

# **Town of Whitestown Uniform Contract for Services**

Robert W. Baird & Co. Inc

**Service Provider**

Bond Underwriting

**Type of Service**

This Uniform Contract for Services (hereinafter referred to as "Agreement"), entered into by and between the Town of Whitestown, Indiana and/or Whitestown Municipal Utilities, (hereinafter referred to as "Whitestown"), and Robert W. Baird & Co. Inc (hereinafter referred to as "Contractor"), is executed pursuant to the terms and conditions set forth herein. In consideration of those mutual undertakings and covenants and other good and valuable consideration, the adequacy of which is mutually acknowledged, the parties agree as follows:

## **SECTION I. DUTIES OF CONTRACTOR.**

- 1.01 The Contractor shall provide the services as set forth or described in *Attachment A*, attached to and made a part of this Agreement. The Contractor agrees that the services shall be consistent with generally accepted commercial standards in the relevant trades or professions. To the extent *Attachment A* purports to incorporate contractual terms of service, any such terms are voidable at the option of Whitestown.

## **SECTION II. TERM.**

- 2.01 This Agreement shall be in effect until the services described in *Attachment A* are fully and satisfactorily performed and Whitestown has paid Contractor for applicable services, unless earlier terminated in accordance with this Agreement.
- 2.02 This Agreement may be renewed beyond the expiration by agreement of parties. The term of the renewal shall not be longer than the term of the original Agreement. A renewal shall be by written notice sent by either party and written acceptance by the other. All other terms and conditions of the Agreement shall remain the same as set forth herein and may be amended only by written instrument signed by both Whitestown and Contractor and attached hereto as an amendment, and following approval of such amendment by the Whitestown Town Council.

## **SECTION III. COMPENSATION OF THE CONTRACTOR.**

- 3.01 The Contractor shall furnish all labor, materials, supplies, and services in accordance with the conditions of this Agreement necessary to complete the services as defined in *Attachment A*.
- 3.02 Payment will be for the amount set forth in *Attachment A*. No payments will be provided prior to commencement of services, absent a performance bond from Contractor adequate to cover the cost of completing such services.
- 3.03 Contractor shall submit a properly itemized invoice referencing services performed and/or applicable expenses incurred under this Agreement. Contractor shall cooperate with and provide any other necessary information to Whitestown. Whitestown will pay Contractor within ninety (90) days after receipt of such properly itemized and legitimate claim forms under agreed schedules, and following approval of such claim(s) by the Whitestown Town Council as provided by law. All payments are further subject to appropriations as required by applicable law.

## **SECTION IV. GENERAL PROVISIONS.**

- 4.01 Independent Contractor. The parties agree that Contractor is an independent contractor as that term is commonly used and is not an employee of Whitestown. As such, Contractor is solely responsible for all

taxes and none shall be withheld from the sums paid to Contractor. Contractor acknowledges that it is not insured in any manner by Whitestown for any loss of any kind whatsoever. The Contractor has no authority, express or implied, to bind or obligate Whitestown in any way.

