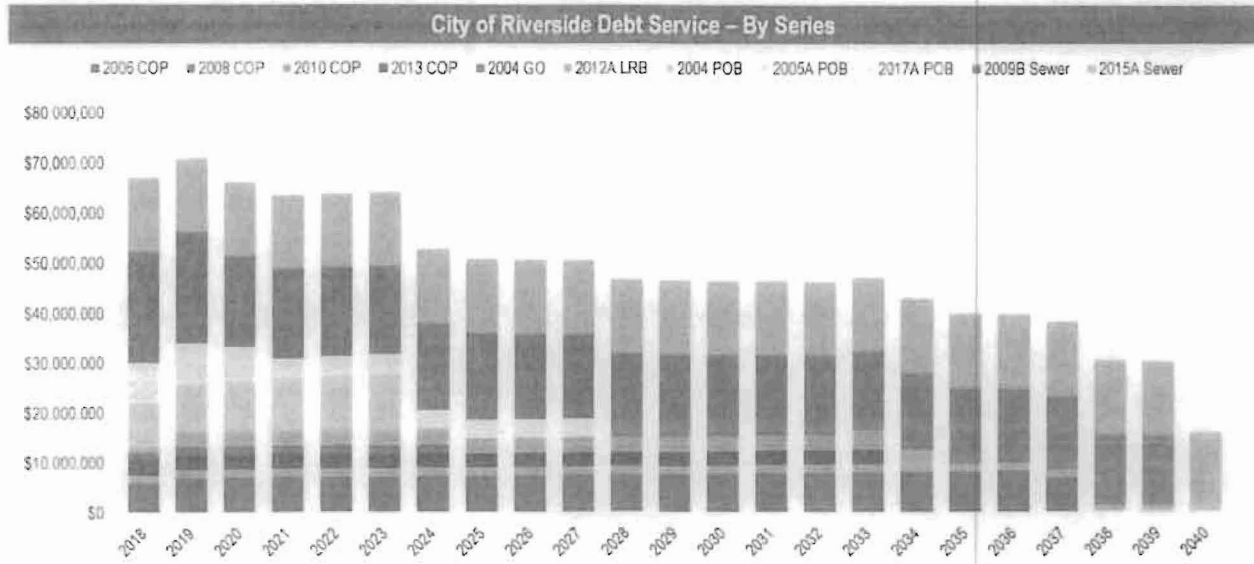
Summary of City of Riverside Debt

General Obligation Debt Summary

Series	Issue Size (000s)	Outstanding Par	Tax Status	Structure	Final Maturity	Coupon Range	Call Option
Election of 2003 (Series 2004)	\$20,000	\$12,430	Tax-Exempt	Fixed Rate	8/1/2024	3.000%-5.500%	8/1/2014
Sewer Debt Summary							
2015 Series A	\$200,030	\$200,030	Tax-Exempt	Variable Rate	8/1/2040	Variable	8/1/2025
2009 Series B	\$204,075	\$204,075	Taxable	Fixed Rate	8/1/2039	5.610%-7.200%	8/1/2019
Pension Obligation Debt Summary							
2017 Series A	\$31,980	\$31,980	Taxable	Fixed Rate	6/1/2027	1.350%-3.125%	Non-callable
2005 Series A	\$30,000	\$13,255	Taxable	Fixed Rate	6/1/2020	3.850%-4.780%	6/1/2016
2004 Pension Obligation	\$89,540	\$56,600	Taxable	Fixed Rate	6/1/2023	2.650%-5.898%	Any day @ MNC
General Fund Supported Debt Summary							
2013 COP	\$35,235	\$33,950	Tax-Exempt	Fixed Rate	6/1/2034	4.000%-5.000%	6/1/2023
2012 Series A LRB	\$41,240	\$37,245	Tax-Exempt	Fixed Rate	6/1/2033	2.000%-5.000%	11/1/2022
2010 COP	\$20,680	\$19,815	Tax-Exempt	Fixed Rate	3/1/2040	4.000%-5.000%	3/1/2017



2008 COP	\$128,300	\$109,300	Tax-Exempt	Variable Rate converted to Fixed Rate	3/1/2037	0.930%	Any Date
2006 COP	\$19,945	\$17,575	Tax-Exempt	Fixed Rate	9/1/2036	4.000%-5.000%	9/1/2016





II. Company Information

This section shall include contact person information, address and telephone number of the Company main office and branch offices. Include the locations of the individuals who will be assigned to the City as Financial Advisors. Each Company shall identify itself as to the type of organizational entity (corporation, sole proprietorship, partnership, joint venture, etc.). Any supplemental information that a Company believes may be pertinent to the selection process may be provided.

