

August 5, 2019

Town Council
Town of Yorktown
9800 West Smith Street
Yorktown, IN 47396

Baker Tilly Municipal Advisors, LLC
8365 Keystone Crossing, Ste 300
Indianapolis, IN 46240
United States of America

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bakertilly.com

Re: Town of Yorktown (Indiana) Municipal Sewage Works– Proposed Municipal Advisory and Accounting Services – SRF Bond Issue and Rate Study

Dear Members of the Council:

Thank you for requesting that Baker Tilly Municipal Advisors, LLC (the “Firm”) provide to the Town of Yorktown, Indiana (the “Client”) those services more fully set forth in Exhibit A hereto (the “Services”).

Fees and Costs

Fees charged for work performed are generally based on hourly rates, as set forth in Exhibit B, for the time expended, a fixed amount or other arrangement as mutually agreed upon as more appropriate for a particular matter. Hourly rates for work performed by our professionals vary by individual and reflect the complexity of the engagement.

Disclosure of Conflicts of Interest with Various Forms of Compensation

The Municipal Securities Rulemaking Board (MSRB) requires us, as your municipal advisor, to provide written disclosure to you about the actual or potential conflicts of interest presented by various forms of compensation. Exhibit C sets forth the potential conflicts of interest associated with various forms of compensation. By signing this letter of engagement, the signee acknowledges that he/she has received Exhibit C and that he/she has been given the opportunity to raise questions and discuss the matters contained within the exhibit with the municipal advisor.

Billing Procedures

Normally, you will receive a monthly statement showing fees and costs incurred in the prior month. Occasionally, we may bill on a less frequent basis if the time involved in the prior month was minimal or if arrangements are made for the payment of fees from bond proceeds. The account balance is due and payable on receipt of the statement. Once our representation has been concluded or terminated, a final billing will be sent to you. If requested to provide an estimate of our fees for a given matter, we will endeavor in good faith to provide our best estimate, but unless there is a mutual agreement to a fixed fee, the actual fees incurred on any project may be less than or exceed the estimate. Any questions or errors in any fee statement should be brought to our attention in writing within sixty (60) days of the billing date.

Termination

Both the Client and the Firm have the right to terminate the engagement at any time after reasonable advance written notice. On termination, all fees and charges incurred prior to termination shall be paid promptly. Unless otherwise agreed to by the Client and the Firm, the scope of services provided in Exhibit A will terminate 60 days after completion of the services in each Article.

Accountants’ Opinion

In performing our engagement, we will be relying on the accuracy and reliability of information provided by Client personnel. The services provided may include financial advisory services, consulting services, and accounting report services such as compilation, preparation, and agreed upon procedures reports.

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Please see Exhibit A and Exhibit D. We will not audit, review, or examine the information. Please also note that our engagement cannot be relied on to disclose errors, fraud, or other illegal acts that may exist. However, we will inform you of any material errors and any evidence or information that comes to our attention during the performance of our procedures that fraud may have occurred. In addition, we will report to you any evidence or information that comes to our attention during the performance of our procedures regarding illegal acts that may have occurred, unless they are clearly inconsequential. We have no responsibility to identify and communicate significant deficiencies or material weaknesses in your internal control as part of this engagement.

The procedures we perform in our engagement will be heavily influenced by the representations that we receive from Client personnel. Accordingly, false representations could cause material errors to go undetected. The Client, therefore, agrees to indemnify and hold us harmless for any liability and all reasonable costs (including legal fees) that we may incur in connection with claims based upon our failure to detect material errors resulting from false representations made to us by any Client personnel and our failure to provide an acceptable level of service due to those false representations.

The responsibility for auditing the records of the Client rests with the Indiana State Board of Accounts and the work performed by the Firm shall not include an audit or review of the records or the expression of an opinion on financial data.

Client Responsibilities

It is understood that the Firm will serve in an advisory capacity with the Client. The Client is responsible for management decisions and functions, and for designating an individual with suitable skill, knowledge or experience to oversee the services we provide. The Client is responsible for evaluating adequacy and results of the services performed and accepting responsibility for such services. The Client is responsible for establishing and maintaining internal controls, including monitoring ongoing activities.

