



FINANCIAL ADVISOR ENGAGEMENT CONTRACT

January 7, 2013

Mr. Gary French
Superintendent
Elizabethtown Independent School District
219 Helm Street
Elizabethtown, KY 42701

Dear Mr. French:

We understand that the Elizabethtown Independent School District (the "District") plans to issue school building revenue bonds related to a natatorium project (the "Project"). We submit for your consideration, the following proposal to act as Financial Advisor for the District in connection with the Project Bonds.

In our capacity as Financial Advisor, we will do the following:

- (a) We will immediately make available to you the experience and facilities of our firm to work with a nationally recognized Bond Counsel, retained at your expense, in cooperation with you in the development of a plan for the financing of the Project. We will coordinate with your attorneys to prepare all minutes, resolutions, notices, leases, ordinances, and other necessary documents incident to the authorization, sale, issuance and delivery of the Bonds. The expense of Bond Counsel may be paid from proceeds of the bond sale.
- (b) At our expense, we will assist and advise you as to maturities, call prices and all other important Bond features, and the timing of your sale.
- (c) We will assist and advise you in the necessary advertising of the Notice of Sale Bonds in *The Courier Journal* and *The Bond Buyer*, if necessary, when you are ready to offer the Bonds at public sale. The above advertising will be at our expense.
- (d) We will prepare, distribute, and provide at our expense a Preliminary Official Statement to all interested bidders well in advance of the sale of your Bonds in an effort to attract the widest interest possible when and as they are put up for sale at public bidding.

It is further agreed that you will furnish, without expense to us, upon our request, or upon the request of your Bond Counsel, all data and information required to properly and legally issue the Bonds and cooperate with the Financial Advisor toward the sale of the Bonds. The final determination to issue the Bonds will, of course, be your decision.

- (e) We will provide, at our expense, the necessary computer hardware, software, and the technical experience to structure the proposed bond issue in such a way that all of the legal and technical requirements are met, allowing the bonds to be legally issued.
- (f) We and your attorneys will assist, advise and work with you for the purpose of developing the best plan possible for a sound and marketable issue of Bonds. We shall use our best efforts to prepare the issue so as to obtain for you the lowest interest cost obtainable in the light of market conditions as they exist at the time the issue is offered for sale. However, that with respect to advance and/or current refundings the necessary calculations and technical advice by an outside certified public accountant will be paid by you.
- (g) We will recommend as to the advisability of submitting the issue to the bond rating services for a rating and will assist in obtaining the best possible rating for the bonds if deemed necessary. Any charge or fee for rating the Bonds will be billed directly to the District and may be paid from the proceeds of the Bond sale.
- (h) All expenses in connection with the retention of a paying agent bank will be borne by the District.

In consideration of the services rendered and the risk of the expense to be assumed by us, it is agreed that we shall be paid out of Bond proceeds according to the fee schedule listed below. This fee shall be paid to us upon the sale and delivery of the Bonds.

SCHEDULE OF FEES

<u>Principal Amount of Bonds Actually Issued</u>	<u>Fees & Expenses</u>
First \$1,000,000;	\$11.00 per \$1,000 (\$7,500 min.)
Second \$1,000,000	\$10.00 per \$1,000
All over \$2,000,000	\$ 4.00 per \$1,000

Information

The District recognizes and confirms that Hilliard Lyons, in acting pursuant to this engagement, will be using information in reports and other information provided by others, including, without limitation, information provided by or on behalf of the District and that Hilliard Lyons does not assume responsibility for and may rely, without independent verification, on the accuracy and completeness of any such reports and information. Hilliard Lyons hereby warrants that information relating to the District that is furnished to Hilliard Lyons by or on behalf of the District will be fair, accurate and complete and will not contain any material omission or misstatements of fact.

Conflicts

The District acknowledges that Hilliard Lyons by virtue of its activities as a full-service financial institution, may presently have or may enter into relationships, contractual or otherwise, with certain parties who may participate in the transactions contemplated by this engagement. The District further acknowledges that such relationships or activities, if any, do not create any conflict of interest in respect of the services contemplated by this engagement.

Indemnification

In connection with our engagement hereunder, the District hereby indemnifies Hilliard Lyons, its affiliates, the respective directors, officers, agents and employees of Hilliard Lyons and its affiliates and each other person, if any, controlling Hilliard Lyons or its affiliates, to the full extent lawful, against such losses, claims, damages or liabilities (including legal expenses) arising out of or relating to such engagement other than with respect to losses, claims, damages or liabilities finally judicially determined to have resulted primarily from the gross negligence or willful misconduct of Hilliard Lyons or such persons.

Governing Law

This letter agreement is governed by the laws of the Commonwealth of Kentucky without regard to conflicts of law principles.

Hilliard Lyons and the District agree to waive trial by jury in any action, proceeding or counterclaim brought by or on behalf of either party with respect to any matter whatsoever relating to or arising out of any actual or proposed transaction or the engagement of or performance by Hilliard Lyons hereunder.

Termination

This letter agreement may be terminated by the District at any time or by Hilliard Lyons at any time upon 30 days written notice. The "Fees," "Expenses," "Indemnification," and "Governing Law" provisions contained herein shall survive any termination of this letter agreement.

Non-Discrimination Assurances

It is specifically agreed as part of the consideration of the signing of this contract that the parties hereto, their agents, officials, employees or servants will not discriminate in any manner on the basis of age, handicap, sex, race, color, creed, sexual orientation or national origin with reference to the subject matter of this contract, no matter how remote. The parties hereto further agree in all respects to conform with the provisions and intent of the District.

Other

This letter agreement contains the entire agreement between us and supersedes all prior understanding, whether written or oral. This letter agreement may be executed in counterparts. This letter agreement may not be amended except in writing signed by all parties hereto.

The District may not assign or delegate any of its rights or obligations hereunder without our prior written consent.

The District hereby affirms that there are no other outstanding commitments relating to the above proposal which would be binding on the District and which would in any way impair the validity of this agreement.

In regard to continuing Disclosure Requirements, the District agrees to comply with all the requirements of Securities and Exchange commission rule 15(c)2-12, as amended, relating to financial statement disclosures and certain event disclosures relating to the Bonds on an ongoing basis until the Bonds are paid in full.

Respectfully submitted,

By: _____
Chip Sutherland, Vice President
J.J.B. Hilliard, W.L. Lyons, LLC

The foregoing proposal is hereby accepted on _____, 2012

By: _____
Mr. Gary French, Superintendent