

AGREEMENT FOR MUNICIPAL ADVISORY SERVICES

THIS AGREEMENT FOR MUNICIPAL ADVISORY SERVICES (“Agreement”) made and entered into as of this ____ day of October 2020 by and between Board of Education of Dayton Independent School District (the “Issuer”) and Compass Municipal Advisors, LLC (the “Municipal Advisor”).

WHEREAS, Issuer desires to undertake the issuance, from time to time, of bonds, notes and other evidences of indebtedness (collectively, the “Bonds”) in order to finance the acquisition, by purchase or construction, of land, capital improvements and equipment and refinance any bonds, notes or other evidences of indebtedness whether now existing or hereafter issued; and

WHEREAS, the Issuer has considered the proposal of the Municipal Advisor and desires to execute this Agreement in order to retain the services of the Municipal Advisor;

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 MUNICIPAL ADVISOR

The parties agree that the Municipal Advisor shall provide the following services, with respect to each issue of Bonds:

A. ADVICE TO ISSUER

The Municipal Advisor will be available for consultation, planning, and advice at all stages of the engagement, including the following:

- i. To determine, analyze and recommend options regarding a capital needs finance plan which is both financially sound and mindful of the impact on the Issuer’s taxpayers or rate payers, as applicable.
- ii. Evaluate capital funding alternatives, develop and recommend a financial plan including advice on debt structuring.
- iii. Continually monitor the market to determine if, and when, refinancing of existing debt is favorable and advise the Issuer of such determination.
- iv. Assist in the planning and structuring of bond issues and assist with obtaining required authorizations, as well as assist the Issuer’s bond counsel (the “Bond Counsel”) in preparing the bond resolution or ordinance (as applicable).
- v. Provide advice on method of sale and recommend timing of Bonds.
- vi. Assist the Issuer in development of a request for proposals or other acceptable selection method for a finance team and/or an underwriter, as necessary (the “Underwriter”), and assist in the evaluation of proposal submissions.
- vii. Identify tasks, responsibilities, and dates for completing activities leading up to Bond authorizations and issuances.

- viii. Design a debt structure, provide advice on approach to ratings and conduct rating presentations and appropriate follow-up.
- ix. Assist the Bond Counsel in the production of documents, including preliminary and final official statements, printing of same, disclosure statements, bond sale documents and other relevant financing documents.
- x. Assist the Bond Counsel, as needed, and review Bond Counsel's legal opinion, as needed.
- xi. Conduct pre-marketing of the Bonds, coordinate distribution of offering documents to prospective bidders, evaluate bids including accuracy, and recommend award, as applicable.
- xii. Assist with closing arrangements and work with any arbitrage consultants related to compliance with arbitrage regulations and other post-closing matters.
- xiii. Advise in the development of debt limits, debt service coverage ratios, reserve funds or other debt policies, as needed.
- xiv. Assist in the procurement and negotiation of credit support mechanisms, as needed; identify policy issues and direction(s) related to effective management of the Issuer's capital improvement program.
- xv. Provide advice on tax exempt lease/purchase transaction options or other such financial matters as may be required by the Issuer.
- xvi. Undertake assignments regarding bond financing including, but not limited to, budget, tax, cash management issues and related aspects of the Issuer's financial management program as may be required by the Issuer.
- xvii. Perform all other such duties and services customarily and usually performed by a Municipal Advisor with respect to the services outlined or at the request of the Issuer.
- xviii. Attend any Issuer meetings or meetings with local and state officials, when applicable, related to the designated services to be rendered at the request of the Issuer.
- xix. Otherwise provide services in the capacity commonly referred to as Financial Advisor in the industry.

The Municipal Advisor 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 Municipal Advisor and its special knowledge of the municipal bond market.

B. FINANCING TEAM AND OTHER FEES AND EXPENSES

As described above, the Municipal Advisor will assist the Issuer in engaging, through Request for Proposals or other selection method acceptable to the Issuer, Underwriters (for negotiated financings), Bond Counsel, Paying Agent/Registrars and Escrow Agents, if necessary.

The Municipal Advisor will assist the financing team and perform the services described above and in paragraphs (C) and (D) herein. The expenses of Underwriters and purchasers of the Bonds (including Underwriters' discount), Bond Counsel, Paying Agent/Registrar and Escrow Agent, if required, may be paid from the proceeds of the Bonds.