Additional Services

Exhibit A sets forth the scope of the Services to be provided by the Firm. From time to time, additional services may be requested by the Client beyond the scope of Exhibit A. The Firm may provide these additional services and be paid at the Firm's customary fees and costs for such services. In the alternative, the Firm and the Client may complete a revised and supplemented Exhibit A to set forth the additional services (including revised fees and costs, as needed) to be provided. In either event, the terms and conditions of this letter shall remain in effect.

E-Verify Program

The Firm participates in the E-Verify program. For the purpose of this paragraph, the E-Verify program means the electronic verification of the work authorization program of the Illegal Immigration Reform and Immigration Responsibility Act of 1996 (P.L. 104-208), Division C, Title IV, s.401(a), as amended, operated by the United States Department of Homeland Security or a successor work authorization program designated by the United States Department of Homeland Security or other federal agency authorized to verify the work authorization status of newly hired employees under the Immigration Reform and Control Act of 1986 (P.L. 99-603). The Firm does not employ any "unauthorized aliens" as that term is defined in 8 U.S.C. 1324a(h)(3).

Investments

The Firm certifies that pursuant to Indiana Code 5-22-16.5 *et seq.* the Firm is not now engaged in investment activities in Iran. The Firm understands that providing a false certification could result in the fines, penalties, and civil action listed in I.C. 5-22-16.5-14.

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Non-Discrimination

Pursuant to Indiana Code §22-9-1-10, Baker Tilly Municipal Advisors, LLC and its subcontractors, if any, shall not discriminate against any employee or applicant for employment to be employed in the performance of this Agreement, with respect to hire, tenure, terms, conditions or privileges of employment or any matter directly or indirectly related to employment, because of race, religion, color, sex, disability, national origin, ancestry, or veteran status. Breach of this covenant may be regarded as a material breach of this Agreement.

Anti-Nepotism

Baker Tilly Municipal Advisors, LLC is aware of the provisions under Indiana Code §36-1-21 et seq. with respect to anti-nepotism in contractual relationships with governmental entities. Baker Tilly Municipal Advisors, LLC certifies that none of the owners of Baker Tilly Municipal Advisors, LLC is a relative of any elected Town Council Member of Town.

Telephone Solicitation Act Compliance

Baker Tilly Municipal Advisors, LLC certifies that, except for de minimis and non-systematic violations, it has not violated the terms of I.C. 24-4.7, I.C. 24-5-12, or I.C. 24-5-14 in the previous three hundred sixty-five (365) days, even if I.C. 24-4.7 is preempted by federal law, and that Baker Tilly Municipal Advisors, LLC will not violate the terms of I.C. 24-4.7 for the duration of the Agreement, even if I.C. 24-4.7 is preempted by federal law. Baker Tilly Municipal Advisors, LLC further certifies that any affiliate or principal of Baker Tilly Municipal Advisors, LLC and any agent acting on behalf of Baker Tilly Municipal Advisors, LLC or on behalf of any affiliate or principal of Baker Tilly Municipal Advisors, LLC, except for de minimis and non-systematic violations, has not violated the terms of I.C. 24-4.7 in the previous three hundred sixty-five (365) days, even if I.C. 24-4.7 is preempted by federal law, and will not violate the terms of I.C. 24-4.7 for the duration of the Agreement, even if I.C. 24-4.7 is preempted by federal law.

Municipal Advisor Registration

The Firm is a Municipal Advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. As such, the Firm is providing certain specific municipal advisory services to the Client. The Firm is neither a placement agent to the Client nor a broker/dealer.

The offer and sale of any Bonds shall be made by the Client, in the sole discretion of the Client, and under its control and supervision. The Client agrees that the Firm does not undertake to sell or attempt to sell the Bonds, and will take no part in the sale thereof.

Mediation Provision

The Client and the Firm agree that if any dispute (other than our efforts to collect any outstanding invoice(s)) arises out of or relates to this engagement, or any prior engagement we may have performed for you, and if the dispute cannot be settled through informal negotiation, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Commercial Mediation Procedures (or such other administrator or rules as the parties may mutually agree) before resorting to litigation. The parties agree to engage in the mediation process in good faith once a written request to mediate has been given by any party to the engagement. Any mediation initiated as a result of this engagement shall take place in Indianapolis, Indiana, or such other location as the parties may mutually agree. If the parties are unable to mutually agree on the selection of a mediator, the mediator shall be determined in accordance with the American Arbitration Association's Commercial Mediation Procedures. The results of any such mediation shall be binding only upon a written settlement agreement executed by each party to be bound. Each party shall bear its own costs and fees, including attorneys' fees and expenses, in connection with the mediation. The costs of the mediation, including without limitation the mediator's fees and expenses, shall be shared equally by the participating parties. Any ensuing litigation shall be initiated and maintained exclusively before any state or federal court having appropriate subject matter jurisdiction located in Indianapolis, Indiana.

