

## FINANCIAL ADVISORY SERVICES AGREEMENT

This Financial Advisory Services Agreement, (the "Agreement") is entered into as of the 15<sup>th</sup> day of September, 2014, by and between City of Kirksville, Missouri (the "City"), and Piper Jaffray & Co. (the "Financial Advisor").

### RECITALS

WHEREAS, the City requires the provision of ongoing financial advisory services in connection with its outstanding debt obligations and the planning for and anticipated issuance of additional debt obligations for capital improvements (a "Project" or "Financing");

WHEREAS, the City desires to engage the Financial Advisor to render the Services (as defined below);

WHEREAS, the City currently intends to complete the issuance of combined waterworks and sewerage system revenue bonds in connection with planned sewer system improvements;

NOW THEREFORE, in consideration of the mutual covenants and stipulations hereinafter set forth, the parties agree as follows:

**Section 1. Scope of Services.** The Scope of Services (collectively the "Services") shall include, but not be limited to, assistance in the following areas, as applicable:

#### **-Financial Review & Strategic Planning**

- Preparation and periodic review of Debt Service Fund Cash Flows
- Monitor and analyze assessed valuation trends and categorical breakdowns
- Assistance with completion of tax levy forms
- Assistance with annual rating review process
- Bank/Depository services review
- Reserve fund investment analysis and advice
- Debt capacity analysis
- Financial & Management Policy review
- Capital Improvement Plan review
- Monitor legislation and potential impacts on debt financing
- Refunding cost-benefit analysis and bond market surveillance
- Assessment of existing revenue sources & analysis of other revenue options
- Evaluation of debt restructuring options

#### **-Transaction Planning**

- Determination of specific capital needs and/or financing goals
- Determination of appropriate bond issue size and feasibility
- Credit rating analysis
- Tax levy/User Fee impact analysis
- Election consultation and review of campaign strategies

#### **-Transaction Diligence & Preparation**

- Analyze and discuss the various methods of sale
- Preparation of and advice on preliminary sizing, structure & terms of financing
- Assistance and guidance on preparation of any disclosure document

- Assistance with credit rating process and review of rating report(s)
- Solicitation of bids from bond insurers and analysis of benefit, if applicable
- Preparation of Request for Proposals (Negotiated) or Notice of Sale (Competitive)
- Distribution of Official Statement & Notice of Sale to investing public (Competitive)
- Review of all Legal Documents associated with any Financing

**-Transaction Execution**

- Presentation of preliminary structure and sizing of Financing
- Assistance with analysis and preparation of any Parity Certificates
- Comparison and recommendation of RFP Responses (Negotiated Sale)
- Pre-pricing analysis & pre-marketing strategy optimization
- Presentation of bid results (Competitive Sale)
- Presentation of final pricing, sizing and structure
- Presentation of approving documents
- Provide a recommendation and advice on approval of any Financing

**-Continuing Disclosure Obligation**

- Review prior debt undertakings
- Provide current compliance assessment
- Provide education to the City regarding disclosure obligations
- Provide ongoing advice concerning any material event notice

**-Post-issuance Advice**

- Provide post-bond issuance advice including budget planning, financial controls, project feasibility, etc.
- Provide advice on the investment of bond proceeds

Extent of Duties Arising under this Agreement

The City and the Financial Advisor intend and agree that, to the extent the performance of Services by the Financial Advisor with respect to a Project constitutes municipal advisory activities within the meaning of proposed rule 15Ba1 of the Securities Exchange Act of 1934 or otherwise creates a duty of the Financial Advisor under Section 15B(c)(1) of the Securities Exchange Act of 1934 or Rule G-23 of the Municipal Securities Rulemaking Board, such duty does not extend beyond the Services to be provided with respect to that Project and such duty does not extend to or to any other contract, agreement, relationship, or understanding of any nature between the City and the Financial Advisor.

**Section 2. Compensation.** In consideration of the Financial Advisor's performance of the Services pursuant to this Agreement, the Financial Advisor shall be entitled to receive, and the City agrees to pay the Financial Advisor the following compensation for bond issues completed through the State Revolving Fund Program:

Outfall Project Financing	\$10,000
Treatment Plant Project Financing	18,000

The above fees include all administrative work, out-of-pocket costs and mileage expenses and is generally paid from bond proceeds at the time of closing. As additional capital improvements are identified and any potential financing more fully developed, this Agreement shall be amended and the compensation for such financing will be determined as mutually agreed.

