

R. 20105 ✓

**FIDUCIARY ENGAGEMENT AGREEMENT  
FOR  
MUNICIPAL ADVISORY SERVICES**

This Fiduciary Engagement Agreement for Municipal Advisory Services (“Agreement”) is made this \_\_\_ day of September, 2019, by and between Jackson County, Missouri (“Issuer”), and George K. Baum & Company, located at 4801 Main Street, Ste. 500, Kansas City, MO 64112 (“GKB”).

**PURPOSE:** The Issuer has identified a need for financial advisory services relating to potential issuance of bonds, notes, and/or refunding bonds, the use of other financial instruments, and public finance matters in general for capital improvements and other public finance needs of the Issuer (the “Services”). The Issuer deems it in its best interest to engage and retain GKB, an independent registered municipal advisor firm, to provide certain municipal advisory services to the Issuer for or related to the Services, including but not limited to the preparation of supporting data, bond market information, assistance in obtaining bond ratings and assistance in investor negotiations. This Agreement does not provide for any services to be rendered relating to the investment of the proceeds of any public finance transaction. GKB represents to Issuer that the public finance operations of GKB will be acquired by Stifel Financial Corp. (“Stifel”) in 2019 (the “Acquisition”), that the obligations of GKB under this Agreement will be assumed by Stifel upon the Acquisition, and that the same team and support staff proposed by GKB to provide municipal advisory services under this Agreement will do so following such Acquisition and assumption.

**CONSIDERATION:** Consideration for this Agreement includes the services, compensation, and mutual exchange of promises of the parties specified herein.

**SPECIFIC PROVISIONS:** The provisions of the above “Purpose” section are material and binding terms of this Agreement.

- 1. **GKB’s Obligations, Scope of Services and Limitations on Scope of Services.** GKB shall provide the Issuer with the following municipal advisory services for or related to the Services, including the analysis of the cost and benefits relative to financing any proposed capital improvement project (collectively, the “Scope of Services”), subject to the limitations set forth herein:
  - A. GKB will work with the Issuer, and others as directed by the Issuer, concerning the financial issues associated with the Services;
  - B. GKB will attend all meetings and be available to the Issuer, and its other agents, for consultation and conference at times and places mutually agreed upon;
  - C. GKB will assist the Issuer in the preparation, coordination and distribution of printed matter for or related to any proposed capital improvement project, including circulars, press releases, special mailings, etc., in order to acquaint the Issuer’s population with the benefits and financial considerations of the proposed capital improvement project;
  - D. GKB will prepare financial information and schedules necessary to acquaint the Issuer with the benefits of the various forms of debt financing for the Services;
  - E. GKB will assist in the preparation of a credit presentation for bond rating agencies and bond insurance companies, if any;

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- F. GKB will assist in the collection of information and the preparation of the documents necessary to accomplish any proposed public finance transaction including any related contracts, agreements or other documents related to offering securities either for purchase or sale, all of which shall be appropriately executed and satisfactory to the Issuer;
- G. GKB will assist in the gathering of financial, statistical or factual information relating to (i) the Issuer, and (ii) GKB and its role as Issuer's municipal advisor, to be included in the Issuer's preliminary or final official statement or other documents for the Services;
- H. If the Services involve the issuance of municipal securities to be sold on a competitive bid basis and Issuer has not engaged disclosure counsel to prepare the preliminary and final official statement, GKB will assist the Issuer with its preparation of the preliminary and final official statement and the bid package, obtain CUSIP numbers and provide an electronic version of the official statement to the winning underwriter;
- I. If the Services involve the issuance of municipal securities to be sold on a negotiated basis, GKB will assist the Issuer and its bond counsel in their preparation and/or review of the preliminary and final official statement;
- J. GKB will advise Issuer with regard to any continuing disclosure undertaking required to be entered into in connection with the Services, including advising on the selection of a dissemination agent, if any;
- K. For a competitive bid sale, GKB will assist Issuer in preparing bid documents and in collecting and analyzing bids submitted by underwriters and in connection with Issuer's selection of a winning bidder;
- L. For a negotiated sale, GKB will assist Issuer in the selection of underwriter(s);
- M. GKB will arrange for closing and delivery of any bonds;
- N. GKB will serve as a designated independent registered municipal advisor ("IRMA") to Issuer for purposes of SEC Rule 15Ba1-1(d)(3)(vi) (the "IRMA exemption") with respect to all or a portion of the Services. If Issuer has designated in writing that GKB is its IRMA (an "IRMA Letter"), for purposes of making the IRMA exemption available to third parties with respect to the Services or any of the activities described above in the Scope of Services, the Scope of Services as they relate to any such IRMA designation shall be limited to GKB's activities as described in the IRMA Letter. GKB is not responsible for verifying, for the benefit of any other party wishing to rely on the IRMA exemption, that it is independent (within the meaning of the IRMA exemption as interpreted by the SEC). Any reference in the Issuer's IRMA Letter to GKB, its personnel and its role as the Issuer's IRMA is subject to GKB's prior approval, which approval shall not be unreasonably withheld. Issuer agrees not to represent, publicly or to any specific person or entity, that GKB is Issuer's IRMA with respect to any aspect of municipal financial products or the issuance of municipal securities, or with respect to any specific municipal financial product or the Services, outside or in addition those specified in the Issuer's IRMA Letter, without GKB's prior written consent. As municipal advisor, GKB owes a fiduciary duty to Issuer in accordance with federal and state securities laws;
- O. GKB will provide such other usual and customary financial advisory services for or related to the Services as may be requested by Issuer, including the engagement of Moody Reid Financial Advisors L.P., a qualified Minority Business Enterprise, as Co-Financial Advisor. GKB will act

