

January 3, 2020

Ms. Deanna Ashby
Superintendent
Hopkins County School District
320 South Seminary Road
Hopkinsville, KY 42431

Re. Municipal Advisory Services Agreement

Dear Ms. Ashby:

On behalf of Robert W. Baird & Co. Incorporated ("we" or "Baird"), we wish to thank you for the opportunity to serve as municipal advisor to Hopkins County School District ("you" or the "Client") with respect to the proposed issuance of revenue bonds to finance construction of new Hanson Elementary School (the "Securities"). Upon your acceptance, this engagement letter ("Agreement") will establish the mutual terms and conditions under which Baird will provide municipal advisory services to the Client in connection with the proposed issuance(s) or other financing (the "Financing"), effective on the date this Agreement is executed by Client (the "Effective Date").

1. Scope of Services.

(a) Municipal Advisory Services to be Provided by Baird. The Client hereby engages Baird to serve as municipal advisor with respect to the Financing, and in such capacity Baird agrees to provide advice as to the structure, timing, terms and other matters regarding the Financing, including the following services, if and as requested by the Client:

- Evaluate options or alternatives with respect to the proposed new Issue, including refunding opportunities
- Review recommendations made by other parties to Client with respect to the new Issue/Refunding
- Review financial and other information regarding Client, the proposed Issue and any source of repayment of or security for the Issue/Refunding
- Consult with and/or advise Client on actual or potential changes in market place practices, market conditions, regulatory requirements or other matters that may have an impact on Client and its financing plans
- Assist Client in establishing a plan of financing
- Assist Client in establishing the structure, timing, terms and other similar matters concerning the Issue
- Prepare the financing schedule
- Provide assistance as to scheduling, coordinating and meeting procedural requirements relating to any required bond referendum, other than through cash or in-kind contributions with respect to such referendum
- Consult and meet with representatives of Client and its agents or consultants with respect to the Issue
- Attend meetings of Client's governing body, as requested
- Advise Client on the manner of sale of the Issue
- Assist in the gathering of information with respect to financial, statistical and factual information relating to Client in connection with the preparation of the preliminary and final official statement
- For a competitive bid where the Client has not engaged disclosure counsel to prepare the preliminary and final official statement, assist the Client in preparing 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
- Make arrangements for printing, advertising and other vendor services necessary or appropriate in connection with the Issue
- Advise Client with regard to any continuing disclosure undertaking required to be entered into in connection with the Issue, including advising on the selection of a dissemination agent

- Assist Client in collecting and analyzing bids submitted by underwriters and in connection with Client's selection of a winning bidder
- Prior to the time of sale, provide Client with relevant data on comparable issues recently or currently being sold nationally and by comparable
- Review required underwriter disclosures to Client [where applicable]
- Assist Client in selecting legal and other professionals (such as paying agent, verification agent, trustee, escrow agent, accountant, feasibility consultant, etc.) to work on the Issue
- Respond to questions from bidders, underwriters or potential investors
- Arrange and facilitate visits to, prepare materials for, and make recommendations to Client in connection with credit ratings agencies, insurers and other credit or liquidity providers
- Work with bond counsel and other transaction participants to prepare and/or review necessary authorizing documentation of Client and other documents necessary to finalize and close the Issue
- Coordinate working group sessions, closing, delivery of the new Issue and transfer of funds
- Prepare a closing memorandum or transaction summary for Client with respect to such matters as sources and uses of funds disposition of close, debt service repayment schedule, etc.
- If requested by Client, assist and provide guidance with respect to the investment of bond proceeds. If such service are provided by Municipal Advisor, a separate schedule of fees for such services will be provided to Client, but in no case will said fees exceed fees as promulgated by the United States Treasury Department
- Arrange for the purchase of escrow securities, including but not limited to, State and Local Government Securities ("SLGS") and Open Market Securities ("OMS"), on behalf of the Issuer, as applicable for refunding bond issues

limitations: (b) Limitations on Scope of Services. The Scope of Services is subject to the following

- i.) The Scope of Services is limited solely to the services described herein and is subject to any limitations set forth within the description of the Scope of Services.
- ii.) Unless otherwise provided in the Scope of Services described herein, Baird 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 Baird provided by Baird for inclusion in such documents.
- iii.) The Scope of Services does not include tax, legal, accounting or engineering advice with respect to the Financing 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.

2. Regulatory Duties. Under MSRB Rule G-23, Baird will not be able to serve as underwriter or placement agent for any notes, bonds or other securities to be issued and sold as part of the Financing. Baird is registered as a municipal advisor with the Securities Exchange Commission and Municipal Securities Rulemaking Board. As financial advisor to the Client in connection with the proposed Financing, Baird will have fiduciary duties, including a duty of care and a duty of loyalty. Baird is required to act in the Client's best interests without regard to its own financial and other interests.

