CITY OF NEWBERG
CITY RECORDER INDEX NO. 1533

AGREEMENT FOR FINANCIAL ADVISORY SERVICES

THIS AGREEMENT, entered into as of the 6th day of December, 1996, by and between the City of Newberg, (hereafter the "City") and Gardiner & Clancy, LLC, an Oregon Limited Liability Company with an office in Portland, Oregon, (hereafter "G&C" or the "Financial Advisor").

WHEREAS, the City desires to obtain the services of the financial advisor to provide advice and assistance in connection with the City's issuance of general obligation bonds and other financial matters that may arise from time to time; and

WHEREAS, the City has determined that G&C possesses the professional skills and technical expertise to assist the City by providing the requisite financial advice contemplated herein;

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements hereinafter set forth, the parties hereto, intending to be legally bound hereby, do hereby covenant and agree for themselves, their successors and assigns, as follows:

1. The Financial Advisor shall at the request, direction and guidance of the Finance Director, her/his successor and assigns, perform financial advisory services in connection with the City's issuance of general obligation bonds and other financial advisory services as requested.

2. Services called for herein shall be provided at such times and at such locations as may be reasonably requested by the City.

3. It is mutually agreed that the Financial Advisor shall provide the services hereunder as an independent professional consultant and independent contractor and not as an employee of the City.

4. The City agrees to pay the Financial Advisor for the performance of the services set forth herein according to the following terms, conditions and schedule:

   a) Fees for financial advisory services will be billed at an hourly rate of $135.00.

   b) G&C may desire to use the services of Sterrett Report Management for preparation of the Official Statement. Sterrett Report Management charges $75.00 per hour for preparation of official statements. G&C would obtain the City's approval prior to using the services of Sterrett Report Management.

   c) In addition to our fees, G&C will be reimbursed for all out-of-pocket third party expenses such as printing, distribution, travel, postage, conference calls and copying. G&C does not charge for in-house copying or faxing.

d) Billing for all rendered and out-of-pocket expenses incurred in connection with the issuance of general obligation bonds will be submitted at bond sale closing for payment form sale proceeds. Billing for other financial advisory services as requested will be submitted at bond sale closing for payment from sale proceeds. Billing for other financial advisory services as requested will be submitted on a monthly basis.

5. It is understood that this contract is for unique professional services. Accordingly, the duties specified in this Agreement may not be delegated by the Financial Advisor without prior written consent of the City.

6. This agreement shall become effective upon its approval by the City and shall remain in affect for 3 years.

7. The City may terminate this Agreement at any time by written notice to the Financial Advisor. In the event of termination, the Financial Advisor shall be entitled to compensation up to the time of termination, which shall be determined in the following manner; G&C will submit an invoice and statement of charges, including documented out-of-pocket expenses. G&C will accept in full settlement thereof the amount determined by the City to be fair and equitable, but not less than the documented out-of-pocket expenses.

8. This Agreement constitutes the entire agreement between the parties. No amendment or modification altering its scope or terms shall have any force of effect unless it is in writing and signed by both parties.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals this 6th day of December, 1996.

GARDINER & CLANCY, LLC

By ______________________
Managing Member

CITY OF NEWBERG

By ______________________
Duane Cole, City Manager