

AGREEMENT FOR FINANCIAL ADVISORY SERVICES SCHOOL BUILDING REVENUE BONDS

THIS AGREEMENT FOR FINANCIAL ADVISORY SERVICES ("Agreement") made and entered into as of the 17th day of May, 2007, by and between the Board of Education of Hardin County (Kentucky) ("Board") and J.J.B. Hilliard, W.L. Lyons, Inc. (the "Fiscal Agent").

WHEREAS, Board desires to finance the construction of a new Elementary School and renovations to North Hardin High School (the "Project") through the issuance of school building revenue bonds ("Bonds") issued by the Hardin County School District Finance Corporation ("Corporation") pursuant to the provisions of Section 162.385 and 58.180 of the Kentucky Revised Statutes, and

WHEREAS, the Board has considered the proposal of the Fiscal Agent and has adopted a resolution authorizing the execution of this Agreement by its Chairman and Secretary;

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS BETWEEN THE PARTIES HERETO HEREIN CONTAINED, IT IS AGREED BETWEEN THE PARTIES AS FOLLOWS:

I. SERVICES TO BE PROVIDED BY FISCAL AGENT

In consideration of the fees hereinafter set forth, the Fiscal Agent shall provide the following services:

(A) EMPLOYMENT OF BOND COUNSEL

The Fiscal Agent, as separate and independent agent for the issuer, shall select and employ nationally recognized municipal Bond Counsel and Bond Counsel will prepare and furnish all minutes, resolutions, leases, legal notices, and other necessary documents in order to legally authorize, sell, issue, and deliver the Bonds. Said Bond Counsel will render a Final Approving Legal Opinion simultaneously with the delivery of the Bonds stating that the Bonds have been legally authorized and issued in all respects and comply fully with the provisions of the Internal Revenue Code of 1986, as amended, ("Code") in order to permit the interest thereon to be excluded from the gross income of the recipients thereof for the purposes of federal income taxation as well as excludable from the gross income of the recipients for Kentucky income taxation purposes.

(B) ADVICE TO BOARD

The Fiscal Agent and Bond Counsel will be available for consultation, planning, and advice at all stages of the financing program and will meet with officials of the Board, officials of the School Facilities Construction Commission, when applicable, and/or officials of the State Department of Education whenever necessary.

The Fiscal Agent will advise as to the details of the Bond issue, including the maturity schedule, redemption provisions, terms and conditions of bond sale, as well as the actual timing

of the public sale and all other details of the financing which require the expertise of the Fiscal Agent and its special knowledge of the municipal bond market.

(C) PUBLICATION OF REQUIRED LEGAL NOTICES

The Bond Counsel will prepare and the Fiscal Agent will publish at their expense all required legal notices in connection with the issuance of the Bonds, including, but not being limited to a Notice of Bond Sale in The Daily Bond Buyer or the Wall Street Journal, published in New York, New York (if required), The Courier-Journal, published in Louisville, Kentucky, The News-Enterprise, published in Elizabethtown, Kentucky.

(D) PREPARATION OF OFFICIAL STATEMENT

The Fiscal Agent, as the agent of the Bonds, will prepare and distribute, at the expense of the Fiscal Agent, a Preliminary Official Statement and will distribute same to all interested bidders and potential buyers in advance of the sale of the Bonds in order to attract the largest possible interest in the sale of the Bonds by the investment community. Said Preliminary Official Statement, and the Final Official Statement, which will be distributed at the expense of the successful purchaser of the Bonds, will conform in all respects to the rules and regulations of the Securities Exchange Commission, including SEC Rule 15(c) 2-12. The Fiscal Agent shall coordinate with officials of the Board in obtaining and assimilating all necessary financial data and other information required for the Official Statements in order to present the Bonds and the Board to the investment community in the best possible manner in light of all pertinent facts. It is understood and agreed that the Board will furnish the Fiscal Agent, without expense, all such data and information as is normally found in official statements for this type of municipal financing.

(E) DELIVERY OF BONDS AND INVESTMENT OF PROCEEDS

The Fiscal Agent will arrange for the execution and delivery of the bond certificates to the Depository Trust Company ("DTC") at the expense of the successful purchaser and shall advise the Board regarding the investment of the proceeds thereof until required for construction purposes in order that the Board may realize the greatest investment yield permissible under the Code until the proceeds are expended for construction purposes.

(F) BOND RATING AGENCIES

If the Fiscal Agent recommends, subject to the concurrence of the State Department of Education, the advisability of submitting the Bond issue to one or more nationally recognized bond rating services for an investment rating, it will assist the Board in preparing the information necessary in obtaining the best possible rating for the Bonds. The fees and charges of the bond rating agency for the assignment of a rating and any out of state travel expenses incurred by Bond Counsel and/or Fiscal Agent, if required, will be borne by the Board.

II. RESPONSIBILITIES OF THE BOARD

A. Title Fees. The Board shall be responsible for furnishing the Fiscal Agent and Bond Counsel such abstracts and title opinions certified by a licensed attorney as they may require indicating that title to the real estate upon which the school buildings are to be constructed are owned in fee simple by the Board free and clear of all liens and encumbrances, or, in the alternative, if such liens and encumbrances exist, a clear definition of same. The Board shall be responsible for the fees and charges of the local attorney employed by it for the purpose of providing the Fiscal Agent and Bond Counsel with necessary title information, to include a title insurance policy if deemed necessary, and certification and said fees and expenses shall not be borne by the Fiscal Agent.