as Senior Advisor in the providing of services outlined here in with Moody Reid supporting those activities as follows -

- by coordinating communication among the finance team;
- Missouri municipal market research and analysis;
- monitoring markets for opportunities to refinance existing bonds and advise the County of any new government programs or investment instruments that will help the County maximize present value savings and minimize negative arbitrage;
- assist GKB in determining the scope of any new debt financing;
- assist GKB in providing expertise in a variety of security types (i.e. fixed, floating, synthetic fixed, etc.);
- Moody Reid will assist GKB in reviewing preliminary economic development and/or capital improvement feasibility studies in cooperation with the County, its officials, administration staff, counsel, bond counsel, accountants, and engineers, as requested by the County. GKB's and Moody Reid's review will include the following:
  - (a) Identifying the short, intermediate and long-term financing needs of the County;
  - (b) Analyze proposed financing options and alternative debt structures to determine the methods of strengthening marketability and help develop specific structures and timing of proposed financing transactions to achieve the true interest cost savings to the County;
  - (c) Assistance in the preparation of electronic road shows to communicate effectively with the investment community on any proposed financing transaction;
  - (d) Prepare cash flow analysis, construction draw schedules and fund interest earnings calculations, if needed;
  - (e) perform a refunding analysis on the County's existing debt portfolio to identify potential true interest cost (TIC) savings to the County; and
  - (f) evaluation of Issuer's credit strengths and assistance in data gathering for required financing documents.

- P. Municipal Securities Rulemaking Board ("MSRB") Rule G-42 requires that GKB, when acting as Issuer's municipal advisor, make a reasonable inquiry as to the facts that are relevant to Issuer's determination whether to proceed with a course of action, or that form the basis for any advice (recommendations) provided by GKB to Issuer regarding any municipal financial product or the issuance of municipal securities. Rule G-42 also requires that GKB undertake a reasonable investigation to determine that it is not basing any such advice (recommendation) on materially inaccurate or incomplete information. GKB is also required under Rule G-42 to use reasonable diligence to know the essential facts about Issuer and the authority of each person acting on Issuer's behalf;
- Q. MSRB Rule G-42 requires that GKB provide Issuer with disclosures of (i) material conflicts of interest, and (ii) of information regarding certain legal events and disciplinary history. Those disclosures are provided in GKB's Municipal Advisory Disclosure Statement delivered to Issuer prior to or the execution of this Agreement. Moody Reid Financial Advisors, L.P. have provided the same disclosures to the Issuer prior to the execution of the Agreement. Stifel will provide the same disclosures following assumption of the obligations under the Agreement;
- R. It is expressly understood and agreed that, under this Agreement, GKB is acting as a municipal advisor and fiduciary to the Issuer for or related to the Services. Consistent with the provisions of

