

October 12, 2023

Ms. Denise Morgan
Chief Finance Officer
Elizabethtown Independent School District
219 Helm Street
Elizabethtown, KY 42701

Re. Municipal Advisory Services Agreement

Dear Ms. Morgan

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 Elizabethtown Independent School District (“you” or the “Client”) with respect to one or more financings of gymnasium seating for the Elizabethtown High School in the approximate amount of \$350,000. 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 (each a “Financing” and collectively the “Financings”), effective on the date this Agreement is executed by the Client.

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 Financings, and in such capacity Baird agrees to provide advice as to the structure, timing, terms and other matters regarding the Financings, including the following services, if and as requested by the Client:

- Assist in the evaluation of options or alternatives with respect to the proposed Financings, including refunding opportunities
- Assist in the review of recommendations made by other parties to the Client with respect to the Financings
- Assist in the review of financial and other information regarding the Client, the proposed issues and any source of repayment of or security for the Financings
- Consult with and/or advise Client on actual or potential changes in marketplace practices, market conditions, regulatory requirements or other matters that may have an impact on the Client and its financing plans
- Assist Client in establishing a plan for each of the Financings
- Assist Client in establishing the structure, timing, terms and other similar matters concerning the Financings
- Prepare the financing schedules
- Consult and meet with representatives of Client and its agents or consultants with respect to the proposed Financings
- Attend meetings of Client’s governing body, as requested
- Advise Client on the manner of sale for each of the Financings
- 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 each of the Financings
- For the competitive bid issues 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 statements and the bid packages, obtain CUSIP numbers and provide an electronic version of each official statement to the winning underwriters
- Make arrangements for printing, advertising and other vendor services necessary or appropriate in connection with the issuances of debt
- Advise Client with regard to any continuing disclosure undertaking required to be entered into in connection with the Financings, including advising on the selection of a dissemination agent

- Assist Client in analyzing bids submitted by underwriters and in connection with the Client's selection of a winning bidder
- Prior to the time of sale, provide the Client with relevant data on comparable issues recently or currently being sold nationally and by comparable issuers
- Review required underwriter disclosures to the 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 Financings
- Assist in responding 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 Financings
- Coordinate working group sessions, closing, delivery of the Financings and transfer of funds
- Prepare closing memorandum or transaction summaries for the Client with respect to such matters as sources and uses of funds, disposition of proceeds at close, debt service repayment schedules, etc.
- If requested by Client, assist and provide guidance with respect to the investment of bond proceeds and/or funds received from grants. If such services are provided by Baird, 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 and Open Market Securities, on behalf of the Issuer, as applicable for refunding bond issues.

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

- 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 Financings 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.
- iv.) Baird will not have the authority to bind, commit or act on behalf of the Client in connection with the Financings, or to otherwise act as agent for the Client in the Scope of Services provided.
- v.) As municipal advisor, Baird will not be able to provide underwriting or placement agent services to the Client in connection with the Financings.

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 Financings. Baird is registered as a municipal advisor with the Securities Exchange Commission and Municipal Securities Rulemaking Board. As municipal advisor to the Client in connection with the proposed Financings, 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 the Client's determination whether to proceed with a course of action or that form the basis for and advice provided by Baird to

the 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 the Client and the authority of each person acting on the Client's behalf.

The 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, the Client agrees that, to the extent the Client seeks to have Baird provide advice with regard to any recommendation made by a third party, the 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 municipal advisory services, Baird shall be entitled to a fee based on the fee schedule below (the "Municipal Advisory Fee") for each of the Financings, which will be paid by the Client. The Municipal Advisory Fee shall be paid to Baird upon the sale and delivery of each Financing. 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.

In compliance with 750 KAR 1:010, Baird will utilize the fee schedule below to calculate the gross Municipal Advisory Fee based on the par amount of each of the bonds issued. Bond counsel and legal expenses will be paid from the gross Municipal Advisory Fee. The remaining net fee will be paid to Baird upon closing of each transaction.

<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 final Financing. Notwithstanding the foregoing, either party may terminate Baird's engagement at any time without liability of 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.

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 the Client's election to act or not to act, as the case may be, contrary to any advice or recommendation provided by Baird to the Client. No recourse shall be had against Baird for loss, damage, liability, cost or expense (whether direct, indirect or consequential) of the 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 or otherwise relating to the tax treatment of any Financing, 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 the 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 the 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 Financings 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 the 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 Agreement. The undersigned represents and warrants that (s)he has full legal authority to execute this Agreement on behalf of the Client.

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

Very truly yours,

ROBERT W. BAIRD & CO. INCORPORATED

By: Chip Sutherland
Managing Director

Accepted this ___ day of _____, 2023

ELIZABETHTOWN INDEPENDENT SCHOOL DISTRICT

By: _____

Title: _____

Date: _____