- Include a brief description/history of the Company.

PFM was founded in 1975 on the principle of providing sound, independent, fiduciary financial advice to public entities. **For over 42 years, PFM's mission and commitment to the highest quality of service has remained unchanged while the firm has grown from its five original staffers into the nation's leading provider of independent financial advisory and investment advisory services with more than 600 employees — all dedicated to public finance — in almost 40 offices across the United States.** PFM began offering investment advisory services to public sector clients in 1980; and in 2001, PFM affiliate PFM Asset Management ("PFMAM") was created to provide these services.



PFM's breadth of resources and regional expertise will allow us to assist the City/RPU by providing focused and unique financial analysis and solutions. This engagement will be primarily staffed by Mike Berwanger and Tyler Old out of PFM's Los Angeles office, which is located at 601 S. Figueroa St., Suite 4500, Los Angeles, CA, 90017. PFM's Los Angeles office has sixteen (16) employees who serve public sector entities in Southern California. There will be five (5) financial advisory professionals dedicated to the City's/RPU's needs, with another four (4) professionals being called upon as needed from our Pricing Group, Structured Products Group and Asset Management Group.

Locations with Individuals Assigned to the City and RPU			
Engagement Management Los Angeles, CA	Pricing Support Charlotte, NC	Structured Products Harrisburg, PA	Asset Management San Francisco, CA
601 S. Figueroa St. Suite 4500 Los Angeles, CA 90017 Phone - (213) 489 4075 Fax - (213) 489 4085	11540 North Community House Road, Suite 250 Charlotte, NC 28277 Phone - (704) 541 8339 Fax - (704) 541 8393	One Keystone Plaza Suite 300 Harrisburg, PA 17101 Phone - (717) 232-2723 Fax - (717) 232-7837	50 California Street Suite 2300 San Francisco, CA 94111 Phone - (415) 982-5544 Fax - (415) 982-4513



- Provide a description of the Company's public finance advisory group, or similar. Include a description of the structure and number of years that the Company has been in the public finance advisory line of work. Explain any significant changes that have occurred within the Company over the last year regarding staffing, organizational structure, as well as future changes you expect may occur.

As the largest financial advisory firm in the nation, PFM Financial Advisors LLC¹ has a proven ability to leverage an incomparable pool of professionals. **We pride ourselves on operating as a seamless team to provide you with the highest level of service.** The depth and breadth of our experience gained through representing numerous clients nationwide will only be beneficial to the services we offer the City and RPU.

PFM's record of participation in the field of municipal finance is unrivaled by any other independent financial advisor and compares favorably to the experience of the major regional and national investment banking firms in terms of both financial sophistication and transaction experience. **PFM offers resources that equal or surpass those of any investment bank. However, we do not trade or underwrite securities for our clients or our own account. Therefore, we are able to serve without conflicts as an unconditional advocate for our clients.**

PFM consistently ranks first among financial advisors based on the total volume of transactions in the marketplace, and although rankings only provide a shorthand method of comparing success, the consistency with which we maintain the #1 ranked position is underscored by the length of service and level of satisfaction we provide our clients. At PFM, we view our long association with many clients as an affirmation of our ability to service their needs thoughtfully and efficiently. We are committed to developing long-term relationships with our clients to ensure that their interests are protected and their goals are achieved. Our national reputation and consistent growth reflects our clients' recognition of our capabilities and the value we add.