- MSRB Rule G-23, GKB, and its successors or assigns shall not participate alone, or as a member of an underwriting syndicate in the sale of municipal securities relating to the Services outlined herein. GKB retains the right to be engaged by the Issuer on other transactions in a capacity other than as a municipal advisor or fiduciary, provided that any such other transactions are completely separate from and unrelated to the Services, or any portion of the Services which are the subject of this Agreement;
- S. It is expressly understood and agreed that the Scope of Services is limited solely to the services described in this Agreement;
  - T. Unless otherwise provided in the Scope of Services described above, GKB is not responsible for preparing any preliminary or final official statement, or for certifying as to the accuracy or completeness of any preliminary or final official statement, other than with respect to any information about GKB, in its role as Issuer's municipal advisor, provided by GKB for inclusion in such documents;
  - U. It is expressly understood and agreed that the Scope of Services does not include tax, legal, accounting or engineering advice with respect to the Services or in connection with any opinion or certificate rendered by counsel or any other person at closing, and does not include review or advice on any feasibility study; and
  - V. The Scope of Services may be changed only by written amendment or supplement to this Agreement. The parties agree to promptly amend or supplement the Scope of Services described above to reflect any material changes or additions to the Scope of Services.
2. **Issuer's Obligations.** The Issuer's obligations shall include the following, subject to the limitations set forth herein:
- A. Issuer will retain GKB as a municipal advisor for and related to the Services;
  - B. Issuer will cooperate with GKB in the proper development of the Services and provide all pertinent information needed to allow GKB to (i) fulfill its duties under Rule G-42, (ii) provide the Issuer with informed advice, and (iii) support any desired transactions on behalf of the Issuer;
  - C. To the extent Issuer seeks to have GKB provide advice with regard to any recommendation made to Issuer by a third party, including but not limited to any underwriter for any transaction, Issuer agrees that it will provide GKB with written direction to do so, as well as any information Issuer has received from such third party relating to its recommendation;
  - D. Issuer agrees to observe and comply with the limitations on GKB's Scope of Services described above;
  - E. Issuer will retain a nationally recognized firm of bond attorneys and utilize the services of the Issuer's attorney;
  - F. Issuer will pay for all costs of legal advice, printed matter, advertising, bond ratings, bond insurance premium, required audits and other professional services;
  - G. Issuer will reimburse GKB for all reasonable costs and expenses incurred by GKB with the prior written approval of Issuer that are related to the Services, including but not limited to reasonable

travel expenses to meet with the Issuer, or rating agencies, if any; and

H. Issuer will pay GKB a fee (the "Municipal Advisory Fee") based on the hourly rate fee schedule attached hereto as Exhibit A, which may be amended by mutual written agreement of the parties, payable monthly upon the presentation of written invoices.

3. **Term.** The term of this Agreement shall commence on the date written above and shall expire twelve months from that date or on the completion of the Services, whichever occurs first, except as terminated earlier pursuant to the provisions below. This Agreement may be extended at the option of parties for two consecutive twelve-month periods.

4. **Termination.** Either party shall have the right to terminate this Agreement in full for any reason by providing written notice to the other party at least sixty (60) days prior to the stated termination date. In the event of any violation or default of the terms of this Agreement by GKB, the Issuer shall provide written notice to GKB of any such violation or default, and GKB shall have thirty (30) days to cure such default. If GKB is not able to cure the default to the Issuer's satisfaction by the end of such cure period, the Issuer thereafter shall have the right to immediately terminate this Agreement. At the termination of this Agreement, in any such manner, the Issuer shall reimburse GKB such reasonable costs and expenses incurred to the date of such termination, and shall pay GKB such compensation earned to the date of such termination, which payment shall be in full satisfaction of all claims against the Issuer under this Agreement. Notwithstanding the foregoing, if Stifel fails to assume the obligations of GKB under this Agreement upon the Acquisition, Issuer shall have the right to terminate this Agreement upon written notice to GKB and Stifel.

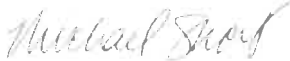
5. **Authority.** Each of the undersigned representatives of the respective parties represents and warrants that he or she has full legal authority to execute this Agreement on behalf of that respective party. In addition, the Issuer further represents and warrants that unless the Issuer provides written notice to GKB to the contrary, any officer of the Issuer has the authority (i) to act on behalf of the Issuer, (ii) to request or direct on behalf of the Issuer that GKB take or refrain from taking certain actions within the Scope of Services under this Agreement, and (iii) to sign any documents on behalf of the Issuer.

