SMG STONE MUNICIPAL GROUP

September 21, 2023

Mayor Chad Frank and other City officials,

Thank you for the opportunity to assist the City of Connersville with municipal advisory services. We look forward to helping the City navigate the financial tools and options available.

Attached is our standard professional services agreement for municipal advisory functions which includes our rates and scope of services. This document also addresses required notice of potential conflicts, disclosures, and termination remedies. It is our goal to provide the City of Connersville with the best information possible to make sound financial decisions. We carry both fiduciary and standard of care requirements in these relationships and look forward to serving as the City of Connersville's Municipal Advisor.

I can be reached at Adam@StoneMunicipal.com or at (812) 707-1000 for questions or additional information as needed.

Sincerely,

Adam D. Stone

Adam Stone, CPA, Municipal Advisor Principal

Stone Municipal Group

Mr. Chad Frank, Mayor
City of Connersville, Indiana

ADS Consulting (dba Stone Municipal Group - CIK 0001855541) ("Municipal Advisor") appreciates the opportunity to serve as municipal advisor to **City of Connersville Indiana | Mayor Chad Frank** ("Client"). Upon your acceptance, this engagement letter (the "Agreement") will serve as our mutual agreement with respect to the terms and conditions of our engagement as your municipal advisor.

1. <u>Scope of Services</u>.

(a) ***Services to be provided.*** Municipal Advisor is engaged by Client as its municipal advisor to provide services with respect to the issuances of municipal securities ("Issues") or municipal financial products ("Products") as follows (the "Scope of Services"):

Appendix A - A full list of services offered by Stone Municipal Group.

(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 therein 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, Municipal Advisor 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 Municipal Advisor provided by Municipal Advisor for inclusion in such documents.

(iii) The Scope of Services does not include tax, legal, accounting or engineering advice with respect to any Issue [or Product] 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) If Client has designated Municipal Advisor as its independent registered municipal advisor ("IRMA") for purposes of SEC Rule 15Ba1-1(d)(3)(vi) (the "IRMA exemption") with respect to the activities and aspects described in the Scope of Services, the Scope of Services as they relate to such designation as IRMA shall be subject to any limitations with respect to Municipal Advisor's activities as IRMA as may be provided in the Scope of Services described herein. Municipal Advisor is not responsible for verifying that it is independent (within the meaning of the IRMA exemption as interpreted by the SEC) from another party wishing to rely on the exemption from the definition of municipal advisor afforded under the IRMA exemption. Any reference to Municipal Advisor, its personnel and its role as IRMA in the written representation of Client contemplated under SEC Rule 15Ba1-1(d)(3)(vi)(B) is subject to prior approval by Municipal Advisor, and Client agrees not to represent, publicly or to any specific person, that Municipal Advisor is Client's IRMA with respect to any aspect of municipal financial products or the issuance of municipal securities, or with respect to any specific municipal financial product or any specific issuance of municipal securities, outside the Scope of Services without Municipal Advisor's prior written consent.

(c) ***Amendment to Scope of Services.*** The Scope of Services may be changed only by written amendment or supplement to the Scope of Services described herein. The parties agree to amend or supplement the Scope of Services described herein promptly to reflect any material changes or additions to the Scope of Services.

2. Municipal Advisor's Regulatory Duties When Servicing Client. MSRB Rule G-42 requires that Municipal Advisor make a reasonable inquiry as to the facts that are relevant to Client's determination whether to proceed with a course of action with a course of action or that form the basis for and advice provided by Municipal Advisor to Client. The rule also requires that the Municipal Advisor undertake a reasonable investigation to determine that it is not basing any recommendation on materially inaccurate or incomplete information. Municipal Advisor 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 Municipal Advisor in carrying out these regulatory duties, including providing to Municipal Advisor 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 Municipal Advisor provide advice with regard to any recommendation made by a third party, Client will provide to Municipal Advisor written direction to do so as well as any information it has received from such third party relating to its recommendation.

3. Term of this Engagement. The term of this Agreement begins on the Effective Date when Client signs this document and ends on 12/31/2024. This Agreement may be terminated with or without cause by either party upon the giving of at least thirty (30) days' prior written notice to the other party of its intention to terminate, specifying in such notice the effective date of such termination.