C. PREPARATION OF OFFICIAL STATEMENT

The Municipal Advisor, will assist in the preparation of one or more Preliminary Official Statements (the "POS") and, for competitive Bond sales, will distribute the POS and notice of sale related thereto 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. The Municipal Advisor shall coordinate with officials of the Issuer in obtaining and assimilating all necessary financial data and other information required for the POS and Final Official Statement in order to present the Issuer to the investment community and rating agencies all pertinent facts in the best possible manner. It is understood and agreed that the Issuer will furnish the Municipal Advisor, without expense, all such accurate and current data and information as is normally found in official statements for that type of municipal financing. It is understood that the Issuer shall be solely responsible for the accuracy and completeness of all data and information necessary for the POS and Final Official Statement.

D. BOND RATING AGENCIES/BOND INSURERS

If the Municipal Advisor (or Underwriter in a negotiated Bond offering) recommends submitting the Bond issue to one or more nationally recognized bond rating services for a credit rating or insurers providing bond insurance policies or surety bonds to satisfy covenants, the Municipal Advisor will assist the Issuer in preparing the information necessary to submit to such rating agencies or bond insurers.

II. RESPONSIBILITIES OF THE ISSUER

A. ADDITIONAL FEES FOR REFUNDING ISSUE

In the event this Agreement applies to the issuance of Bonds in order to refinance outstanding indebtedness (the "Refunding Bonds"), the Issuer shall be responsible for any fees and charges of the Bond Counsel employed to render a "Non-Arbitrage" opinion required by the Internal Revenue Code of 1986, as amended, in connection with the issuance of Refunding Bonds which shall be payable from the proceeds of the Bonds and not by the Municipal Advisor. The Issuer shall be advised as to any additional legal fees of Bond Counsel in connection with issuance of Refunding Bonds and shall approve same in advance of the authorization of the Refunding Bonds.

B. FEES OF UNDERWRITERS, BOND COUNSEL, BOND REGISTRAR/PAYING AGENT/ESCROW AGENT, RATING AGENCIES AND BOND INSURERS

The Issuer shall be responsible for all fees and expenses of the financing team, including the Underwriters or purchasers of the Bonds (including Underwriters' discount), attorneys, other than bond counsel, accountants and advisors, the bank serving 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, and the bond rating agency or bond insurer. The Issuer shall be advised as to any additional fees under this Section and shall approve same in advance of any fees being incurred.

C. CONTINUING DISCLOSURE REQUIREMENTS

The Issuer, to the extent the Municipal Advisor advises Issuer of the necessary disclosures, 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 MUNICIPAL ADVISOR

The Municipal Advisor shall provide the Issuer with the services enumerated above in connection with the bonds, notes, loans, leases, or other debt obligation. The Municipal Advisor will be paid a fee as set forth below.

Principal Amount Borrowed	Fees*
First \$1,000,000	\$11.00 per \$1,000 (minimum \$7,500)
Second \$1,000,000	\$10.00 per \$1,000
All Over \$2,000,000	\$ 4.00 per \$1,000

**The fee will be discounted by 50% for the first transaction completed under this contract.*

The Municipal Advisor 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) and legal advertising in the *Courier-Journal*, local newspapers and *The Bond Buyer*, if necessary.

The fees set forth shall include the services provided under this Agreement. This Agreement is entered upon the assumption that the financing contemplated will proceed to fruition with the delivery of bonds, notes, loans, leases, or other debt obligations. The Municipal Advisor fee is contingent upon the successful delivery of debt obligations. Notwithstanding the foregoing, the Municipal Advisor has entered this Agreement with the understanding that the financing contemplated will proceed and should it be abandoned and subsequently revived, it is agreed between the parties that the Municipal Advisor shall have the opportunity to serve the Issuer under the terms of this Agreement, should the Municipal Advisor elect to continue its services in order that the Municipal Advisor may have the opportunity to recoup otherwise unrecoverable direct expenses.

IV. REGULATORY DISCLOSURES AND REPRESENTATIONS

Independent Registered Municipal Advisor Representations

The Municipal Advisor hereby represents that, of the date hereof, the Municipal Advisor is registered and is serving as a municipal advisor under Section 15B of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), with respect to the issuance of the Bonds and municipal financial products generally (including investments of Bond proceeds and escrow agreements) and, as such, is subject to the fiduciary duty owed to municipal entities that the Exchange Act (specifically Section 15(B)(1) thereof) imposes on municipal advisors.