Other Financial Industry Activities and Affiliations

Baker Tilly Investment Services, LLC (“BTIS”) is an affiliate of the Firm. BTIS is registered as an investment adviser with the Securities and Exchange Commission under the federal Investment Advisers Act. BTIS provides non-discretionary investment advice with the purpose of helping clients create and maintain a disciplined approach to investing their funds prudently and effectively. BTIS may provide advisory services to the clients of the Firm.

BTIS has no other activities or arrangements that are material to its advisory business or its clients with a related person who is a broker-dealer, an investment company, other investment adviser or financial planner, bank, law firm or other financial entity.

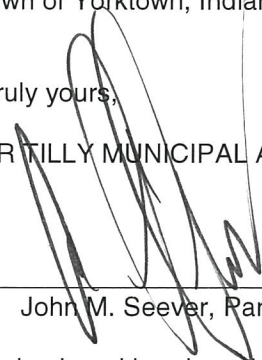
If the foregoing accurately represents the basis upon which we may provide Services to the Client, we ask that you execute this letter, in the space provided below setting forth your agreement. Execution of this letter can be performed in counterparts each of which will be deemed an original and all of which together will constitute the same document.

On March 1, 2019, H.J. Umbaugh & Associates, Certified Public Accountants, LLP (“Umbaugh”) effected a business combination with Baker Tilly Virchow Krause, LLP, (Chicago, Illinois), a financial services and accounting firm (“Umbaugh/Baker Tilly Combination”). Baker Tilly Virchow Krause, LLP also effected a business combination with Springsted Incorporated, (Saint Paul, Minnesota), a municipal and management advisory firm, that became effective April 1, 2019. The municipal advisory business unit of Baker Tilly Virchow Krause together with Umbaugh and Springsted have formed and are operating as a wholly-owned subsidiary doing business as Baker Tilly Municipal Advisors, LLC.

If you have any questions, please let us know. We appreciate this opportunity to be of service to you and the Town of Yorktown, Indiana.

Very truly yours,

BAKER TILLY MUNICIPAL ADVISORS, LLC

By: 
John M. Seever, Partner

The undersigned hereby acknowledges and agrees to the foregoing letter of engagement.

Town of Yorktown, Indiana

Date: _____

By: _____

Printed: _____

Exhibit A

Services Provided

Scope of Services

The Firm agrees to furnish and perform the following Services with respect to the rate study and the issuance of the revenue bond issue (the "Bonds") through the Indiana State Revolving Fund ("SRF") for the proposed improvement project (the "Project").

Article I. Analysis of Costs and Revenues (Rate Analysis) (Municipal Advisory, Consulting and Compilation Accounting Services)

- A. Compile from available records historical balance sheets and/or historical recorded financial information for a period of three (3) calendar years and the most recent twelve (12) month period available (the "test year").
- B. Detail from available records a schedule of flow of funds for the past three (3) calendar years and the test year for the purpose of determining trends, amounts of revenue, cash operation and maintenance expenses, debt service requirements and expenditures for improvements to the Utility property and plant.
- C. Analyze expenses of the test year in order to locate and adjust items which should be properly capitalized, expensed or reclassified.
- D. Analyze accounts, invoices and pertinent documents and interview Client personnel and/or consulting engineers made available by the Client to determine possible changes in expenses and the possible effects of those changes.
- E. Obtain information from Client officials, engineers and/or other available sources to suggest to the Client adjustments to test year cash operating expenses such as additional labor, power costs, chemical costs, additional taxes and other fixed, known and measurable expense changes.
- F. Schedule monthly revenues of the test year in order to locate and adjust unusual and significant fluctuations in such revenue.
- G. Prepare amortization schedules of presently outstanding funded debt of the Utility extending over the life of the remaining years of payment and obtain information from bond ordinances or other documents relating to such funded debt.
- H. Obtain information from the rate ordinance, tariffs and bond ordinances now in effect.
- I. Suggest across-the-board increases for the Utility as may be considered necessary to meet the estimated future annual revenue requirements.
- J. Assist in the development of a capital improvements program and determine alternative financial programs leading to the obtaining of funds necessary to meet the capital improvement requirements through funds now available and/or future revenues of the system and/or the use of debt financing.
- K. Provide alternative estimates of future annual revenue requirements for consideration by the Client.
- L. Prepare comparative information concerning the present and possible future rate structure of the Client in comparison with other utilities in Indiana.