Financial Advisory Rankings (based on volume)

Category	2016	2015	2014
Overall	#1	#1	#1
Public Power	#1	#1	#1
Negotiated	#1	#1	#1
Competitive	#1	#1	#1
New Money	#1	#1	#1
Refunding	#1	#1	#1
Revenue	#1	#1	#1
Tax-Exempt	#1	#1	#1
Taxable	#1	#1	#1

Par VC Source
2016 - 2016 Financial Advisory Volume #1 nationwide Market
Municipal Finance and Accounting Rankings
Source: Dealog



2016 Full Year Overall Long Term Municipal New Issues

Municipal Financial Advisory Ranking - Equal to Each Financial Advisor
Source: Thomson Reuters

	# Transactions	dollars in millions
PFM	1,197	74,676.8
Hilltop Securities	890	34,981.6
Public Resources Advisory Group	159	33,487.2
Acacia Financial Group Inc	165	13,651.5
Soulman Hall & Associates Inc	47	8,534.4
KNN Public Finance	69	8,312.1
Piper Jaffray & Co	210	7,792.3
Ponder & Co	33	7,386.0
RBC Capital Markets	172	6,676.5
Estrada Hinojosa & Company Inc	96	5,747.7

¹ PFM is the marketing name for a group of affiliated companies providing a range of services. All services are provided through separate agreements with each company. This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation. Financial advisory services are provided by PFM Financial Advisors LLC and Public Financial Management, Inc. Both are registered municipal advisors with the Securities and Exchange Commission (SEC) and the Municipal Securities Rulemaking Board (MSRB) under the Dodd-Frank Act of 2010. Investment advisory services are provided by PFM Asset Management LLC which is registered with the SEC under the Investment Advisers Act of 1940. Swap advisory services are provided by PFM Swap Advisors LLC which is registered as a municipal advisor with both the MSRB and SEC under the Dodd-Frank Act of 2010, and as a commodity trading advisor with the Commodity Futures Trading Commission. Additional applicable regulatory information is available upon request. For more information regarding PFM's services or entities, please visit www.pfm.com.



Managing the largest number of transactions gives us unrivaled experience in the capital markets. We know the preferences of the investor community and the financial and credit structures that are currently best accepted. We know which investors are active buyers, the types of securities they currently prefer, and the maximum price they are willing to pay for a given security.

Besides managing a large number of transactions, PFM serves as financial advisor on many of the largest transactions brought to market each year. These transactions often involve intricate financial plans, the sale of sophisticated securities, high-end quantitative modeling, and complicated tax analysis. Managing such transactions ensures that PFM remains on the cutting edge of the public finance industry. Our clients benefit from our ability to optimize their transactions using the complete array of structures, securities, and techniques available. No other financial advisory firm has consistently brought the level of financial innovation as PFM.

Additionally, our local experience provides us unparalleled familiarity with the City's and RPU's financial landscape and the economic factors that affect it. In 2016, PFM advised on 85 transactions in California. We are confident in the value we add through our use of innovative ideas as tools to assist clients in realizing their objectives and solving their problems. In today's volatile economic environment, creative solutions are required to maintain capital programs, particularly in the face of growing fiscal pressures on public agencies.

- Is the Company also a registered broker/dealer? List whether the Company is registered with the National Association of Securities Dealers (NASD), the Securities and Exchange Commission (SEC), the Municipal Securities Rulemaking Board (MSRB) and/or other regulatory bodies and the number of years that the Company has been registered with each.

PFM Financial Advisors LLC is not a registered broker/dealer. Our financial advisory practice does not trade or underwrite securities for our clients or our own account. Therefore, we are able to serve without conflicts as an unconditional advocate for our clients. PFM is an MSRB and SEC registered advisor (MSRB: 866-00397-00; SEC: K0204). Proof of registration can be provided as requested. PFM's financial advisory services have been provided by registered municipal advisors since the filing and registration requirements became effective with implementation of Dodd-Frank Act of 2010 (temporary registration since October 10, 2010) and the subsequent requirements under the Securities and Exchange Commission (SEC) Municipal Advisor Rule the Municipal Securities Rulemaking Board (MSRB) leading to final registration with each since July 2014.

- Are the financial advisors listed to serve the City and the members of the Municipal Securities Rulemaking Board (MSRB) and have they passed their License 50 test? Please indicate date passed and include copy of the license.