MSRB Rule G-42 requires that Baird make a reasonable inquiry as to the facts that are relevant to Client's determination whether to proceed with a course of action or that form the basis for and advice provided by Baird to Client. The rule also requires that Baird undertake a reasonable investigation to determine that it is not basing any recommendation on materially inaccurate or incomplete information. Baird is also required under the rule to use reasonable diligence to know the essential facts about Client and the authority of each person acting on Client's behalf.

Client agrees to cooperate, and to cause its agents to cooperate, with Baird in carrying out these regulatory duties, including providing to Baird accurate and complete information and reasonable access to relevant documents, other information and personnel needed to fulfill such duties. In addition, Client agrees that, to the extent Client seeks to

have Baird provide advice with regard to any recommendation made by a third party, Client will provide to Baird written direction to do so as well as any information it has received from such third party relating to its recommendation.

3. Fees and Expenses. For its financial advisory services, Baird shall be entitled to a fee (the "Municipal Advisory Fee") for each Offering to be paid by the Client based on the fee schedule below. This fee shall be paid to us upon the sale and delivery of the Offering(s). While this form of compensation is customary in the municipal securities market, it presents a conflict of interest because it may give Baird an incentive to recommend to the Client a Financing that is unnecessary or to recommend that the size of the transaction be larger than is necessary.

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

4. Term and Termination. The term of this engagement shall extend from the date of this Agreement to the closing of the Financing. Notwithstanding the forgoing, either party may terminate Baird's engagement at any time without liability or penalty upon at least 30 days' prior written notice to the other party. If Baird's engagement is terminated by the Client, the Client agrees to compensate Baird for the services provided and to reimburse Baird for its out-of-pocket expenses incurred until the date of termination and if within 12 months following such termination the Client completes the Financing the Client shall pay Baird the Financial Advisory Fee.

5. Limitation of Liability. The Client agrees that neither Baird nor its employees, officers, agents or affiliates shall have any liability to the Client in the absence of willful misconduct, bad faith, gross negligence or reckless disregard of obligations or duties hereunder for any act or omission in the course of, or connected with, rendering services hereunder, or for any error of judgment or mistake of law, or for any loss arising out of any issuance of municipal securities, or for any financial or other damages resulting from Client's election to act or not to act, as the case may be, contrary to any advice or recommendation provided by Baird to Client. No recourse shall be had against Baird for loss, damage, liability, cost or expense (whether direct, indirect or consequential) of Client arising out of or in defending, prosecuting, negotiating or responding to any inquiry, questionnaire, audit, suit, action, or other proceeding brought or received from the Internal Revenue Service in connection with any Financing/Offering or otherwise relating to the tax treatment of any Financing/Offering, or in connection with any opinion or certificate rendered by counsel or any other party. Notwithstanding the foregoing, nothing contained in this paragraph or elsewhere in this Agreement shall constitute a waiver by Client of any of its legal rights under applicable U.S. federal securities laws or any other laws whose applicability is not permitted to be contractually waived, nor shall it constitute a waiver or diminution of Baird's fiduciary duty to Client under Section 15B(c)(1) of the Securities Exchange Act of 1934, as amended, and the rules thereunder.

6. Required Disclosures. Accompanying this letter is a disclosure document describing the material conflicts of interest and information regarding certain legal events and disciplinary history related to the securities proposed to be sold in the Financing as required by MSRB Rule G-42.

7. Miscellaneous. This Agreement shall be governed and construed in accordance with the laws of the Commonwealth of Kentucky. This Agreement shall be binding upon and inure to the benefit of Client and Baird, their respective successors and permitted assigns; provided however, neither party may assign or transfer any of its rights or obligations hereunder without the prior written consent of the other party. This Agreement contains the entire agreement between the parties relating to the rights granted herein and obligations assumed herein. This Agreement and the Scope of Services provided hereunder may not be amended, supplemented or modified except by means of a written instrument executed by both parties hereto. This Agreement may be executed in counterparts, each of which shall be an original, but which taken together, shall constitute one and the same instrument.

If there is any aspect of this Agreement that you believe requires further clarification, please do not hesitate to contact us. If the foregoing is consistent with your understanding of our engagement, please sign and return the enclosed copy of this letter. The undersigned represents and warrants that (s)he has full legal authority to execute this Agreement on behalf of Client.

Again, we thank you for the opportunity to assist you with the Financing and the confidence you have placed in us.

Very truly yours,

ROBERT W. BAIRD & CO. INCORPORATED

By: _____
Director

Accepted this _____ day of _____, 2019

HOPKINS COUNTY SCHOOL DISTRICT

By: _____

Title: _____