Exhibit A

Services Provided (cont'd)

Article II. Meetings and Reports (Municipal Advisory, Consulting, and Compilation Accounting Services)

- A. Attend a meeting with officials of the Client to discuss findings and recommendations.
- B. Furnish a financial report summarizing the results of the Firm's studies for submission to the Client.
- C. Provide financial information including a new schedule of rates and charges, if required, to the Client's attorneys for the preparation of resolutions and ordinances as may be required.
- D. Attend a public hearing to be conducted by the Client in order to present accounting information relating to the proposed rates and charges, if a rate change is necessary.

BOND ISSUE – SRF Bonds

Article III. Financial Planning (Municipal Advisory Services)

- A. Confer, as deemed appropriate, with representatives of the State Budget Agency and the Indiana Department of Environment Management ("IDEM").
- B. Prepare a written report for submission by the Client to the Indiana Finance Authority ("IFA") and/or SRF as a part of the Client's documentation of its compliance with loan conditions.
- C. Recommend a financial plan or plans in connection with the funding of such improvements in light of market conditions for tax-exempt bonds, availability of funds from IFA and/or SRF and other considerations.
- D. Suggest for consideration of the Client, sources of financing the Project including such sources as available funds on hand, customer contributions, revenue bonds or other sources.
- E. Suggest terms and conditions of borrowing such as redemption privileges, maximum interest rates, allocation of net revenue to funds and debt service reserve requirements.
- F. Meet, as needed, with the officials of the Client to discuss findings and recommendations.
- G. Provide financial information to the Client's attorney for preparation of resolutions and ordinances.
- H. Provide a bond amortization schedule resulting from the sale of the Bonds.
- I. After the sale of the Bonds, advise the Client on the establishment of accounts and account balances in order to comply with the requirements of the Bond Ordinance and provide a schedule of monthly transfers to the new Bond and Interest Account.

Article IV. State Revolving Fund (SRF) Application (Municipal Advisory Services and Compilation Accounting Services)

- A. Assist with the preparation of the financial portions of the application to the SRF disclosing technical data, information and schedules concerning the Bonds and the Client needed by the SRF.

Exhibit A

Services Provided (cont'd)

- B. Issue an accounting report in connection with the issuance of the Bonds compiling a projection of debt service coverage resulting from the first full year of operation of the newly constructed improvements. The report will be prepared in accordance with standards established by the American Institute of Certified Public Accountants for inclusion in the SRF Financial Due Diligence if the SRF is the funding source of the improvements.
- C. Provide additional information to the SRF or others as may be needed throughout the period between filing the application and closing the Bonds.
- D. Analyze the terms proposed by the SRF and, when appropriate, suggest modifications of such terms for the Bonds.
- E. Make recommendations to the Client for options to finance non-eligible project costs.
- F. Prepare and submit at pre-closing, on behalf of the Client, the initial disbursement request form and supporting documentation.

Article V. Sale of Bonds (Municipal Advisory Services)

The offer and sale of the Bonds shall be made by the Client, at the sole discretion of the Client, and under its control and supervision. The Client agrees that the Firm does not undertake to sell or attempt to sell the Bonds, and will take no part in the sale thereof. The Client agrees that the Firm's compensation hereunder shall be due and payable upon delivery of the SRF Financial Due Diligence materials by the Firm to the Client or the distribution thereof on its behalf regardless of whether the Bonds are sold by the Client.