Each of the individuals assigned to serve the City and the City's Public Utility Department are registered with the MSRB. Michael Berwanger, Tyler Old, Jim Carbone, and Brian Tran have passed their Series 50 test. PFM ensures that it will remain compliant with all laws and regulations governing the provision of municipal advice. PFM does not provide copies of individual licenses, however, the City and RPU can verify who has obtained their Series 50 License by visiting <http://msrb.org/MARegistrants.aspx>.

- If the Company consists of both independent financial advisors and registered investment bankers, how will the Company prevent cross-over communication between the two functions especially if they both plan to work with the City?

PFM is only in the business of providing independent municipal advice, as such we are able to serve as an unconditional advocate on behalf of our clients without the need to prevent crossover contamination or construct internal "walls" within the firm.

- Please discuss how the Company will typically assess the capital markets for financial transactions: within two (2) months of the bond sale, within one (1) month of the bond sale, within one (1) week of the bond sale, and on and around the day of sale for a bond issue.

The PFM team continually assesses the capital markets for tactical opportunities for the City and RPU to engage in financial transactions to reduce costs through refinancing existing debt or issue new money debt to finance new projects. While we maintain an ongoing dialogue with the City and RPU with respect to market conditions irrespective of financing plans, once a financing opportunity has been identified, we transition into a transaction-oriented coverage model to leverage the breadth of the PFM platform for the benefit of the City and RPU.



Below we have outlined our approach to assisting the City and RPU beginning two months prior to a transaction. However, every transaction comes with a unique set of timing considerations and we will work with the City and RPU to ensure that schedules and objectives are met on a timely basis. As such, the milestones below may be compressed or elongated based on each transaction's unique set of circumstances.

Two Months Prior to Financing Transaction: Two months prior to a transaction, PFM will begin to assist the City and RPU with transaction scheduling, choosing the appropriate method of sale, and selecting underwriters (in the case of a negotiated sale). Additionally, PFM will ensure that financial models related to the transaction are updated frequently and results presented to City and RPU staff on a regular basis.

Transaction Scheduling. PFM would develop and maintain a financing schedule and distribution list and would coordinate necessary meetings or conference calls. PFM would also organize the working group as needed to keep the financing process moving smoothly.

Method of Sale. PFM is well versed in the advantages and disadvantages of both competitive and negotiated sales and can readily assist the City and RPU in evaluating which approach is appropriate for a given financing considering credit ratings, market conditions, and other factors that dictate the best approach.

- **Negotiated Sales.** PFM plays a strong supervisory role in negotiated sales. For most transactions, we circulate an underwriting RFP that begins the process of negotiation by seeking qualifications, market views, and understanding of the client. The City and PFM will select the underwriter or syndicate and negotiate the management fee split. PFM requests that the underwriter prepare a pricing book at least one week prior to pricing such that the City can review the proposed spread items, including a detailed list of expenses, and is fully prepared to negotiate. The pricing book contains comparable rate and spread information on other recent bond sales, and PFM will use this data to help inform the City on the reasonableness of the pricing quotes.
- **Competitive Sales.** Competitive sales are often used for highly-rated issuers and other well-established credits. PFM has significant experience in managing competitive sales around the country and has developed certain approaches that help ensure optimal pricing, including:
 - **Maximizing the Number of Bidders.** PFM will advocate means to increase the number of syndicates bidding on the City's debt to drive pricing by:
 - Making it easy to bid by enable electronic bidding (typically through the Parity platform).
 - "Working the Phones". During the days leading up to the sale date, PFM will call firms traditionally involved in syndicates to make sure that they are aware of the upcoming issue.
 - Competitive-to-Negotiated Support. It may be useful to let firms know that our client looks at the firms that aggressively support its competitive sales when it is time to pick managers for a negotiated sale. Firms will sometimes provide a more aggressive bid and/or break out of an established syndicate in order to get an issuer's attention.
 - **Developing an Effective Bond Structure.** Competitive bids reflect the changing preferences of investors for different types of bond structures in real time. These preferences may be for premium, discount, and serial or term bonds depending on tax year considerations, mutual fund objectives, and expectations regarding interest rates. PFM tests various structures to help deliver the most competitive price on a given day.