- 4.02 Subcontracting. The parties agree that Contractor shall not subcontract, assign or delegate any responsibility to perform services to be performed pursuant to this Agreement without prior written approval of the Town Manager of Whitestown or his/her designee. In the event that Whitestown approves of any such subcontracting, assignment or delegation, Contractor shall remain responsible for managing, directing and paying the person or persons to whom such responsibilities or obligations are sublet, assigned or delegated. Whitestown shall have no obligation whatsoever toward such persons. Contractor shall take sole responsibility for the quality and quantity of any services rendered by such persons. Any consent given in accordance with this provision shall not be construed to relieve Contractor of any responsibility for performing under this Agreement. Contractor shall be responsible for a background, criminal history, and e-verify check on any additional person involved in performing services pursuant to this Agreement, and the Contractor and any additional persons shall have the duty to report an arrest or the filing of criminal charges against them in writing to the Town Manager of Whitestown.
- 4.03 Necessary Qualifications. Contractor certifies that it will furnish to Whitestown, if requested, any and all documentation, certification, authorization, license, permit, or registration required by the laws or rules and regulations of Whitestown, other units of local government, the State of Indiana, and the United States. Contractor further certifies that it is now and will remain in good standing with such governmental agencies and that it is now and will maintain all licenses, permits, registrations, authorizations, or certifications, as applicable to the services in force during the term of this Agreement.
- 4.04 Confidentiality of Whitestown Information. Contractor understands that the information provided to it or obtained from Whitestown during the performance of its services may be confidential and may not, without prior written consent of Whitestown, be disclosed to a person not in Whitestown's employ except to employees or agents of Contractor who have a need to know in order to provide the services. Further, Contractor's Work Product generated during the performance of this Agreement is confidential to Whitestown. The obligations of this section shall survive the termination of this Agreement and shall be applicable to the full extent permissible under statutes governing access to public records. Confidential information shall not include information, that: (a) was known by Contractor at the time it was received; (b) is, as of the time of its disclosure or thereafter becomes, part of the public domain through a source other than Contractor; (c) is made known to Contractor by a third person who does not impose any obligation of confidence on Contractor with respect to such information; (d) is required to be disclosed pursuant to governmental authority, law, regulation, duly authorized subpoena, or court order whereupon Contractor shall provide notice to Whitestown prior to such disclosure; or (e) information that is independently developed by Contractor without references to the confidential information. Contractor shall not, under any circumstances, release information provided to it by, or on behalf of, Whitestown that is required to be kept confidential by Whitestown pursuant to Indiana law, except as contemplated by this section, clause (d).
- 4.05 Records; Audit. Contractor shall maintain books, records, documents and other evidence directly pertinent to performance of services under this Agreement. Contractor shall make such materials available at its offices at all reasonable times during the Agreement period and for three (3) years from termination or the date of final payment under this Agreement for inspection by Whitestown or any other authorized representative of Whitestown. Copies thereof, if requested, shall be furnished at no cost to Whitestown.
- 4.06 Ownership of Documents and Materials. All documents, including records, programs, data, film, tape, articles, memos, and other materials, created or developed under this Agreement, shall be considered "work for hire" and the Contractor transfers any ownership claim to Whitestown and all such matters will be the property of Whitestown. Use of these materials, other than related to contract performance by the Contractor, without the prior written consent of Whitestown, is prohibited. During the performance of the services specified herein, the Contractor shall be responsible for any loss or damage to these materials developed for or supplied by Whitestown and used to develop or assist in the services provided herein while the materials are in the possession of the Contractor. Any loss or damage thereto shall be restored at the Contractor's expense. Full, immediate, and unrestricted access to the work product of the Contractor

during the term of this Agreement shall be available to Whitestown. Notwithstanding the foregoing, Contractor shall be entitled to retain a set of its work papers in accordance with professional standards.

In the event the Whitestown subsequently uses the documents or materials without retaining the services of Contractor, Whitestown releases the Contractor only from claims and causes of action arising from such subsequent use, but not under the services of this Agreement. Whitestown, to the extent permitted by law, further agrees to indemnify and hold harmless the Contractor from claims and causes of action asserted by any third person or entity to the extent such arises from the Whitestown's subsequent use of the documents or materials under this Section.

Notwithstanding the foregoing, it is understood and agreed that Contractor shall retain all of its rights in its proprietary information including, without limitation, methodologies and methods of analysis, ideas, concepts, expressions, know how, methods, techniques, skills, knowledge and experience possessed by Contractor prior to, or acquired by Contractor during the performance of this Agreement and the same shall not be deemed to be Work Product or Work For Hire and Contractor shall not be restricted in anyway with respect thereto.