Article VI. Parity Report (Agreed Upon Procedures)

- A. Determine the provisions of the Bond Ordinance of the now outstanding Bonds which govern the issuance of the subsequent debt debentures on parity with the existing Bonds.
- B. Advise the Client of the requirements necessary for meeting the parity provisions of the above documents.
- C. Conduct such test, if eligible, of the utility's records as are necessary for the issuance of the proposed Bonds on parity with the now outstanding Bonds.
- D. Prepare a written report of the above tests for submission to the Client's attorneys for the inclusion in official transcripts of the proceedings in connection with the issuance of the Bonds.

Article VII. Multi-Year Capital Asset Financial Planning (Municipal Advisory and Preparation Accounting Services)

- A. Using historical and projected financial information developed as part of services provided under Article I, prepare a future multi-year financial model (the "Model") covering a period established by the Client (the "Projected Period").
- B. Assist the Client with the establishment of policies regarding maintaining minimum cash and investment balances over the Projected Period (the "Minimum Balance Requirements") that are consistent with legal requirements as well as good business practices.

Exhibit A

Services Provided (cont'd)

- C. Assist the Client with the development of assumptions regarding changes to revenue during the Projected Period derived from changes to the customer base, taking into account:
 - 1. Prediction of customer growth.
 - 2. Trending in system utilization, particularly for customers in the Industrial user class.
- D. Assist the Client with the development of estimates of operating expenses for the Projected Period using:
 - 1. Data generated as part of the services provided under Article I.
 - 2. Changes due to inflation that may have an impact during the Projected Period.
 - 3. Other increases or decreases in costs due to factors that may materialize during the Projected Period.
- E. Analyze the impact of debt service payments on the financial results of the Utility taking into account:
 - 1. Existing annual debt service payments by debt issue.
 - 2. The potential impact of refinancing and/or restructuring existing debt.
 - 3. The potential impact of issuance of new debt.
- F. Based on information from the Client and/or the consulting engineer, identify the estimated capital asset investment cost by year for the Projected Period, and develop potential funding plans for capital taking into consideration:
 - 1. Scenarios developed for cash funding and debt financing.
 - 2. Scenarios developed that assume various sources for borrowed funds including Federal and State loan programs and the use of open market financing.
- G. Using the data generated from services defined in Article A, C, D, E and F above, create inputs for the Model to produce estimated cash and investment fund balances. Analyze the resulting cash and investment balances occurring during the Projected Period to the Minimum Balance Requirements; and,
 - 1. Identify periods when the Client may not be in compliance with their Minimum Balance Requirements.
 - 2. Identify actions the Client may need to implement to keep in compliance with their Minimum Balance Requirements including, but not limited to, implementing adjustments to rates and charges.
- H. Verify billing follows adopted rate ordinance by pulling sample bills for each user class, as well as the Utility's ten largest users.
- I. Meet with officials of the Client to discuss findings and recommendations.
- J. Furnish a financial report summarizing the results of the Asset Management study.

Exhibit A

Services Provided (cont'd)

Article VIII. Arbitrage Compliance Services (Consulting Services)

Section 148 of the Internal Revenue Code requires issuers of tax-exempt bonds that meet certain criteria to have arbitrage rebate and/or yield reduction payment calculations performed on a periodic basis. Our services will be limited to utilizing available information to calculate the arbitrage yield on the bond issues, the yield on non-purpose investments, the amount of excess earnings, if any, of the non-purpose investments at the calculated arbitrage yield, and the rebatable arbitrage and/or yield reduction payment, if any, due as of the five-year anniversary date or more frequently as necessary. If eligible, we will prepare spend-down calculations in lieu of rebate calculations. Our services for the arbitrage compliance services computations include:

- A. Obtaining information from bond offering documents, information returns filed upon issuance (Form 8038 and 8038 G), arbitrage certificate, legal documents and statements or summaries of transactions for the funds subject to rebate and/or yield restriction defined in the documents.
- B. Providing a report which will be addressed to the Client. The report will summarize the results of the calculations performed.
- C. Assistance in preparing the IRS from 8038-T, if necessary.

Calculation and payment of any arbitrage rebate liability and/or yield reduction due is the responsibility of the Client. The Client is responsible for notifying the Firm of any additional or subsequent bond issues that would require arbitrage compliance services. Our engagement will not include verifying that: proceeds were used for purpose expenditures; investments were purchased at market price; no amounts were paid to any party in order to reduce the yield on any investment; the bond issue was appropriately structured or qualified as a tax-exempt offering; or information provided to us is complete and accurate.