6. **Execution.** This Agreement may be executed in multiple counterparts and together such counterparts will be deemed an original.

IN WITNESS WHEREOF, the parties here have executed this Agreement the day and year first above written.

AGREED TO AND ACCEPTED:

**GEORGE K. BAUM & COMPANY**



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

Printed Name: Michael L. Short  
Title: Senior V.P. – Public Finance

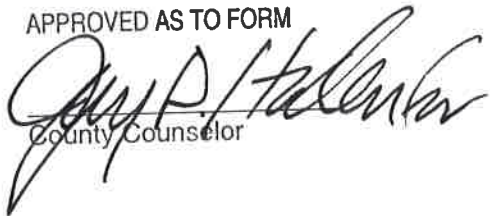
**JACKSON COUNTY, MISSOURI**

By: 

Printed Name: Bob Crutcher

Title: Director of Finance

APPROVED AS TO FORM

  
County Counselor

ATTEST:

  
Clerk of the County Legislature

**Exhibit A**

Fiduciary Agreement for Municipal Advisory Services  
Jackson County, MO

Consistent with Section 2(H) of the foregoing Fiduciary Agreement for Municipal Advisory Services, the parties adopt the following hourly professional fee schedule:

Principal/Senior Officer -	\$275.00
Senior Professional Staff -	\$200.00
Financial Analysts -	\$150.00
Associates/Clerical -	\$ 75.00

GKB will not advance or incur expenses for Issuer unless requested to do so in writing. Issuer will be responsible for transactional expenses associated with any issuance of securities on behalf of the Issuer including, but not limited to preparation and distribution of Official Statement(s), legal fees, printing, delivery and settlement of securities, travel, credit rating agency fees and government and governmental agency fees and charges.

This fee schedule is effective as of the date of the Fiduciary Agreement for Municipal Advisory Services above and may be amended from time to time by written agreement of the parties.

  
9-12-2019

**George K. Baum & Company**  
**Municipal Advisory Disclosure Statement**  
**(MSRB Rules G-42 and G-10)**

This Disclosure Statement is provided by George K. Baum & Company (“GKB”) to Jackson County, Missouri (“Issuer” or “Client”) under Municipal Securities Rulemaking Board (“MSRB”) Rules G-42 and G-10 in connection with our engagement as your municipal advisor under the Municipal Advisory Engagement Agreement dated September \_\_, 2019 (the “Agreement”) between George K. Baum & Company (“GKB”) and Client. MSRB Rule G-42 requires that GKB, as your municipal advisor pursuant to the Agreement, provide you with certain information regarding conflicts of interest and legal or disciplinary events. MSRB Rule G-10 requires that GKB, as your municipal advisor pursuant to the Agreement, notify you that GKB is registered with the U.S. Securities and Exchange Commission (“SEC”) and the MSRB, the website address for the MSRB, and the availability of certain information on that website.

**Disclosures of GKB’s registration status and information available from the MSRB.** Effective October 13, 2017, MSRB Rule G-10 requires that GKB, like all municipal advisors, provide municipal advisory clients with the following disclosures:

GKB is registered with the SEC and the MSRB.

The website for the MSRB is [www.msrb.org](http://www.msrb.org).

A municipal advisory client brochure is posted on the MSRB’s website and is available for your review. That brochure describes the protections that may be provided by the MSRB rules and how to file a complaint with an appropriate regulatory authority.

**Disclosures of Conflicts of Interest.** MSRB Rule G-42 requires that all municipal advisors provide their clients with disclosures relating to any actual or potential material conflicts of interest, including certain categories of potential conflicts of interest identified in Rule G-42, if applicable. If no such material conflicts of interest are known to exist based on the exercise of reasonable diligence by the municipal advisor, municipal advisors are required to provide a written statement to that effect.

Accordingly, GKB makes the following disclosures with respect to material conflicts of interest in connection with the Scope of Services under the Agreement, together with explanations of how we address or intend to manage or mitigate each such conflict.