B. Rating Agency Fees. As noted above, in the event it is determined by the Fiscal Agent, in conjunction with the State Department of Education, that it is in the best interest of the Board to obtain a rating for the Bonds, the fees and charges of the bond rating agency shall be borne by the Board from the proceeds of said Bonds and same shall not be the responsibility of the Fiscal Agent.

C. Additional Charges of Bond Counsel and Special Tax Counsel in Event of Refunding Issue. In the event this Agreement applies to a refinancing of outstanding indebtedness of the Board through the issuance of School Building Refunding Revenue Bonds, then the Board shall be responsible for any fees and charges of the Special Tax Counsel employed to render a "Non-Arbitrage" opinion required by the Code in connection with the issuance of Refunding Bonds which shall be payable from the proceeds of the Bonds and not by the Fiscal Agent. In similar fashion, to the extent Bond Counsel charges a fee over and above the standard and accepted fee for School Building Revenue Bonds because an issue of Refunding Bonds is involved, then such additional charges shall be borne by the Board, but the Fiscal Agent shall be responsible for and shall pay the standard fee of Bond Counsel for School Building Revenue Bonds. The Board, as well as the State Department of Education, shall be advised as to any additional legal fees of Bond Counsel or Special Tax Counsel in connection with issuance of Refunding Bonds and shall approve same in advance of the authorization of the Refunding Bonds.

D. Fees and Charges of Bond Registrar/Paying Agent/Escrow Agent. As noted above, the Board shall be responsible for the fees and charges of the bank as bond registrar, paying agent and/or escrow agent for the Bonds, including any initial fee and all annual fees for the administration of the Bond issue.

E. Continuing Disclosure Requirements. The Board agrees to comply with all the requirements of Securities and Exchange Commission Rule 15(c)2-12, effective July 3, 1995, relating to financial statement disclosures and certain event disclosures relating to the Bonds on an ongoing basis until the Bonds are paid in full.

III. FEES AND EXPENSES OF FISCAL AGENTS

The Fiscal Agent shall provide the Board with the services enumerated above and shall be responsible for the standard fee of Bond Counsel and all expenses of Bond Counsel (with the exception of any additional fee charged by Bond Counsel in connection with the issuance of Refunding Bonds). With the exception of the items enumerated in the preceding Section II all expenses incurred in connection with the issuance of the Bonds shall be borne by the Fiscal Agent from the fees set forth in the following schedule:

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

The fees set forth above shall include the services provided under this agreement and all expenses except those specifically excepted hereunder in connection with the issuance of the Bonds and the services of the Fiscal Agent as well as Bond Counsel will be continually available to the Board (and the State Department of Education) for whatever consultation the Board may require. Our fee will be 50% of the total fee, as calculated above, after expenses. This Agreement is entered upon the assumption that the financing program contemplated will proceed to fruition with the delivery of the Bonds, but, nevertheless, in the event that the Board should, for any reason, determine that the financing should be abandoned or postponed the Board shall owe the Fiscal Agent nothing and the Fiscal Agent will absorb any expenses which may have been incurred up to the time that the financing program is abandoned. Notwithstanding the foregoing, the Fiscal Agent has entered this Agreement with the understanding that the financing program contemplated will proceed and should the program be abandoned and subsequently revived, or a similar program instituted, it is agreed between the parties that the Fiscal Agent shall have the opportunity to serve the Board under the terms of this Agreement, should the Fiscal Agent elect to continue its services in order that the Fiscal Agent may have the opportunity to recoup otherwise unrecoverable expenses.

J.J.B. Hilliard, W.L. Lyons, Inc. acknowledges that the Board intends to retain multiple Fiscal Agents to co-advise the Board on the transaction. Such other Fiscal Agent or Fiscal Agents will be selected by and serve at the discretion the Board. J.J.B. Hilliard, W.L. Lyons, Inc. agrees to cooperate fully with the co-Fiscal Agent or Fiscal Agents in connection with the work identified in this Agreement. The Fiscal Agents shall make all reasonable efforts to avoid disputes concerning the manner in which work is to be performed by them under this Agreement and shall resolve any disagreements or disputes between and among themselves without involving the Board.

IV. RIGHT TO BID ON BONDS RESERVED

Nothing contained in this Agreement shall prohibit the Fiscal Agent from bidding at the public sale of the Bonds as an underwriter and the Board hereby expressly grants its permission for said Fiscal Agent to submit a bid for the purchase of said Bonds, should it elect to do so.

V. TERM OF AGREEMENT

This agreement shall be in effect until completion of the Project unless sooner terminated by either party, at any time, for any reason upon 30 days written notice to the other party with a copy to the Office of School Administration and Finance, State Department of Education.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

BOARD OF EDUCATION OF HARDIN COUNTY SCHOOL DISTRICT

Chairperson

Attest:

Secretary

J.J.B. HILLIARD, W.L. LYONS, INC.

John Fairey