Exhibit B

Fees

The Firm's fees for services set forth in Exhibit A will be:

	<u>Service</u>	<u>Fees</u>
Articles I - II	Analysis of Costs and Revenues (Rate Analysis) and Meetings and Reports	Time & Expense*
Articles III - V	Financial Planning, State Revolving Fund (SRF) Application and Sale of Bonds	Time & Expense*
Article VI	Parity Report	\$4,000
Article VII	Multi-Year Capital Asset Financial Planning	Time & Expense*
Article VIII	Arbitrage Compliance Services	Time & Expense*

*The Firm's fees will be billed at the Firm's standard billing rates based on the actual time and expenses incurred.

Standard Hourly Rates by Job Classification 1/1/2019

Partners / Principals / Directors	\$240.00	to	\$550.00
Managers	\$200.00	to	\$325.00
Senior Consultants	\$150.00	to	\$250.00
Consultants	\$135.00	to	\$200.00
Municipal Bond Disclosure Specialists	\$120.00	to	\$190.00
Support Personnel	\$110.00	to	\$150.00
Interns	\$90.00	to	\$110.00

- Billing rates are subject to change periodically due to changing requirements and economic conditions. Actual fees will be based upon experience of the staff assigned and the complexity of the engagement.*

The above fees shall include all expenses incurred by the Firm with the exception of expenses incurred for mileage which will be billed on a separate line item. No such expenses will be incurred without the prior authorization of the Client. The fees do not include the charges of other entities such as rating agencies, bond and official statement printers, couriers, newspapers, bond insurance companies, bond counsel and local counsel, and electronic bidding services, including Parity®. Coordination of the printing and distribution of Official Statements or any other Offering Document are to be reimbursed by the Client based upon the time and expense for such services.

Exhibit C

Disclosure Statement of Municipal Advisor

PART A – Disclosures of Conflicts of Interest

MSRB Rule G-42 requires that municipal advisors provide to their clients disclosures relating to any actual or potential material conflicts of interest, including certain categories of potential conflicts of interest identified in Rule G-42, if applicable. If no such material conflicts of interest are known to exist based on the exercise of reasonable diligence by the municipal advisor, municipal advisors are required to provide a written statement to that effect.

Material Conflicts of Interest – The Firm makes the disclosures set forth below with respect to material conflicts of interest in connection with the Scope of Services under this Agreement, together with explanations of how the Firm addresses or intends to manage or mitigate each conflict.

General Mitigations – As general mitigations of the Firm's conflicts, with respect to all of the conflicts disclosed below, the Firm mitigates such conflicts through its adherence to its fiduciary duty to Client, which includes a duty of loyalty to Client in performing all municipal advisory activities for Client. This duty of loyalty obligates the Firm to deal honestly and with the utmost good faith with Client and to act in Client's best interests without regard to the Firm's financial or other interests. The disclosures below describe, as applicable, any additional mitigations that may be relevant with respect to any specific conflict disclosed below.

- I. **Compensation-Based Conflicts.** The fees due under this Agreement are in a fixed amount established at the outset of the Agreement. The amount is usually based upon an analysis by Client and the Firm of, among other things, the expected duration and complexity of the transaction and the Scope of Services to be performed by the Firm. This form of compensation presents a potential conflict of interest because, if the transaction requires more work than originally contemplated, the Firm may suffer a loss. Thus, the Firm may recommend less time-consuming alternatives, or fail to do a thorough analysis of alternatives. This conflict of interest is mitigated by the general mitigations described above.

The fees due under this Agreement are based on hourly fees of the Firm's personnel, with the aggregate amount equaling the number of hours worked by such personnel times an agreed-upon hourly billing rate. This form of compensation presents a potential conflict of interest if Client and the Firm do not agree on a reasonable maximum amount at the outset of the engagement, because the Firm does not have a financial incentive to recommend alternatives that would result in fewer hours worked. This conflict of interest is mitigated by the general mitigations described above.

- II. **Other Municipal Advisor Relationships.** The Firm serves a wide variety of other clients that may from time to time have interests that could have a direct or indirect impact on the interests of Client. For example, the Firm serves as municipal advisor to other municipal advisory clients and, in such cases, owes a regulatory duty to such other clients just as it does to Client under this Agreement. These other clients may, from time to time and depending on the specific circumstances, have competing interests, such as accessing the new issue market with the most advantageous timing and with limited competition at the time of the offering. In acting in the interests of its various clients, the Firm could potentially face a conflict of interest arising from these competing client interests. This conflict of interest is mitigated by the general mitigations described above.