4. Compensation.

(a) ***Fees and expenses.*** The fees due to Municipal Advisor upon specific direction to represent the City through a debt issuance and paid upon debt issuance hereunder shall be, and expenses incurred by Municipal Advisor in connection with any services provided hereunder shall be reimbursed, as set forth below:

(Appendix A1) Project Specific Redevelopment & Tax Impact Analysis - $285.00/hr
(Appendix A2) New Bond Issuance - Municipal Advisor Activities - $35,000 flat fee
(Appendix A3 & A4) Bond Financial Advisory - $285.00/hr
Project Management - $150.00/hr

(b) ***Limitation of liability.*** In the absence of willful misconduct, bad faith, gross negligence or reckless disregard of obligations or duties hereunder on the part of Municipal Advisor or any of its associated persons, Municipal Advisor and its associated persons shall have no liability to Client 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, any municipal financial product or any other investment, 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 Municipal Advisor to Client. No recourse shall be had against Municipal Advisor 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 Issue [or Product] or otherwise relating to the tax treatment of any Issue [or Product], 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 Municipal Advisor's fiduciary duty to Client under Section 15B(c)(1) of the Securities Exchange Act of 1934, as amended, and the rules thereunder].]

5. **Required Disclosures.** MSRB Rule G-42 requires that Municipal Advisor provide you with disclosures of material conflicts of interest and of information regarding certain legal events and disciplinary history. Such disclosures are provided in the Municipal Advisor's Disclosure Statement delivered to the Client together with this Agreement.

Material Conflicts of Disclosure: None.

Notice of disclosure to be filed.

6. **Waiver of Jury Trial.** EACH PARTY AGREES TO WAIVE ANY RIGHT TO A TRIAL BY JURY WITH RESPECT TO ANY CLAIM, COUNTERCLAIM OR ACTION ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THE RELATIONSHIP BETWEEN THE PARTIES. PARTIES AGREE TO WAIVE CONSEQUENTIAL AND PUNITIVE DAMAGES.

7. **Choice of Law.** This Agreement shall be construed and given effect in accordance with the laws of the State of Indiana.

8. **Binding Effect; Assignment.** This Agreement shall be binding upon and inure to the benefit of Client and Municipal Advisor, 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.

9. **Entire Agreement**. This instrument, including all appendices hereto, contains the entire agreement between the parties relating to the rights herein granted and obligations herein assumed. This Agreement may not be amended, supplemented or modified except by means of a written instrument executed by both parties.

10. **Severability**. If any provision of this Agreement is, or is held or deemed to be, invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions because it conflicts with any provisions of any constitution, statute, rule or public policy, or for any other reason, such circumstances shall not make the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or make any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatever.

11. **No Third Party Beneficiary**. This Agreement is made solely for the benefit of the parties and their respective successors and permitted assigns. Nothing in this Agreement, express or implied, is intended to confer on any person, other than the parties and their respective successors and permitted assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

12. **Authority**. The undersigned represents and warrants that (s)he has full legal authority to execute this Agreement on behalf of Client. The following individuals have the authority to direct Municipal Advisor's performance of its activities under this Agreement:

Chad Frank, Mayor

Connersville City Council

13. **Counterparts**. 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.

14. **Breach and Remedies**. If either party breaches this agreement, the non-breaching party may recover from the breaching party any damages the breach caused. If it becomes necessary to enforce any agreement term, the breaching party agrees to pay all reasonable attorney fees and costs the non-breaching party incurs.

15. **Indemnification**. Municipal Advisor agrees to indemnify, defend, and hold harmless the City , its officers, agents and employees, from and against any and all claims, demands, actions, damages, or judgments, including associated costs of investigation and defense arising in any manner from, and to the extent of Municipal Advisor, its agents, employees, subcontractors and suppliers, performance, non-performance, or services hereunder, to include, but not be limited to claims, debts, fines, penalties, death, injury and damage to all persons and property together with amounts of judgments, penalties, interest, court costs, legal and other related fees and expenses. This clause shall survive the termination of this agreement.

