

APPOINTMENT OF
REGIONS BANK
NASHVILLE, TENNESSEE

AS

BOND REGISTRAR AND PAYING AGENT

for the

**\$13,430,000 ESTILL COUNTY SCHOOL DISTRICT
FINANCE CORPORATION SCHOOL BUILDING REVENUE BONDS,
SERIES 2021, DATED AUGUST 10, 2021**

This appointment of Bond Registrar and Paying Agent (the "Appointment") made as of the 10th day of August, 2021, by and between the Estill County School District Finance Corporation (the "Issuer") acting for and on behalf of the Board of Education of the Estill County, Kentucky School District (the "Board") and Regions Bank, Nashville, Tennessee (the "Bank");

W I T N E S S E T H:

APPOINTMENT

1. That the Bank is hereby appointed Bond Registrar and Paying Agent for the \$13,430,000 Estill County School District Finance Corporation School Building Revenue Bonds, Series 2021, dated August 10, 2021 (the "Bonds") and the rights and duties of the Bank, the Issuer and the Board shall be as set forth in this Appointment.

DOCUMENTS REQUIRED

2. That prior to the initial delivery of the Bonds the Issuer shall file with the Bank the following documents:

(a) A certified copy of the Resolution of the Board authorizing the execution of this Appointment by the Board.

(b) A certified copy of the Bond Resolution adopted by the Board of Directors of the Issuer authorizing the issuance of the Bonds and the execution of this Appointment by the Issuer.

(c) A certified copy of the Lease Agreement (the "Lease") by and between the Issuer and the Board whereunder the Board shall agree to pay the principal and interest requirements of the Bonds and the fees and charges of the Bank incurred under the terms of this Appointment as additional rentals due under said Lease.

(d) Bond Certificates prepared and executed in accordance with the Bond Resolution and in accordance with DTC's Book-Entry-Only- System.

(e) An Opinion of Steptoe & Johnson PLLC, Bond Counsel, Louisville, Kentucky stating, inter alia, that the Bond Resolution has been duly adopted by the Issuer and that the Bonds are valid and legally binding obligations of the Issuer in accordance with their terms.

(f) A copy of this Appointment duly executed by the Issuer and the Board.

DUTIES OF BOND REGISTRAR

3. That the duties of the Bank as Bond Registrar shall be as follows:

(a) The Bank shall initially authenticate and deliver Bond Certificates upon the Bank being supplied with the necessary registration information at the time the Bonds are delivered to the purchaser; provided, said Bank shall be supplied such information not less than five (5) business days prior to said delivery.

(b) The Bank shall issue new Bond Certificates upon the surrender of outstanding Bond Certificates submitted in form deemed by the Bank as properly endorsed for transfer and with all necessary endorser's signatures guaranteed in such manner and form as the Bank may require; such subsequent transfers shall be accomplished within not more than three (3) business days following the Bank's receipt of a properly endorsed Bond Certificate.

(c) The Bank as Bond Registrar may rely upon the Uniform Commercial Code or any other statutes that in the opinion of Counsel for the Bank protect the Bank and the Issuer in not requiring complete documentation, in registering transfers without inquiry into adverse claims, in delaying registration for purposes of making such inquiry, or in refusing registration where in the Bank's judgment an adverse claim requires such refusal.

(d) When mail is utilized in the delivery of Bond Certificates, the Bank shall forward Bond Certificates in "non-negotiable form" by first class mail or by such special courier as the Bank, in its sole discretion shall determine.

(e) The Bank may issue new Bond Certificates in place of Bond Certificates represented to have been lost, destroyed or stolen upon the Bank's receipt of indemnity satisfactory to the Bank at its sole discretion and may issue new Bond Certificates in exchange for, and upon surrender of, mutilated Bond Certificates.

(f) The Bank shall manually authenticate each Bond Certificate following its completion by the Bank as Bond Registrar, such completion shall include, but not be limited to, the following information: principal amount, interest rate, maturity date, CUSIP number, name, address, tax identification number of Registered Owner and such additional information as the Bank as Bond Registrar may require.

(g) The Bank shall maintain customary records indicating the information required under Section 3(f) of this Appointment for all Registered Owners of Bond Certificates in accordance with this Appointment and Section 149 of the Internal Revenue Code of 1986, as amended, and U. S. Treasury Regulations promulgated thereunder and shall provide for the storage or destruction, at the discretion of the Bank, of all books, documents and records deemed no longer needed for current purposes.

(h) The Bank shall be entitled to rely on the information provided in the Bond Certificates and in the event any official of the Issuer who shall have executed the Bond Certificates, by manual or facsimile signature, shall die, resign or be removed from office prior to the issuance of such Bond Certificates, the Bank may authenticate and register such Bond Certificates notwithstanding such death, resignation, or removal.