**General Mitigations.** As general mitigations of GKB’s conflicts, with respect to all of the conflicts disclosed below, GKB mitigates those conflicts through its adherence to its fiduciary duty to Client, which includes a duty of loyalty by GKB to you in performing all municipal advisory activities for you. This duty of loyalty obligates GKB to deal with you honestly and with the utmost good faith, and to act in your best interests without regard to our financial or other interests. In addition,] because GKB is a broker-dealer with significant products and services, other than and in addition to municipal advisory services, that are included our overall business, the success and profitability of GKB is not dependent on maximizing short-term revenue generated from individualized recommendations to its municipal advisory clients, but instead is dependent on long-term profitably built on a foundation of integrity, quality of service and strict adherence to its fiduciary duty. Furthermore, GKB’s municipal advisory supervisory structure, leveraging our long-standing and comprehensive broker-dealer supervisory processes and practices, provides strong safeguards against individual representatives of GKB



potentially departing from their regulatory duties due to personal interests. The disclosures below describe, as applicable, any additional mitigations that may be relevant with respect to any specific conflict disclosed below.

(1) **Compensation-Based Conflicts.** Any time two parties to an agreement negotiate the basis and amount of fees or compensation one party is to pay to the other party for services rendered, there is an inherent conflict of interest between the two parties. That conflict of interest exists regardless of the type of services to be rendered, or the agreed upon basis for calculating those fees or compensation.

(A) **Contingent Fee.** If fees will be contingent upon the closing of the transaction this may present a conflict because it would create an incentive for GKB to recommend financings which are disadvantageous to Client. This conflict is mitigated by the general mitigations described above.

(B) **Percentage Fee.** To the extent that fees due under the Agreement will be based on the size of a transaction this may present a conflict because it could create an incentive for GKB to recommend you to increase the size of the transaction. This conflict of interest is mitigated by the general mitigations described above.

(C) **Fixed Fee.** To the extent that fees due under the Agreement are in a fixed amount established at the outset of the Agreement, the amount is usually based upon an analysis by Client and GKB of, among other things, the expected duration and complexity of the transaction and the Scope of Services to be performed by GKB. This form of compensation presents a potential conflict of interest because, if the transaction requires more work than originally contemplated, GKB may suffer a loss. Thus, GKB may recommend less time-consuming alternatives, or fail to do a thorough analysis of alternatives. This conflict of interest is mitigated by the general mitigations described above.

(D) **Hourly Rate Fee.** To the extent that fees due under the Agreement are based on hourly fees of GKB's personnel, with the aggregate amount equaling the number of hours worked by its personnel times an agreed-upon hourly billing rate, this form of compensation presents a potential conflict of interest if Client and GKB do not agree on a reasonable maximum amount at the outset of the engagement, because GKB does not have a financial incentive to recommend alternatives that would result in fewer hours worked. This conflict of interest is mitigated by the general mitigations described above.

(2) **Other Municipal Advisory or Underwriting Relationships.** GKB serves a wide variety of other clients that may from time to time have interests that could have a direct or indirect impact on the interests of Client. For example, GKB serves as municipal advisor to other municipal advisory clients and, in such cases, owes a regulatory duty to such other clients just as it does to Client under the Agreement. Those other clients may, from time to time and depending on the specific circumstances, have competing interests, such as accessing the new issue market with the most advantageous timing and with limited competition at the time of the offering. In acting in the interests of its various clients, GKB potentially could face a conflict of interest arising from those competing client interests. In other cases, GKB, as a broker-dealer that engages in underwritings of new issuances of municipal securities by various municipal entities, has interests to achieve a successful and profitable underwriting for its municipal entity underwriting clients that potentially could constitute a conflict of interest if, as in the example above, the municipal entities that GKB serves as underwriter or municipal advisor have competing interests in seeking to access the new issue market with the most advantageous timing and with limited competition at the time of the offering. None of these other engagements or relationships would impair GKB's ability to fulfill its regulatory duties to you.

(3) **Broker-Dealer Business.** GKB is a broker-dealer that engages in a broad range of securities-related activities to service its clients, in addition to serving as a municipal advisor or underwriter. Such securities-related activities, which may include but are not limited to the buying and selling of new issue and outstanding securities, including securities of Client, may be undertaken on behalf of, or as counterparty to, Client or your personnel, and current or potential investors in the securities of Client. These other GKB clients may, from time to time and depending on the specific circumstances, have interests in conflict with your interests, such as when their buying or selling of your securities may have an adverse effect on the market for those securities, and the interests of such other clients could create the incentive for GKB to make recommendations to you that could result in more advantageous pricing for the other clients. This conflict of interest is mitigated by the general mitigations described above.