Stone Municipal Group (ADS Consulting) | Adam Stone, Municipal Advisor

By:____________________________

Title: MA

Date: 10/5/23

ACCEPTED AND AGREED:

City of Connersville, Indiana | Chad Frank, Mayor

By:____________________________

Title: Mayor

Date: 10/2/23

APPENDIX A –
SCOPE OF SERVICES

Activities

Municipal Advisor shall or may undertake some or all of the following activities for or on behalf of Client with respect to the Issue(s) [or Product(s)] in carrying out this engagement, as directed by Client:

A1: Financial Advisory, Redevelopment Advisory, & Tax Impact Analysis:

- ☐ Evaluate options and alternatives with respect to the proposed project.
- ☐ Prepare financial projections and long-term financial planning estimates.
- ☐ Review economic development plans, areas, and assist in redevelopment related matters.
- ☐ Consult with and/or advise Client on actual or potential impacts of public private partnerships components and options.
- ☐ Special project financial impacts and modeling.

A2: New Issues:

- ☐ Evaluate options or alternatives with respect to the proposed new Issue(s)
- ☐ Review recommendations made by other parties to Client with respect to the new Issue
- ☐ Review financial and other information regarding Client, the proposed Issue and any source of repayment of or security for the Issue
- ☐ 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
- ☐ If the Issue is to be sold on a competitive bid basis and Client has not engaged disclosure counsel to prepare the preliminary and final official statement, prepare 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
- ☐ If the Issue is to be sold on a negotiated basis, assist in the preparation and/or review the preliminary and final official statement
- ☐ 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

- ☐ In a competitive bid sale, assist Client in collecting and analyzing bids submitted by underwriters and in connection with Client's selection of a winning bidder
- ☐ In a negotiated sale, assist Client in the selection of underwriters
- ☐ At the time of sale, provide Client with relevant data on comparable issues recently or currently being sold nationally and by comparable Clients
- ☐ In a negotiated sale, coordinate pre-pricing discussions, supervise the sale process, advise Client on matters relating to retail or other order periods and syndicate priorities, review the order book, advise on the acceptability of the underwriter's pricing and offer to purchase
- ☐ Advise Client with respect to recommendations made by the underwriters and other interactions between Client and the underwriters
- ☐ Review required underwriter disclosures to Client
- ☐ Assist Client in selecting legal and other professionals (such as 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, together with general guidance for Client with respect to post-closing requirements relating to the use and investment of bond proceeds and the payment of debt service
- ☐ Provide such other usual and customary financial advisory services as may be requested by Client

A3: Outstanding or Potential Issues.

Provide some or all of the following services with respect to Client's outstanding Issue(s):

- ☐ Advise Client on potential exercise of optional or other call rights, or potential tender offers, for outstanding Issue(s)
- ☐ Advise Client on potential refunding or other refinancing opportunities of its outstanding Issue(s)
- ☐ Review recommendations made by other parties to Client with respect to outstanding Issue(s)
- ☐ Evaluate options or alternatives for Client with respect to, and assist in identifying, financing opportunities, including recommendations by other parties to Client for potential financings
- ☐ 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's outstanding Issue(s)
- ☐ Advise Client on post-issuance disclosure compliance matters, including specific issues that may arise from time to time and the preparation, review and revision of applicable policies and procedures, relating to outstanding Issue(s)
- ☐ Assist Client and its dissemination agent in the preparation of annual filings or other continuing disclosures required under continuing disclosure undertakings for outstanding Issue(s)
- ☐ Advise Client on matters relating to compliance with, including testing and/or reporting on compliance with, bond or other covenants relating to outstanding Issue(s)
- ☐ Review documentation of outstanding Issue(s) with Client personnel and with Client's bond counsel and other consultants

☐ Assist Client in responding to inquiries from investors or other market participants in connection with Client's outstanding Issue(s)

A4: Limited IRMA Extension of Scope of Services for Certain Third-Party Recommendations.

In addition to the review of recommendations made by other parties as provided for elsewhere in this Appendix A, provide the following services as Client's designated independent registered municipal advisor with regard to the following limited matters:

- Review recommendations made by other parties to Client with respect to any actual or potential issuance of municipal securities by Client other than an Issue as defined in this Appendix A; provided that the review of a third-party recommendation relating to a particular actual or potential issuance of municipal securities not otherwise considered an Issue under this Appendix A shall not result in the Scope of Services being expanded to include all actual or potential issuances of municipal securities that are not otherwise considered Issues hereunder.

End of Document