PART B – Disclosures of Information Regarding Legal Events and Disciplinary History

MSRB Rule G-42 requires that municipal advisors provide to their clients certain disclosures of legal or disciplinary events material to its client's evaluation of the municipal advisor or the integrity of the municipal advisor's management or advisory personnel.

Exhibit C

Disclosure Statement of Municipal Advisor (cont'd)

Accordingly, the Firm sets out below required disclosures and related information in connection with such disclosures.

- I. **Material Legal or Disciplinary Event.** There are no legal or disciplinary events that are material to Client's evaluation of the Firm or the integrity of the Firm's management or advisory personnel disclosed, or that should be disclosed, on any Form MA or Form MA-I filed with the SEC.
- II. **How to Access Form MA and Form MA-I Filings.** The Firm's most recent Form MA and each most recent Form MA-I filed with the SEC are available on the SEC's EDGAR system at <http://www.sec.gov/cgi-bin/browse-edgar?action=getcompany&CIK=0001616995>.
- III. **Most Recent Change in Legal or Disciplinary Event Disclosure.** The Firm has not made any material legal or disciplinary event disclosures on Form MA or any Form MA-I filed with the SEC.

PART C – Future Supplemental Disclosures

As required by MSRB Rule G-42, this Disclosure Statement may be supplemented or amended, from time to time as needed, to reflect changed circumstances resulting in new conflicts of interest or changes in the conflicts of interest described above, or to provide updated information with regard to any legal or disciplinary events of the Firm. The Firm will provide Client with any such supplement or amendment as it becomes available throughout the term of the Agreement.

PART D – Rule G-10: Investor and Municipal Advisory Client Education and Protection

MSRB Rule G-10 requires that municipal advisors to notify their clients of the availability of a client brochure on the MSRB's website that provides information on the processes for filing a client complaint. Accordingly, the Firm sets out below the required information.

- I. The Firm is registered as a Municipal Advisor with the Securities and Exchange Commission (867-00880) and the Municipal Securities Rulemaking Board (K1027).
- II. The website address for the Municipal Securities Rulemaking Board is www.msrb.org.
- III. The website for the Municipal Securities Rulemaking Board has a link to a brochure that describes (i) the protections that may be provided by the Municipal Securities Rulemaking Board rules and (ii) describes how to file a complaint with an appropriate regulatory authority.

Exhibit D

Compilation, Projection and Agreed Upon Procedures Accounting Services

Compilation of Historical Financial Statements

Our Responsibilities:

The objective of our engagement is to apply accounting and financial reporting expertise to assist you in the presentation of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America or the cash basis of accounting based on information provided by you.

We will conduct our compilation engagement in accordance with the Statements on Standards for Accounting and Review Services (SSARS) promulgated by the Accounting and Review Services Committee of the AICPA and comply with the AICPA's *Code of Professional Conduct*, including the ethical principles of integrity, objectivity, professional competence, and due care when performing the compilation engagement.

We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion or a conclusion nor provide any assurance on the financial statements.

Our engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the entity or noncompliance with laws and regulations.

We in our sole professional judgement, reserve the right to refuse any procedure or take any action that could be construed as assuming management responsibilities.

Your Responsibilities:

The engagement to be performed is conducted on the basis that you acknowledge and understand that our role is to assist you in the presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America or with the cash basis of accounting. You have the following overall responsibilities that are fundamental to our undertaking the engagement in accordance with SSARS:

1. The selection of the cash basis of accounting or accounting principles generally accepted in the United States of America as the financial reporting framework to be applied in the preparation of the financial statements.
2. The preparation and fair presentation of financial statements in accordance with the cash basis of accounting or accounting principles generally accepted in the United States of America.
3. The election to omit substantially all disclosures normally included in the financial statements in accordance with the cash basis of accounting or accounting principles generally accepted in the United States of America.
4. The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements.
5. The prevention and detection of fraud.
6. To ensure that the Client complies with the laws and regulations applicable to its activities.