Financial Modeling. Depending on the method of sale chosen, either PFM or both PFM and the underwriter (in a negotiated sale) will run the DBC numbers and cash flows for a financing. In the early stages of a financing, PFM will take the lead in working with the City and RPU staff to determine the optimal structure for the transaction (e.g. mode, tenor, amortization structure, etc.) that meets the City's financing objectives. Similar to the approach we are taking with the City on the current "roll" of its SIFMA Index Notes, we begin the modeling process early to ensure there is ample time to evaluate all alternatives and discuss benefits and considerations with respect to each structure with interested stakeholders. As we have been readily apparent over the past twenty years, PFM takes a detailed approach to developing bond structures, looking at each aspect of



the City and RPU's existing debt structure and how potential refundings and new money financings might impact the City or RPU's capital structure.

One Month Prior to Financing Transaction: In the month leading up to a financing transaction, PFM will continue to refine the bond structure working in tandem with the City, bond counsel and the selected underwriter(s), if any. The document drafting and review process will likely be underway one month prior to a transaction and the PFM team will remain actively engaged in document review and preparation, attending all working group calls and providing meaningful input on the financing documents.

Additionally, we will coordinate the rating agency process, determining which agencies to meet with and the format of the meetings (phone / in person) that will ensure the most favorable outcome for the particular credit the City and/or RPU are bringing to market. For example, the approach to the rating agencies for the City's Electric Revenue Bonds will differ from a General Fund-supported lease revenue bond.

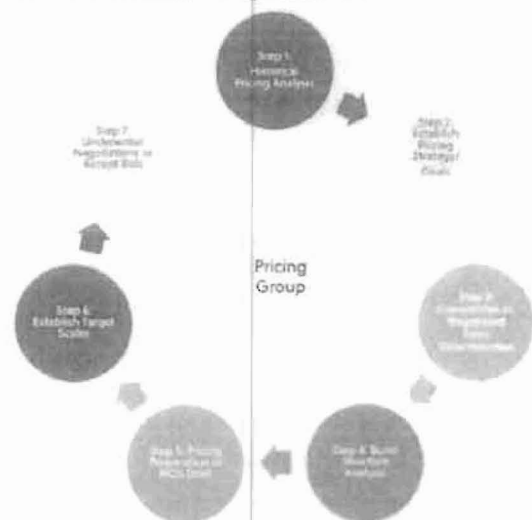
Refining the Bond Structure. As previously mentioned, at the beginning of the financing process PFM would work with the City and RPU to develop a set of objectives, constraints, and other considerations. Approaching pricing, we will continue to refine the bond structure based on feedback from staff as well as developments in the municipal market. By virtue of PFM's constant presence in the municipal marketplace, we are kept abreast of the most innovative financing techniques. While innovative financing structures may add to the complexity of a given transaction, they may also reduce risk and or cost to the City and RPU.

Document Preparation and Review. At PFM, we contribute constructively and substantively to the document drafting process. Our experience in the realm of municipal and utility finance has given us insider knowledge and it enables us to point to examples where different counsels have provided differing opinions, perspectives and approaches. PFM will continue to leverage this knowledge on behalf of RPU ensuring that RPU maintains the most favorable terms and flexibility possible on all its financing documents throughout the financing process.

Credit Strategy. The PFM team is extremely active in the credit rating review process, ensuring that our clients are well prepared to respond to issues raised by rating analysts and investors. As a result of our frequent interactions, PFM has developed a clear understanding of the analytical methods utilized by each rating agency. We work closely with the rating agencies to fully understand their concerns and design rating presentations to specifically address each agency's questions in a meaningful way. In the month leading up to pricing, PFM will manage the rating process, drafting and revising the presentation, scheduling the meeting with the analysts, and coordinating follow-up materials to ensure the most favorable rating outcome.

One Week Prior to Pricing through the Day of Pricing: The week prior to pricing entails gathering market intelligence and preparing to enter the market on the most favorable terms for RPU and the City. We will work in tandem with the underwriter and staff to proactively engage targeted investors as well as respond to incoming investor questions. Our goal as a marketing matter is to have each and every interested investor internally approve the City's credit and be in a position to place an order for the bonds. As the City has experienced in the past, PFM will leverage the expertise of the Pricing Group as the City's advocate in the marketplace leading up to and on the day of pricing.

