



WM Financial Strategies

11710 ADMINISTRATION DRIVE
SUITE 7
ST. LOUIS, MISSOURI 63146
(314) 423-2122

September 24, 2018

**RE: Franklin County, Missouri
Request for Proposals for Underwriter for
Approximately \$10,000,000 Certificates of Participation
(Franklin County, Missouri, Lessee), Series 2018**

In connection with the above referenced Certificates, WM Financial Strategies is serving as municipal advisor to Franklin County, Missouri (the "County") and Gilmore & Bell is serving as Special Tax Counsel and as Disclosure Counsel. In its capacity as a registered municipal advisor, WM Financial Strategies, on behalf of the County, is seeking proposals from at least three reasonably competitive market participants to underwrite the Certificates.

A draft of the preliminary official statement is available electronically at www.wmfinancialstrategies.com.

Written proposals will be accepted until 12:00 p.m., Central Time, on October 11 by email to the County's municipal advisor at Jhoward@wmfinancialstrategies.com and to the County's Purchasing Agent, Kathy Hardeman, at khardeman@franklinmo.net.

Proposals must include responses to items 1 through 9 set forth below:

1. Underwriting Discount. Indicate your proposed underwriting discount (as a percentage of the par amount).
2. Interest Rates. Using the maturity schedule shown in the Preliminary Official Statement, provide a listing, by year, of the interest rates and yields you would assign if the issue had been sold on October 5. If the rates are **not** based on par pricing, include the yield to maturity, the yield to the call, and the reoffering price for each maturity based on an issue date of November 14 which is the anticipated date of closing.

Proposals should include justification of the yields set forth in the proposal based on either indexing or comparables as described below. A preference will be given to proposals with rate indexing.

a) *Proposals Without Rate Indexing*. Provide samples for comparable issues your firm has recently priced. The samples (not more than 4) should include the name of the issue, principal amounts per maturity, interest rates, yields and reoffering prices. In addition, include the relationship of the yields to the AAA MMD (if possible) at the time of pricing and describe in detail how the pricing for the samples compares to the yields described for the County's transaction. Describe in detail the process you will use for establishing the final rates.

b) *Proposals With Rate Indexing*. If rate indexing is included as part of your proposal the index must be based on yields to maturity and the following information must be provided:

1. A detailed description of the index method to be used including the name of the published index to be utilized, the relationship between the **yields to maturity** in the proposal and the yields in the published index, and the expiration date of your indexing offer.
2. The date that will be used as the sale date for purposes of indexing. (Acceptable dates include, for example, (1) the date the County executes the Certificate Purchase Agreement, (2) a date prior to the sale and agreed upon prior to such date by the underwriter and the municipal advisor, (3) a set date that is a specified number of days prior to the sale.)
3. A copy of the published rate table against which rates will be indexed must be included in your proposal. If the index uses a one-day lag, the index used on October 5 should reflect October 4 rates.
4. The conditions under which the index will not apply such as the suspension of trading on the New York Stock Exchange.

If your index permits the final rates to be higher than the ratio of the proposal rates to the published rate index (such as a volatility or rounding factor) this will be taken into account in analyzing the proposal.

Rate indexing, if utilized, is intended to provide an upper limit on interest rates. It is understood that if the firm selected utilizes rate indexing, best efforts will be used to offer the Certificates at rates lower than the index. In addition, it is understood that most indexes reflect a one-day lag in rates that may make marketing difficult in a volatile rate environment. Accordingly, on the date of sale, WM Financial Strategies will permit an upward variance of up to 10 basis points to the rate index.

3. Costs of Issuance and Underwriter's Counsel. The County intends to pay costs of issuance including trustee fees, rating fees, County Counsel fees, Special Tax Counsel fees, Disclosure Counsel fees, CUSIP fees, title insurance fees and municipal advisor fees. Any other expenses, including the fees of Underwriter's Counsel, if any, shall be the responsibility of the underwriter selected. If you intend to employ an underwriter's counsel, please provide the name and address of the firm.

4. Terms of the Certificates. Specify your proposed prepayment provisions. The County has a preference for a very early prepayment date (e.g. 5 years). Please indicate the earliest prepayment date that would be acceptable to your firm and the impact various prepayment dates would have on your proposed interest rates. Indicate any changes you will require to the content of the County's Annual Disclosure report or indicate that the Continuing Disclosure Agreement as presently drafted is acceptable. Unless required by the Underwriter, the County will not obtain a title insurance policy with respect to the Project in connection with the issuance of the Certificates. Indicate whether you require a title insurance policy and if you require a policy, indicate the impact the policy will have on interest rates and your ability to underwrite the Certificates. Indicate whether you agree to the other terms of the Certificates as set forth in the draft preliminary official statement.

5. Underwriting Agreement. The firm selected shall provide the municipal advisor, Special Tax Counsel and the County comments to the draft documents and Certificate Purchase Agreement, to be prepared by Special Tax Counsel, within three business days following the selection of the proposed underwriter. The County plans to execute the Certificate Purchase Agreement and other Certificate documents on November 6. The Commission meeting is at 10:00 a.m. Accordingly, the firm selected will be required to price the Certificates on November

5, or such earlier date as agreed to by the Underwriter selected and the Municipal Advisor. Other than such terms and conditions as set forth herein, indicate any further internal approvals you will require as a condition to entering into a Certificate Purchase Agreement (e.g. credit approval by commitment committee).

6. MSRB's Rule G-17. Provide your firm's Rule G-17 disclosures to be signed by the Presiding Commissioner on behalf of the County Commission.

7. Issue Price. Indicate whether you anticipate providing a certification regarding reoffering prices on the Certificates on the date of sale (e.g. with 10% of each maturity sold at the initial offering price and holding the price for 5 business days for any maturity with less than 10% sold).

8. Good Faith Deposit. Indicate your firm's willingness to provide a 2% good faith deposit (a cashier's check, certified check or wired funds) prior to 3:00 p.m. on the day prior to the adoption of the underwriting agreement by the County which is expected to be on November 6, 2018.

9. Personnel. Provide the name and phone number for the person who will serve as the County's contact.

The County anticipates selecting an underwriter based on the written proposals received, however, in the event that the County elects to interview one or more firms, such interviews will be held by telephone on October 12.

The County reserves the right to reject any and all proposals. The County may waive any variations which are considered to be in the best interest of the County. The County will take all matters included in the request for proposals into account in determining the best proposal and will select the firm it deems to have the best proposal, not necessarily the lowest price. In the event the County elects to terminate the financing prior to execution of a Certificate Purchase Agreement the County will have no obligation to any firm submitting a proposal.

If you have any questions regarding this issue or the request for proposals, please contact the undersigned.

Sincerely,

Joy A. Howard
Principal