DUTIES OF PAYING AGENT

4. That the duties of the Bank in its capacity as Paying Agent shall be as follows:

(a) The Bank, upon "timely receipt" of funds from the Issuer or the Board sufficient for the payment of interest on the Bonds as the same shall become due shall remit to the Registered Owners of Bond Certificates as shown on the records of the Bank as Bond Registrar as of the 15th day of the month preceding the interest due date the interest then due on said Bonds by regular United States Mail postmarked as of the interest due date.

(b) The Bank, upon "timely receipt" of funds from the Issuer or the Board sufficient for the payment of principal on the Bonds as the same shall become due shall pay to each Registered Owner the principal amount of each matured Bond Certificate in accordance with the Bank's records as Bond Registrar upon the submission and surrender of said Bond Certificate to the Bank accompanied by documentation as to ownership in a form satisfactory to the Bank.

(c) The Bank, upon "timely receipt" of funds from the Issuer or the Board sufficient for the prepayment of principal on Bonds called for redemption prior to their stated maturities and redemption premium, if any, shall pay to each Registered Owner the principal amount, plus the redemption premium, if any, for each Bond Certificate submitted and surrendered in accordance with the terms of the redemption.

(d) Notwithstanding the preceding paragraphs (a), (b) and (c) so long as the Bonds utilize the Book-Entry-Only-System administered by The Depository Trust Company ("DTC") the payment of interest and principal shall be accomplished by bank wire transfer in accordance with the instructions of DTC.

(e) The Bank shall maintain customary records in connection with its duties as Paying Agent and shall make periodic accountings to the Issuer and the Board in connection with the funds and accounts in its custody and control hereunder in accordance with standard banking practices.

BOOK-ENTRY-ONLY-SYSTEM

5. Notwithstanding the provisions of Sections 3 and 4 above, it is now contemplated that the Issuer will enter a Blanket Letter of Representations with The Depository Trust Company ("DTC") under which DTC's Operational Arrangements implementing its Book-Entry-Only-System will become effective. Under the Book-Entry-Only System DTC shall be responsible for the distribution of principal and interest payments to all Bondholders upon receipt of funds from the Bank and for the transfer of ownership between Bondholders.

The Issuer shall provide the Bank with one manuscript Bond Certificate for each principal maturity which shall be registered in the name of Cede & Co. as the nominee of DTC. DTC's Operational Arrangements are incorporated within this Appointment and shall govern the Bank's duties under the Book-Entry-Only-System.

BANK MAY RELY ON OPINION OF COUNSEL

6. That the Bank at any time may apply to the Issuer for instructions and may consult with Counsel in respect to any matter arising in connection with its appointment hereunder and the Bank shall not be liable or accountable for any action taken or omitted to be taken by it in good faith in accordance with such instructions or in reliance upon said opinion of Counsel.

The Bank shall not be liable for any action taken or omitted under this Appointment so long as it shall have acted in good faith and without negligence. The Bank shall have the right to perform any of its duties hereunder through agents, attorneys, custodians or nominees, and shall not be responsible for the misconduct or negligence of such agents, attorneys, custodians and nominees appointed by it with due care. The Bank shall be protected in acting upon any notice, request, certificate, affidavit, letter, telegram or other paper or document believed by it to be genuine and to have been signed by the proper person or persons and shall not be held to have notice of any change of authority of any person, until receipt of written notice thereof from the Issuer or Board. None of the provisions contained in this Appointment shall require the Bank to use or advance its own funds in the performance of any of its duties or the exercise of any of its rights or powers hereunder.

The Bank agrees to accept and act upon instructions or directions pursuant to this Appointment sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that the instructions or directions shall be signed by a person as may be designated and authorized to sign for the Issuer or Board in the name of the Issuer or Board, by an authorized representative of the Issuer or Board, and the Issuer or Board shall provide to the Bank an incumbency certificate listing such designated persons, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the Issuer or Board elects to give the Bank e-mail or facsimile instructions (or instructions by a similar electronic method) and the Bank in its discretion elects to at upon such instructions, the Bank's understanding of such instructions shall be deemed controlling.

The Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bank's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Issuer and Board agree to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Bank, including without limitation the risk of the Bank acting on unauthorized instructions, and the risk of interception and misuse by third parties.

DUTY OF BOARD TO MAKE TIMELY PRINCIPAL AND INTEREST PAYMENTS

7. That the Board, in accordance with the terms of the Lease and the Bond Resolution, shall pay to the Bank the principal and interest requirements due on the Bonds no later than the fifteenth day of the month preceding a interest and/or principal due date; however, if the Kentucky School Facilities Construction Commission, has made a grant of assistance to the Board in accordance with the terms of the Participation Agreement, by and between said Commission and the Board, shall pay to the Bank a certain stated percentage of the principal and interest requirements due on the Bonds in immediately available funds no later than the interest and/or principal due date. The Bank's acceptance of funds so transferred in accordance with this paragraph shall constitute "timely receipt" within the meaning of this Appointment.