The Municipal Advisor advises you that, in order for any Underwriter or other market participant (each, a “Participant”) to rely upon the “independent registered municipal advisor” exemption under Section 15B of the Exchange Act at the time such Participant initially provides advice to the Issuer:

- (1) such Participant must determine that it is not then, and for the previous two years has not been, “associated” with the Municipal Advisor, meaning the Municipal Advisor and its principals and employees providing municipal advisory services do not and have not served in an ownership, control, supervisory or employment relationship with respect to the Participant (and vice versa); and
- (2) the Issuer should make available to such Participant or generally post on its website representations to the effect that the Issuer has retained, is represented by and will rely upon the Municipal Advisor as a municipal advisor registered under Section 15B of the Exchange Act (as more particularly shown in Exhibit A).

As of the date hereof, the Municipal Advisor has no reason to believe that it is presently or within the previous two years has been “associated”, with any Participant (other than Southwest Securities, Inc.); however, notwithstanding the above, nothing herein shall prevent any Participant (including Southwest Securities, Inc.) from qualifying for any other exemption from registration as a municipal advisor under the Exchange Act.

Conflict of Interest Disclosures

As of the date hereof, the Municipal Advisor represents that it has no known material conflicts of interest, based on the exercise of reasonable diligence. However, in connection with the issuance of any Bond and pursuant to Section III, the Municipal Advisor may receive compensation for the services enumerated herein, which compensation is contingent upon the successful closing of a transaction or is based on the size of a transaction. Consistent with the requirements of certain regulatory authorities, the Municipal Advisor hereby discloses that such contingent and/or transactional compensation may present a conflict of interest, because it may cause the Municipal Advisor to recommend a transaction that it is unnecessary or in a size that be larger than is necessary. In addition, the Municipal Advisor is currently contracted with Kentucky Association of Counties, Inc. (“KACo”) to provide municipal advisory services to counties and special taxing districts across the Commonwealth of Kentucky. KACo will be compensated by the Municipal Advisor from the fees set forth in Section III herein.” This potential conflict of interests will not impair the Municipal Advisor’s ability to render unbiased and competent advice or to fulfill its fiduciary duty.

If the Municipal Advisor becomes aware of any additional potential conflict of interest that arise after this disclosure, the Municipal Advisor will disclose the detailed information in writing to Issuer in a timely manner.

The fees paid to the Municipal Advisor increases the cost of investment to the Issuer. The increased cost occurs from compensating the Municipal Advisor for municipal advisory services provided.

Legal Events and Disciplinary History

Municipal Advisor does not have any legal events and disciplinary history on its Form MA and Form MA-I's, which includes information about any criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation. Issuer may electronically access the Municipal Advisor's most recent Form MA and each most recent Form MA-I filed with the Securities and Exchange Commission at the following website: www.sec.gov/edgar/searchedgar/companysearch.html.

There have been no material changes to a legal or disciplinary event disclosure on any Form MA or Form MA-I filed with the SEC.

V. TERM AND TERMINATION OF AGREEMENT

This Agreement shall be in effect until terminated by either party, at any time, for any reason, upon 30 days written notice to the other party. This agreement has no preset termination date.

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

**Board of Education of
Dayton Independent School District**

Rosann Sharon
Board Chair

Compass Municipal Advisors, LLC,

Michael George
Managing Director

Exhibit A

FORM OF WEBSITE DISCLOSURE

Municipal Advisor Disclosure

By publicly posting the following written disclosure, the Dayton Independent School District (the "Issuer") intends that market participants receive and use it for purposes of the independent registered municipal advisor exemption to the Municipal Advisor Rule of the U.S. Securities and Exchange Commission (Rule 15Ba1-1(d)(3)(vi)).

Effective October __, 2020

The Issuer has retained an independent registered municipal advisor. The Issuer is represented by and will rely on its independent municipal advisor, Compass Municipal Advisors, LLC ("Compass"), to provide advice on proposals from financial services firms concerning the issuance of municipal securities and municipal financial products generally (including investments of bond proceeds and escrow agreements). The contact at Compass is Michael George, Managing Director, who can be reached at 771 Corporate Drive, Suite 1050, Lexington, Kentucky 40503, telephone number 859.368.9622.

Any proposals or other communications should be addressed to the above-listed contacts at Compass or directly to the Issuer at 200 Clay Street, Dayton, Kentucky 41074, Attention: Jay Brewer, Superintendent. Neither the Issuer nor Compass makes any representations herein as to the independence of Compass from any firms submitting proposals or other communications to the Issuer, and further investigation may need to be made in that regard. This certificate may be relied upon until such date or until its earlier withdrawal (notice of which will be posted on this website).

Board of Education of Dayton Independent School District

Rosann Sharon
Board Chair

Compass Municipal Advisors, LLC,

Michael George
Managing Director