(4) **Secondary Market Transactions in Client's Securities.** GKB, in connection with its sales and trading activities, may take a principal position in securities, including securities of Client, and therefore GKB could have interests in conflict with those of Client with respect to the value of Client's securities while held in inventory and the levels of mark-up or mark-down that may be available in connection with purchases and sales thereof. In particular, GKB may submit orders for and acquire Client's securities issued in a transaction under the Agreement from members of the underwriting syndicate, either for its own account or for the accounts of its customers. This activity may result in a conflict of interest with Client in that it could create the incentive for GKB to make recommendations to Client that could result in more advantageous pricing of Client's bond in the marketplace.

(5) **Other Conflicts of Interest.** None known.

**Disclosures of Information Regarding Legal Events and Disciplinary History.** MSRB Rule G-42 requires that all municipal advisors provide to their municipal advisory clients certain disclosures of legal or disciplinary events material to the client's evaluation of the municipal advisor or the integrity of the municipal advisor's management or advisory personnel.

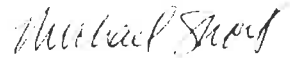
**Material Legal or Disciplinary Event.** Since the founding of the Firm in 1928, GKB has had only three regulatory events that were required to be disclosed on its Form MA. Those reported events may be material to your evaluation of GKB or the integrity of our management or municipal advisory personnel. The SEC permits certain items of information required on Form MA or MA-I to be provided by reference to that required information already filed by GKB in its capacity as a broker-dealer on Form BD or Form U4, as applicable. Information provided by GKB on its Form BD is publicly accessible through reports generated by BrokerCheck at <http://brokercheck.finra.org>. For purposes of accessing such BrokerCheck reports, GKB's CRD number is 36354.

**How to Access Form MA and Form MA-I Filings.** GKB's most recent Form MA and each most recent Form MA-I filed with the SEC are available on the SEC's EDGAR system at <http://www.sec.gov/cgi-bin/browse-edgar?action=getcompany&CIK=0000922113>. The SEC permits certain items of information required on Form MA or MA-I to be provided by reference to such required information already filed by GKB in its capacity as a broker-dealer on Form BD or Form U4, as applicable. Information provided by GKB on Form BD or Form U4 is publicly accessible through reports generated by BrokerCheck at <http://brokercheck.finra.org>. For purposes of accessing such BrokerCheck reports, GKB's CRD number is 36354.

**Most Recent Change in Legal or Disciplinary Event Disclosure.** The date of the last material change to a legal or disciplinary event disclosure on any Form MA or Form MA-I filed by GKB with the SEC is January 3, 2018.

**Future Supplemental Disclosures.** As required by Rule G-42, this Disclosure Statement may be supplemented or amended, from time to time as needed, to reflect changed circumstances resulting in new conflicts of interest or changes in the conflicts of interest described above, or to provide updated information with regard to any legal or disciplinary events of GKB. GKB will provide Client with any such supplement or amendment as it becomes available throughout the term of the Agreement.

**George K. Baum & Company**



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

Printed Name: Michael L. Short

Title: Senior V.P. – Public Finance

Date: September \_\_\_\_, 2019



**Moody Reid Financial Advisors**

Dear Municipal Advisor Client:

Moody Reid Financial Advisors, L.P. (“Moody Reid”) is hereby providing you with our annual municipal advisory client education notice (G-10 Notice). The information contained herein may be helpful to you with respect to your municipal securities transactions with Moody Reid. Moody Reid is a registered municipal financial advisor with the Securities and Exchange Commission (“SEC”) and the Municipal Securities Rulemaking Board (“MSRB”). As such, Moody Reid is subject to various securities law(s) (“Laws”) and self-regulatory rule(s) (“SRR”). Detailed information can be found at following website locations:

<https://www.sec.gov>

Additionally, the MSRB has provided a brochure, which further describes the protections that may be afforded to you by the MSRB and the process by which to file a complaint against Moody Reid and or any covered person. The brochure can be found at the following website location:

<http://www.msrb.org/>

We appreciate your understanding and supporting of Moody Reid’s best business practice in the fulfillment of our regulatory obligations.

Moody Reid Financial Advisors, L.P.