

# Edward Jones

## MANAGED ACCOUNT PROGRAM™

### PORTFOLIO MANAGEMENT AGREEMENT

AGREEMENT between

City of Rapid City ("Client")

and Boyd Watterson Asset Management, LLC (the "Portfolio Manager")

The Portfolio Manager is in the business of rendering investment advice and has been chosen by Client to be its portfolio manager through the Managed Account Program (the "Program") of Edward D. Jones & Co., L.P. ("Edward Jones") upon the terms and conditions set forth below.

#### I. Appointment of Portfolio Manager

Client hereby appoints Portfolio Manager to use the Short-Term Strategy

consisting of approximately 100% taxable bonds to manage Client's account in the Program (the "Account") and, in connection therewith, to initiate transactions through Edward Jones on Client's behalf in accordance with the terms of the client agreement entered into between Client and Edward Jones (the "Client Agreement").

#### II. Trading Authorization

- A. Client hereby designates the Portfolio Manager as its agent and attorney-in-fact to buy and sell securities or other investments for the Account. Client authorizes the Portfolio Manager to instruct Edward Jones in every respect concerning the Account and, except as herein otherwise provided, the Portfolio Manager is authorized to act for Client in the same manner and with the same force and effect as Client might or could do with respect to such purchases and sales, as well as with respect to all other things necessary or incidental thereto including the voting of proxies or effectuating tenders, exchanges or redemptions, or other similar actions with respect to securities held in the Account. Client may revoke the Portfolio Manager's voting authority by forwarding written notification of same to the Portfolio Manager or Edward Jones. Such revocation will neither impair nor limit any other authority given to the Portfolio Manager under this Agreement. Notwithstanding the foregoing, Client understands that the Portfolio Manager shall not be responsible for making any filings in connection with any securities litigation or class action lawsuits involving securities held or that were held in the Account.
- B. The Account is deemed to be invested in the Program upon receipt of cash or securities into the Account in satisfaction of the required minimum. The Portfolio Manager will be notified immediately thereafter and billing will begin after that notification. Edward Jones makes no representation as to how quickly the Portfolio Manager will invest cash deposited in the Account or sell securities deposited to fund the Account. Edward Jones is not responsible for market or price fluctuation during the interval between funding of the Account and investment by the Portfolio Manager.
- C. The Portfolio Manager is not authorized to withdraw or transfer any funds from the Account either in the name of Client or otherwise.
- D. Client authorizes the Portfolio Manager to aggregate purchases and sales of securities for the Account with purchases and sales of securities of the same issuer for other clients of the Portfolio Manager occurring on the same day. When transactions are so aggregated, the actual prices applicable to the aggregated transactions will be averaged.
- E. Client understands that the Portfolio Manager will effect securities transactions through Edward Jones, subject to the Portfolio Manager's duty to seek best execution for trades with respect to the Account. The Portfolio Manager has the authority to effect transactions through brokers or dealers other than Edward Jones when the Portfolio Manager reasonably believes that such other broker or dealer may effect transactions at a price, including any brokerage or dealer mark-up or mark-down, that is more favorable to the Account than would be the case if transacted through Edward Jones. Client understands that the Account may pay any commissions or other charges incurred in connection with any transactions effected through a broker or dealer other than Edward Jones.

- F. If this Agreement is entered into by a trustee or other fiduciary, including but not limited to a party meeting the definition of "fiduciary" under the Employee Retirement Income Security Act of 1974 ("ERISA") or an employee benefit plan subject to ERISA, such trustee or other fiduciary represents and warrants that Client's participation is permitted by the relevant governing instrument of such plan, and that Client is duly authorized to enter into this Agreement. Client agrees to furnish such documents as Edward Jones shall reasonably request with respect to the foregoing. Client additionally represents and warrants (i) that its governing instruments provide that an "investment manager" as defined in ERISA may be appointed, and (ii) that should a fiduciary bond be required, Client agrees to obtain and maintain said bond for the period of this Agreement, in the amount required by law and to include the Portfolio Manager as a covered party, and (iii) that the person executing and delivering this agreement on behalf of Client is a "named fiduciary" (defined in ERISA) who has the power under the plan to appoint an investment manager.
- G. Client understands that the Portfolio Manager, Edward Jones and their respective affiliates may perform advisory and/or brokerage services for various clients, and that the Portfolio Manager may give advice or take actions for other clients that may differ from the advice given or the timing or the nature of any action taken for the Account. In addition, the Portfolio Manager may, but is not obligated to purchase or sell or recommend for purchase or sale any security which the Portfolio Manager, Edward Jones or any of their affiliates may purchase or sell for their own accounts or the account of any other client.
- H. This trading authorization by Client is a continuing one and shall remain in full force and effect and be relied upon until terminated by Client in writing to either the Portfolio Manager or to Edward Jones pursuant to the terms of the Client Agreement.
- I. Client hereby authorizes the Portfolio Manager to rely on information provided by Edward Jones and any other written information concerning Client's investment objectives or investment restrictions relating to the Account so as to enable the Portfolio Manager to furnish investment services based on the individual needs of Client.