4.07 Termination for Cause or Convenience.

4.07.1 If Contractor becomes insolvent, or if it refuses or fails to perform the work and services provided by this Agreement, or if it refuses to perform disputed work or services as directed pending resolution of such dispute, or if it fails to make payments to subcontractors or consultants employed by it, or if it otherwise violates or fails to perform any term, covenant or provision of this Agreement, then Whitestown may, without prejudice to any other right or remedy, terminate this Agreement in whole or in part, in writing, provided that Contractor shall be given, except in the case of emergencies, (a) not less than ten (10) calendar days' notice of Whitestown's intent to terminate, and (b) an opportunity for consultation with Whitestown prior to termination. In determining the amount of final payment to be made to Contractor upon such termination for default, if any, no amount shall be allowed for anticipated profit on unperformed services or other work; furthermore, an adjustment shall be made to the extent of any additional costs incurred or reasonably foreseen by Whitestown to be incurred by reason of Contractor's default.

4.07.2 This Agreement may be terminated in whole or in part in writing by Whitestown for Whitestown's convenience; provided that Contractor is given (a) not less than thirty (30) calendar days' notice of intent to terminate and (b) an opportunity for consultation with Whitestown prior to termination. If Whitestown effects termination for convenience, Contractor's compensation shall be equitably adjusted.

4.07.3 Upon receipt of a termination action for default or for Whitestown's convenience, Contractor shall (a) promptly discontinue all services affected, unless the termination notice directs otherwise, and (b) deliver or otherwise make available to Whitestown all data, drawings, specifications, reports, estimates, summaries, and such other information, materials or documents as may have been accumulated by Contractor in performing this Agreement, whether completed or in process.

4.07.4 If, after termination for Contractor's default, it is determined that Contractor was not in default, the termination shall be deemed to have been effected for the convenience of Whitestown. In such event, adjustment of the price provided for in this Agreement shall be made as provided in Paragraph 5.07.2 and the recovery of such price adjustment shall be Contractor's sole remedy and recovery.

4.08 Termination for Failure of Funding. Notwithstanding any other provision of this Agreement and pursuant to Indiana law, if funds for the continued fulfillment of this Agreement by Whitestown are at any time insufficient or not forthcoming through failure of any entity to appropriate funds or otherwise, then Whitestown shall have the right to terminate this Agreement without penalty by giving written notice documenting the lack of funding, in which instance unless otherwise agreed to by the parties, this Agreement shall terminate and become null and void.

4.09 Remedies. Following the occurrence of any default, breach, or other failure to perform requisite services, or an act of negligence or misconduct causing damage to Whitestown, by contractor or any of its employees, agents, or subcontractors, Whitestown shall have every remedy now or hereafter existing at law

or in equity or by statute or otherwise which may be available to Whitestown. This provision shall survive any termination of this Agreement.

- 4.10 Indemnification. Contractor agrees to indemnify, defend (except in the case of a professional liability claim to the extent prohibited by I.C. § 26-2-5-4), and hold harmless Whitestown and its officers, agents, officials, and employees for any and all third-party claims, actions, causes of action, judgments and liens to the extent they arise out of any negligent act or omission, error or omission of, or by any recklessness or misconduct by, Contractor or any of its officers, agents, employees or subcontractors, regardless of whether or not it is caused in part by the negligence of a party indemnified hereunder. Such indemnity shall include attorney's fees and all costs and other expenses arising therefrom or incurred in connection therewith and shall not be limited by reason of the enumeration of any insurance coverage. ~~Whitestown will not provide such indemnification to the Contractor.~~ Whitestown agrees that neither Contractor nor its employees, officers, agents or affiliates shall have any liability to the Whitestown for the services provided hereunder except to the extent it is judicially determined that Contractor engaged in gross negligence or willful misconduct. Whitestown shall not be liable to the Contractor except to the extent it is judicially determined that Whitestown engaged in gross negligence or willful misconduct. This provision shall survive any termination of this Agreement.