Exhibit D

Compilation, Projection and Agreed Upon Procedures Accounting Services (cont'd)

7. The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement.
8. To provide us with –
 - access to all information of which you are aware is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - additional information that we may request from you for the purpose of the compilation engagement.
 - unrestricted access to persons within the Client of whom we determine it necessary to make inquiries.

You are also responsible for all management decisions and responsibilities and for designating an individual with suitable skills, knowledge, and experience to oversee our compilation of your financial statements. You are also responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

Our Report:

As part of our engagement, we will issue a report that will state that we did not audit or review the financial statements and that, accordingly, we do not express an opinion, a conclusion, nor provide any assurance on them. If, for any reason, we are unable to complete the compilation of your financial statements, we will not issue a report on such statements as a result of this engagement.

You agree to include our accountant's compilation report in any document containing financial statements that indicates that we have performed a compilation engagement on such financial statements and, prior to the inclusion of the report, to ask our permission to do so.

Compilation of a Projection Accounting Services

We will compile, in accordance with attestation standards established by the American Institute of Certified Public Accountants, from information management provides, the projected operating revenues, cash operation and maintenance expenses, non-operating revenues, and debt service coverage or projected operating receipts, operation and maintenance disbursements, non-operating receipts and debt service coverage, and summaries of significant assumptions and accounting policies of the Client. A compilation is limited to presenting, in the form of projected financial statements, information that is the representation of management. We will not examine the projected financial statements and therefore, will not express any form of assurance on the achievability of the projection or reasonableness of the underlying assumptions.

A compilation of a financial projection involves assembling the projection based on management's assumptions and performing certain other procedures with respect to the projection without evaluating the support for, or expressing an opinion or any form of assurance on, the assumptions underlying it.

If for any reason we are unable to complete our compilation of your financial projection, we will not issue a report on it as a result of this engagement.

A financial projection presents, to the best of management's knowledge and belief, the Client's expected operating revenues, cash operating expenses, non-operating revenues and debt service coverage or operation receipts, operating disbursements, non-operating revenues and debt service coverage for the projection period assuming the construction and financing of the proposed improvement projects. It is based on management's assumptions, reflecting conditions it expects would exist and courses of action it expects would be taken during the projection period assuming management's assumptions concerning future events and circumstances.

Exhibit D

Compilation, Projection and Agreed Upon Procedures Accounting Services (cont'd)

Management is responsible for representations about its plans and expectations and for disclosure of significant information that might affect the ultimate realization of the projected results.

Even if the Client construction and financing of the proposed improvement projects were to occur, there will usually be differences between the projected and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. Our report will contain a statement to that effect.

We have no responsibility to update our report for events and circumstances occurring after the date of our report.

In order for us to complete this engagement, management must provide assumptions that are appropriate for the projection. If the assumptions provided are inappropriate and have not been revised to our satisfaction, we will be unable to complete the engagement and, accordingly, we will not issue a report on the projection.

We understand that the projection and our report thereon will be used only for presentation to the Indiana State Revolving Program or other designated entities. If management intends to reproduce the projection and our report thereon, they must be reproduced in their entirety, and both the first and subsequent corrected drafts of the document containing the projection and any accompanying material must be submitted to us for approval.

We will assist in preparing the above-described projection of debt service coverage and summaries of significant assumptions and accounting policies of the Client based on information provided by you. The preparation of a financial projection involves the computer processing of, and the mathematical and other clerical functions related to, the presentation of the projection, which is based on management's assumptions. The other services are limited to the preparation services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities for the projection preparation services, and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience evaluate the adequacy and results of the services; and accept responsibility for them.

Applying Agreed-Upon Procedures Accounting Services

Our engagement to apply agreed-upon procedures will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report and we will require an acknowledgment in writing of that responsibility. Consequently, we make no representation regarding the sufficiency of the procedures either for the purpose for which the agreed-upon procedures report has been requested or for any other purpose.

Because the agreed-upon procedures do not constitute an examination or review, we will not express an opinion or conclusion in our report. In addition, we have no obligation to perform any procedures beyond those listed in the procedures letter.

We will issue a written report upon completion of our engagement that lists the procedures performed and our findings. Our report will be addressed to the Client and other specified parties and should not be used by anyone other than these specified parties. Our report will contain a paragraph indicating that had we performed additional procedures, other matters might have come to our attention that would have been reported to you.