**Section 3. Expenses.** The City will pay the customary expenses for the preparation, printing and mailing costs associated with the preliminary and final official statement, including the application for CUSIP numbers, bond counsel, rating agency, state auditor registration, paying agent and any other related costs. These costs, commonly known as "costs of issuance" are generally paid from bond proceeds at the time of closing. The Financial Advisor will be responsible for all of the Financial Advisor's out-of-pocket expenses, including communication, cost of financial analysis and reports prepared in fulfilling its duties outlined herein. If out-of-state travel is directed by the City, the City will reimburse the Financial Advisor for actual expenses.

**Section 4. Term of Agreement.** The term of this Agreement shall begin on the date of execution set forth above and shall terminate four years from such date. The City or the Financial Advisor may terminate this Agreement at any time upon 60 days written notice to the other party and all fees due to the Financial Advisor at that time shall be due and payable upon termination by the City. The provisions of Sections 3, 9, 10 and 13 shall survive termination of this Agreement.

**Section 5. Independent Contractor.** The Financial Advisor is an independent contractor and nothing herein contained shall constitute or designate the Financial Advisor or any of its employees or agents as employees or agents of the City.

**Section 6. Assignment.** Neither the Financial Advisor nor the City shall have the right or power to assign this Agreement or parts thereof, or its respective duties, without the express written consent of the other party.

**Section 7. Entire Agreement/Amendments.** This Agreement constitutes the entire Agreement between the parties hereto and sets forth the rights, duties, and obligations of each to the other as of this date. Any prior agreements, promises, negotiations, or representations not expressly set forth in this Agreement are of no force and effect. As additional financing needs are identified, this Agreement will be modified in writing and executed by both the Financial Advisor and the City.

**Section 8. Legal Advice.** The Financial Advisor is not legal counsel or an accountant and is not providing legal or accounting guidance. None of the Services contemplated in this Agreement shall be construed as or a substitute for legal services.

**Section 9. Cross-Indemnification.** To the extent permitted and authorized by applicable law, the City and Financial Advisor will cross-indemnify and hold harmless the other including each

officer and employee of each (Indemnitee or Indemnitees) against any and all liabilities, penalties, suits, causes of action, losses, damages, claims, costs and expenses (including, without limitation, fees and disbursements of counsel) or judgments of whatever kind or nature (each a "Claim"), imposed upon, incurred by or asserted against the Indemnitees arising out of or based upon (i) any allegation that any information in the Preliminary Official Statement or Final Official Statement contained an untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; or (ii) any breach of this Agreement.

The City acknowledges and understands that state and federal laws relating to disclosure in connection with municipal securities, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the City and that the failure of the Financial Advisor to advise the City respecting these laws shall not constitute a breach by the Financial Advisor or any of its duties and responsibilities under this Agreement.

**Section 10. Notices.** Any written notice or communications required or permitted by this Agreement or by law to be served on, given to, or delivered to either party hereto, by the other party shall be in writing and shall be deemed duly served, given, or delivered when personally delivered to the party to whom it is addressed or in lieu of such personal services, when deposited in the United States' mail, first-class postage prepaid, addressed to the City at:

City of Kirksville, Missouri  
City Manager  
201 South Franklin Street  
Kirksville, MO 63501

or to the Financial Advisor at:

Piper Jaffray & Co.  
Attention Public Finance Department  
11635 Rosewood Street  
Leawood, KS 66211

**Section 11. Consent to Jurisdiction; Service of Process.** The parties each hereby (a) submits to the jurisdiction of any Missouri State or Federal court sitting in Clay County with respect to any actions and proceedings arising out of or relating to this Agreement, (b) agrees that all claims with respect to such actions or proceedings may be heard and determined in such court, (c) waives the defense of an inconvenient forum, (d) agrees not to commence any action or proceeding relating to this Agreement other than in a Missouri State or Federal court sitting in Adair County and (e) agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

**Section 12. Counterparts; Severability.** This Agreement may be executed in two or more separate counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction.

**Section 13. Parties in Interest.** This Agreement, including rights to indemnity and contribution hereunder, shall be binding upon and inure solely to the benefit of each party hereto, any Indemnatee and their respective successors, heirs and assigns, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other person any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written. By the signature of its representative below, each party affirms that it has taken all necessary action to authorize said representative to execute this Agreement.

**CITY OF KIRKSVILLE, MISSOURI**

By: \_\_\_\_\_  
Title:

**PIPER JAFFRAY & CO.**

A handwritten signature in black ink that reads "Todd Doffay". The signature is written in a cursive, flowing style.

By: \_\_\_\_\_  
Title: Managing Director