- 4.11 Notice. Any notice or other correspondence required to be sent under this Agreement shall be sent to:

To Contractor:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

To Whitestown:

Town of Whitestown  
Whitestown Municipal Complex  
6210 S 700 E  
Whitestown, IN 46075  
Attn: Town Manager

- 4.12 Disputes. Contractor shall carry on all work required under this Agreement and maintain the schedule for services during all disputes or disagreements with Whitestown. No work shall be delayed or postponed pending resolution of any disputes or disagreements except as Contractor and Whitestown may otherwise agree in writing. Should the Contractor fail to continue to perform its responsibilities as regards all non-disputed work without delay, any additional costs incurred by Whitestown or the Contractor as a result of such failure to proceed shall be borne by the Contractor, and the Contractor shall make no claim against Whitestown for such costs. Whitestown may withhold payments on disputed items pending resolution of the dispute.
- 4.13 Non-discrimination. Contractor and its subcontractors shall not discriminate against any employee or applicant for employment to be employed in the performance of this Agreement, with respect to her or his hire, tenure, terms, conditions, or privileges of employment, or any matter directly or indirectly related to employment, because of her or his race, religion, color, sex, sexual orientation, handicap, disability, national origin, ancestry, disabled veteran status, or Vietnam-era veteran status. Breach of this section shall be regarded as a material breach of this Agreement.
- 4.14 Conflict of Interest. Contractor certifies and warrants to Whitestown that neither it nor any of its agents, representatives or employees who will participate in the performance of any services required by this Agreement has or will have any conflict of interest, direct or indirect, with Whitestown.
- 4.15 Force Majeure. In the event that either party is unable to perform any of its obligations under this Agreement – or to enjoy any of its benefits – because of natural disaster or decrees of governmental bodies not the fault of the affected party (hereinafter referred to as Force Majeure Event), the party who has been so affected shall immediately give notice to the other and shall take commercially reasonable actions to resume performance. Upon receipt of such notice, all obligations under this Agreement shall be immediately suspended except for payment obligations with respect to service already provided. If the period of nonperformance exceeds one hundred eighty (180) days from the receipt of the Force Majeure Event, the party whose ability to perform has not been so affected may, by giving written notice, terminate this Agreement.

- 4.16 Applicable Laws; Forum. The Contractor agrees to comply with all applicable federal, state and local laws, rules, regulations or ordinances, and all provisions required thereby to be included herein are hereby incorporated by reference. The enactment of any state or federal statute or the promulgation of regulations thereunder after execution of this Agreement shall be reviewed by Whitestown and the Contractor to determine whether the provisions of the Agreement require formal modification.

This Agreement shall be construed in accordance with the laws of the State of Indiana, and by all applicable Municipal Ordinances, Resolutions, Rules, Regulations, or Codes of Whitestown. Suit, if any, shall be brought in the State of Indiana, County of Boone.

- 4.17 Waiver. Whitestown's delay or inaction in pursuing its remedies set forth in this Agreement, or available by law, shall not operate as a waiver of any of Whitestown's rights or remedies.
- 4.18 Severability. If any provision of this Agreement is held to be invalid, illegal, or unenforceable by a court of competent jurisdiction, the provision shall be stricken, and all other provisions of this Agreement which can operate independently of such stricken provisions shall continue in full force and effect.
- 4.19 Attorneys' Fees. Contractor shall be liable to Whitestown for reasonable attorneys' fees incurred by Whitestown in connection with the collection or attempt to collect, any damages arising from the negligent or wrongful act or omission of Contractor from Contractor's breach of any provision of this Agreement, from Contractor's indemnity obligation, or from Contractor's failure to fulfill any provisions or responsibility provided herein. This provision shall survive any termination of this Agreement.
- 4.20 Whitestown Officials. No official, director, officer, employee, or agent of Whitestown shall be charged personally by Contractor, its employees, or agents with any liabilities or expenses, or be held personally liable to Contractor under any term or provision or because of the execution of any agreement, or because of any default by Whitestown. This provision shall survive any termination of this Agreement.
- 4.21 Successors and Assigns. Whitestown and Contractor each binds itself and its partners, successors, executors, administrators and assigns to the other party of this Agreement and to the partners, successors, executors, administrators and assigns of such other party, in respect to all covenants of this Agreement; except as otherwise provided herein, Contractor shall not assign, sublet, or transfer its interest in this Agreement without the written consent of Whitestown. Nothing herein shall be construed as creating any personal liability on the part of any officer or agent of Whitestown.
- 4.22 Authority to Bind Contractor. Notwithstanding anything in this Agreement to the contrary, the signatory for the Contractor represents that he/she has been duly authorized to execute agreements on behalf of the Contractor designated above, and has obtained all necessary or applicable approval from the offices of the Contractor to make this Agreement fully binding upon the Contractor when his/her signature is affixed and accepted by Whitestown.
- 4.23 E-Verify. Contractor shall enroll in and verify the eligibility status of all newly hired employees of Contractor through the E-Verify program as outlined in I.C. § 22-5-1.7; however, Contractor shall not be required to verify the work eligibility status of all newly hired employees of Contractor through the E-Verify program if the E-Verify program no longer exists. CONTRACTOR AFFIRMS, UNDER THE PENALTIES OF PERJURY, THAT CONTRACTOR DOES NOT KNOWINGLY EMPLOY AN UNAUTHORIZED ALIEN.