One of PFM's greatest strengths and ability to add value is PFM's Pricing Group. The Pricing Group is a dedicated, in-house bond group that will join the core advisory team to support any pricing. PFM's Pricing Group functions as PFM's trading desk but operates completely independent of the underwriting of municipal securities by banks and securities dealers. PFM's Pricing Group provides access to market information and trends and collects firm-wide knowledge and experience. Our approach to pricing debt instruments is unique in the municipal industry, and takes a rigorous and





quantitative approach, including tools such as option-adjusted spread analysis on relevant historical issues and comparable transactions. PFM is in the primary market, on average, three times per day pricing bond issues for our clients—more than any investment banking firm—and as a result of this constant access, PFM possesses industry-leading expertise and experience in regard to both competitive and negotiated sales. PFM would work with the City and RPU to establish the pricing parameters and target interest rates.

We are the only financial advisory firm, independent or not, actively providing this level of pricing analytics. PFM clients go into pricings with an informed opinion about where their debt “should” price. We have found that this not only helps our clients to understand the bond pricing process, but also helps the underwriter(s) in their discussions with the potential investors by providing a justification for a particular yield level or coupon structure.

While we possess the experience and resources that equal or surpass those of any investment bank, we do not provide underwriting or investment banking services. Therefore, we are able to provide independent pricing advice, which is never altered by potential conflicts of interest, as an unconditional advocate for our clients. In contrast, broker-dealers, in advocating RPU’s interests, may have conflicts with potential allocations and bond designations on separate transactions where the broker-dealer may serve as a co-manager. PFM’s only interest on the day of pricing is to enable the City and RPU to access capital at the lowest possible cost.

- Provide a brief description of the Company’s other financial advisory services that will be provided to the City.

As previously mentioned, **PFM is a full service financial advisor equipped to provide all the services listed in the request’s “Scope of Services”** including services related to financial planning, debt issuances, and reporting. As we hope is readily apparent throughout this proposal, PFM has the capability of providing not only those services explicitly mentioned in the Scope of Services, but services relating to swap advisory, structured products, management and budget consulting, and asset management under separate agreements with the appropriate PFM entity.

- Provide a description of why this Company is the best fit for the City.

Perhaps the best way to judge what a person or firm can do for the City and RPU is to evaluate the track record for prior financial advisory engagements. PFM has worked with the City and RPU on many of its currently outstanding transactions. Below are some of the highlights of these transactions over the past few years:

- **Variable Rate Refunding Electric Revenue Bonds, Series 2011A SIFMA Note – 2017 Remarketing:** Successful remarketing of the Electric Series 2011A FRNs, including switching the index rate from SIFMA to a % of LIBOR given dislocations in the SIFMA market in early 2017.
- **Variable Rate Refunding Electric Revenue Bonds, Series 2008A and Series 2008C – 2017 Remarketing:** PFM helped negotiate a competitive fee and increased capacity from existing credit provider, replaced one credit provider saving the City and ratepayers ~\$95,000/year, as well as extended the tenor of the LOC to reduce future administrative and transaction costs associated with procuring renewal credit facilities.
- **Refunding Electric Revenue Bonds, Series 2013A and Taxable Series 2013B (\$79,860,000):** Completed essential financing that prepaid obligations related to the Clearwater Cogeneration Power Plant sale agreement with City of Corona and successfully “de-risked” the City’s swap portfolio by terminating a portion of the City’s interest rate swaps and replacing these obligations with fixed-rate bonds at no cost to ratepayers.
- **Variable Rate Refunding Water Revenue Bonds, Series 2011A (\$59,000,000):** Refunded the City’s outstanding Variable Rate Refunding Water Revenue Bonds Issue of 2008A. PFM has successfully pushed pricing to more aggressive levels on subsequent remarketings of the 2011A Bonds, helping to reduce interest costs to ratepayers.
- **Electric Revenue Bonds, Series 2010A BABs and Series 2010B (\$140,380,000):** Financed improvements to the Electric System.
- **Defeasance of SONGS-Related Obligations:** PFM is working with RPU and the City to defease a portion of its outstanding bonds related to the San Onofre Nuclear Generating Station, including running all numbers and coordinating the tax analysis with attorneys.