### **III. Representations By Portfolio Manager**

- A. The Portfolio Manager is registered as an investment adviser under the Investment Advisers Act of 1940 or is exempt from registration and is duly registered as an investment adviser or exempt from registration in all applicable jurisdictions concerning the Account.
- B. The Portfolio Manager has full power and authority to conduct its business as required by law and is qualified to do business in such jurisdictions as required for the transactions contemplated under this Agreement.
- C. To the Portfolio Manager's knowledge, there is no litigation or regulatory proceeding pending or threatened against the Portfolio Manager which would affect the Portfolio Manager's ability to carry out its duties under this Agreement.
- D. If, at any time, any event occurs which would cause any of the representations and warranties made by the Portfolio Manager in this Agreement to become untrue, the Portfolio Manager will promptly notify Edward Jones in writing within ten days of such event.
- E. If the Portfolio Manager is a partnership, it will notify Edward Jones of any change in the membership of such partnership within 15 days after such change.
- F. If Client has informed the Portfolio Manager in writing that Client is subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), the Portfolio Manager hereby acknowledges that it is a "fiduciary," as such term is defined under Section 3(21) of ERISA, with respect to Client.

**IV. Program Fee**

Client will pay an annualized program fee based on the value of the assets held in the Account ("Program Fee"). The portion of the Account held with this Portfolio Manager will be billed in accordance with the fee schedule listed below:

**Program Fee Schedule (Annualized)**

<u>Total Program Assets</u>	<u>Program Fee</u>	<u>Portfolio Manager Fee</u>
First \$500,000	0.29 %	0.15 %
Next \$500,000	0.29 %	0.15 %
Next \$1,000,000	0.29 %	0.15 %
Over \$2,000,000	0.29 %	0.15 %

\* Individual Portfolio Manager's Fee is included in the Program Fee.

The Program Fee is described in greater detail in the Edward Jones Client Agreement and Disclosure Document. The Program Fee includes all fees and charges for the services of the Portfolio Manager and Edward Jones and all brokerage charges for securities transactions executed through Edward Jones, as well as charges for the establishment of Program Accounts for IRAs and qualified retirement plans (unless waived). Client understands that the Portfolio Manager, Edward Jones, and Edward Jones financial advisors will share in the Program Fee in connection with their respective services. The Program Fee and the Portfolio Manager's portion of the Program Fee may be negotiated at the discretion of Edward Jones and/or the Portfolio Manager. Edward Jones may combine Accounts held by the same Client and/or related clients for the purpose of calculating the Program Fee.

**V. Liability of the Portfolio Manager**

**No warranty is given by the Portfolio Manager as to whether the investment performance, results or profitability of the Program, including without limitation, its risk control or return objectives, will be successfully accomplished.**

**VI. Termination**

This Agreement may be terminated by Client at any time immediately upon receipt of written notice by the Portfolio Manager to that effect with a copy to Edward Jones. This Agreement may be terminated by the Portfolio Manager upon 30 days written notice to Client and to Edward Jones.

**VII. Assignment**

This Agreement may not be modified except by an agreement in writing signed by the parties hereto. This Agreement may not be assigned by either party without the prior written consent of the other party.

**VIII. Notices**

Any notice required or permitted to be given under this Agreement shall be sent in writing or by facsimile (transmission confirmed) at the address set forth below or such other address as each party may designate in writing to the other.

A. To Portfolio Manager:

**Boyd Watterson Asset Management, LLC  
1801 East 9th Street, Suite 1400  
Cleveland, Ohio 44114-3179**

B. To Client:

**City of Rapid City  
300 6th Street  
Rapid City, South Dakota 57701**

C. To Edward Jones:

**Edward Jones  
Attn: Managed Account Operations  
700 Maryville Centre Drive  
Town and Country, Missouri 63141**

**IX. Receipt Of Part II Of Form ADV Of Portfolio Manager**

Client has received the current Part II of the Form ADV of the Portfolio Manager (unless the Portfolio Manager is exempt from registration as an investment adviser under the Investment Advisers Act of 1940) (A.) at least 48 hours prior to execution of this Agreement or (B.) contemporaneously with the execution of this Agreement, in which case Client may terminate this Agreement without penalty within five (5) business days.

**Account Registration**

City of Rapid City  
300 6th Street  
Rapid City, South Dakota 57701

**Country of Residence:** *USA unless otherwise indicated:* \_\_\_\_\_

**Country of Citizenship:** *USA unless otherwise indicated:* \_\_\_\_\_

**Net Worth:** not applicable  
**Annual Income:** not applicable  
**Date of Birth:** not applicable

The risk tolerance of Client's portfolio is considered **Low**. Emphasis is on current income and principal preservation, with little concern about growth of investments or inflation protection. Appropriate for clients with low risk tolerance who are seeking current income and principal preservation.

Client's overall investment objective is **Preservation Of Principal**. Its emphasis is to provide little fluctuation in principal, with a secondary goal of current income, and little to no opportunity for growth or inflation protection. This type of portfolio is reserved for special circumstances because it contains predominantly income securities.

Client's stated asset allocation is **100% Fixed Income**.  
The investment timeframe is **greater than ten years**.

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Date

*495-04988*

Edward Jones Account Number

Please check here if this account is part of a previously established MAP relationship.

**Portfolio Manager:** Boyd Watterson Asset Management, LLC  
**Strategy:** Short-Term Strategy  
**Strategy Objective:** Income

**Guidelines:** Merrill Lynch 1-5 Year Government Index.

\_\_\_\_\_  
Portfolio Manager Representative (Please Print)

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

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date