PAYMENT OF FEES

8. That the Board, in accordance with the terms of the Lease, upon the receipt of periodic invoices from the Bank, shall pay to the Bank its reasonable fees and expenses, including the fees and expenses of the Bank's Counsel, incurred by the Bank in connection with its duties as Bond Registrar and Paying Agent; provided, however, it is now anticipated that the Bank will accept a one time, lump sum fee for its ordinary services hereunder.

If the Bank is required by governmental agency or court proceeding initiated by a third party to undertake efforts beyond that which is set forth herein but related thereto, the Bank shall promptly notify the Issuer and Board of same in writing. Payment for such extraordinary fees and expenses shall be made by the Issuer or Board only after said notice.

RESIGNATION OF BANK

9. That the Bank may resign as Bond Registrar and Paying Agent at any time upon giving thirty (30) days written notice of such resignation to the Issuer and the Board and DTC.

The Bank may be removed as Bond Registrar and Paying Agent at any time by appropriate resolution of the Issuer, a certified copy of which shall be furnished to the Bank. Upon the resignation or removal of the Bank, the Bank shall, to the extent permitted by law, deliver to its successor or to the Issuer appropriate records regarding its actions as Bond Registrar and Paying Agent.

Any corporation, association or other entity into which the Bank may be converted or merged, or with which it may be consolidated, or to which it may sell or otherwise transfer all or substantially all of its corporate trust assets and business or any corporation, association or other entity resulting from any such conversion, sale, merger consolidation or other transfer to which it is a party, ipso facto, shall be and become successor Bank hereunder, vested with all other matters as was its predecessor, without the execution or filing of any instrument or any further act on the part of the parties hereto, notwithstanding anything herein to the contrary.

Notwithstanding anything herein to the contrary, in the event of the resignation or removal of the Bank, the Bank shall make timely transfer of books, records, accounts and funds relating to the Bonds to its successor in order that there will be no delinquencies in the payment of interest or principal due on the Bonds.

Notwithstanding the right of the Bank to resign as herein set forth, in the event compensation to the Bank for its duties hereunder is paid by the Issuer as a lump sum advance payment for all ordinary duties during the term the Bonds are outstanding, then upon the resignation of said Bank, said Bank shall refund to the Issuer (or at the Issuer's direction) a prorated amount of said advance payment calculated by dividing the amount of said lump sum payment by the number of months constituting the original term of the Bonds times the remaining months of the term from the date of said resignation, plus any expenses incurred by said Issuer as a result of said resignation, including reprinting Bond Certificates.

IMPLEMENTATION OF STATE INTERCEPT PROCEDURE

10. Under the Lease that portion of the rentals due from the Board to the Issuer representing the principal and interest requirements of the Bonds (which have been and are hereby assigned by the Issuer to the Bank for collection and application to the Bonds) are due and payable by the Board on the 15th day of the month preceding each interest due date. In the event the Bank has not received the required semi-annual rental payment by the 20th day of the month preceding an interest due date, then the Bank shall notify the Treasurer of the Board by telephone of the delinquency. If the Board then fails to correct the deficiency within 24 hours of the telephone notification from the Bank then the Bank shall notify the Kentucky Department of Education by telephone (Associate Commissioner, Office of District Support Services) not less than 3 days prior to the interest due date; such notification shall include the exact dollar amount due from the Board on the interest due date and wiring instructions for the transmittal of said amount to the Bank.

Upon receipt of notice in accordance with the preceding paragraph the Associate Commissioner, Office of District Support Services (or his designee or such other designee of the Commissioner of Education) shall implement the intercept procedure set forth in Section 160.160(5) or Section 157.627(5) of the Kentucky Revised Statutes and transfer in accordance with the Banks instructions the amount of the delinquency indicated; said funds to be deducted from any funds or appropriations then due or held for the account of the Board by the Kentucky Department of Education.

INVESTMENT OF FUNDS

11. By the execution of this Appointment the Board and the Issuer hereby authorize the Bank to invest any and all funds said Bank receives pursuant to the terms of this Appointment and the Lease at the written direction of an authorized representative of the Issuer or Board in those obligations permitted under Section 66.480 of the Kentucky Revised Statutes from the time said funds are received until the application thereof to the payment of the debt service requirements of the

Bonds. Earnings from such investments shall be credited to the account of the Board. Such investment may be accomplished through the use of a “money market” account or similar investment vehicle managed by the Bank.

COUNTERPART SIGNATURES

12. This Agreement may be executed in one or more counterparts, each and all of which shall constitute one and the same instrument.

IN TESTIMONY WHEREOF, Witness the signatures of the duly authorized officers of the parties as of the date first above written, pursuant to authority vested in the persons whose signatures are affixed hereto.

**THE ESTILL COUNTY SCHOOL DISTRICT
FINANCE CORPORATION**

Attest: _____
Secretary

By: _____
President

**BOARD OF EDUCATION OF THE ESTILL COUNTY,
KENTUCKY SCHOOL DISTRICT**

Attest: _____
Secretary

By: _____
Chairperson

**REGIONS BANK
NASHVILLE, TENNESSEE**

By: _____

Title