- **Reserve Policy:** Assisted RPU in developing reserve policy designed to set overall reserve levels that are reasonable, defensible, and consistent with the aggregate risk profile that RPU faces.
- **Off-Cycle Credit Rating Updates:** PFM has been actively involved in RPU's dialogue with rating agencies in connection with the rating agencies' annual surveillance. Notably, in 2016, S&P was prepared to downgrade the Water System from AAA to AA+ reflecting the application of new rating criteria. PFM was able to leverage its sector expertise to successfully argue S&P's assessment was not properly reflecting regional affordability and S&P subsequently retracted the downgrade and reinstated the AAA rating on the Water System.
- **2014 Real Property Financial Management Policy:** Policy written by RPU and PFM to assist the Board of Public Utilities in their decision-making by providing a framework and set of guidelines for the classification, assessment and evaluation, financial valuation and portfolio management of the RPU real property assets.
- **Utility 2.0 Rate Planning:** PFM has provided ongoing assistance and feedback with respect to potential rate scenarios and the impact on the City's Water and Electric credit ratings based on RPU's financial modeling of different rate structures.

As important as prior work we have completed, is what we can do for the City and RPU and the months and years ahead. As discussed throughout this proposal, we have a knowledge of the City and RPU's debt portfolios that is second-to-none, having served as financial advisor on nearly every RPU bond issue that is currently outstanding and Tyler bringing additional City General Fund experience through his coverage of the City an investment banker from 2009-2016 and his work as the lead banker on the City's 2012 Lease Revenue Refunding Bonds. The next several years will be busy ones for the City and Utility. The City's Sewer BABs are eligible for refunding in 2019 and, depending on the ultimate outcome of tax reform may warrant refinancing prior to the call date through an alternate structure. Similarly, the Utility has large refunding opportunities in both Water and Electric as well as new money requirements and the potential implementation of a letter of credit to augment liquidity and reduce upward pressure on rates.

PFM's level of institutional knowledge of the City and the Utility will be an asset on all fronts in the coming years - whether it is being able to quickly assess rate impacts, articulate a message to rating agencies and/or stakeholders or in pushing pricing of the City's bonds to most aggressive levels because we understand the credits and know where they should price - having a financial advisor by your side who knows you and understands you will pay dividends. And while there are many qualified financial advisors, there is no other financial advisor who knows you like we do and can hit the ground running as quickly as we can.

- Provide a description of this Company's experience in financial advisory pools or panels and if this Company has any issues, concerns and/or recommendations with this type of arrangement.

The PFM team assigned to the City and RPU has experience serving as sole financial advisors as well members of a financial advisory pool. With several former investment bankers, the PFM team has relationships with almost all financial advisors in the State of California. In California alone, PFM serves in FA Pools for Los Angeles Department of Water and Power, State of California, Metropolitan Water District of Southern California and Eastern Municipal Water District, among others, and the PFM team is committed to working in an open and collaborative fashion to ensure the best outcome for the client. For example, PFM often acts as the "lead" financial advisor in pools, serving on all financings and complemented by a transaction-specific financial advisor. Alternatively, in some instances where PFM is not the primary financial advisor, we are utilized during the pricing process to provide additional market intelligence and transaction pricing expertise.

- Provide a copy of the Company's audited statements for the most recent fiscal year. If no audited statements are available, provide a copy of the most recent unaudited statements.

A copy of PFM's most recent audited financial statement is included in **Appendix III**.



- Provide a summary of any inquiries, investigations or litigation over the past five (5) years, including those in progress, that concern your Company's (or any employee's) underwriting, investment banking or financial advisory activities. Include a description of any findings or actions taken against this Company or employees by any court or regulatory authority, including fines, suspensions, censure, etc.

PFM and an affiliate (collectively "PFM") were joined as "4th party defendants" in a lawsuit initiated by a school district against its swap counterparty for declarative relief that the swap is unenforceable. The swap counterparty joined the school district's bond counsel as a defendant, and bond counsel then joined PFM, claiming that if counsel were to be liable for any damages it would be entitled to contribution from PFM. This suit was settled in early 2013; PFM contributed less than 1% of the amounts agreed in settlement.