## **SECTION V. INTERPRETATION AND INTENT.**

- 5.01 This Agreement constitutes the entire agreement between the parties and supersedes all prior agreements, written or verbal, between Whitestown and Contractor. No statements, promises or agreements whatsoever, in writing or verbal, in conflict with the terms of the Agreement have been made by Whitestown or Contractor which in any way modify, vary, alter, enlarge or invalidate any of the provisions and obligations herein stated. This Agreement may be amended and modified only in writing signed by both Whitestown

and Contractor, and following approval of such amended or modified terms by the Whitestown Town Council.

- 5.02 In resolving conflicts, errors, discrepancies and disputes concerning the scope of the work or services to be performed by Contractor or other rights or obligations of Whitestown or Contractor, the document or provision thereof imposing the greater obligation upon Contractor and affording the greater right or remedy to Whitestown, shall govern.
- 5.03 Any interpretation applied to this Agreement, by the parties hereto, by an arbitrator, court of law, or by any other third party, shall not be made against Whitestown solely by virtue of Whitestown or Whitestown's representatives having drafted all or any portion of this Agreement.
- 5.04 This Agreement shall include, and incorporate by reference, any provision, covenant or condition required or provided by law or by regulation of any state or federal regulatory or funding agency.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates subscribed below.

Town of Whitestown, Indiana and/or  
Whitestown Municipal Utilities ("Whitestown")

("Contractor")

By: \_\_\_\_\_

Printed: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

By:  \_\_\_\_\_

Printed: J. Gordon Boehm

Title: MD

Date: 7/31/2020

3010408

Attachment A

BAIRD

7/28/2020

Mr. Jason Lawson  
Town Manager  
Town of Whitestown  
6210 Veterans Drive  
Whitestown, Indiana 46075

Ladies and Gentlemen:

On behalf of Robert W. Baird & Co. Incorporated (“we” or “Baird”), we wish to thank you for the opportunity to serve as managing underwriter or placement agent to the Town of Whitestown, Indiana (“you” or the “Issuer”) on its proposed offering and issuance of \$25,765,000\* Lease Rental Multipurpose Refunding Revenue Bonds, Series 2020 (or other multiple designations) (the “Securities”). This letter will confirm the terms of our engagement; however, it is anticipated that this letter will be replaced and superseded by a bond purchase agreement or placement agreement to be entered into by the parties (the “Agreement”) if and when the Securities are priced following successful completion of the offering or placement process. The Agreement will set forth the terms and conditions on which Baird will purchase or place the Securities and will contain provisions that are consistent with those stated in this letter.

1. Services to be Provided by Baird. Baird is hereby engaged to serve as managing underwriter of the proposed offering and issuance of the Securities, and in such capacity Baird agrees to provide the following services, as applicable:

- Review and evaluate the proposed terms of the offering or placement and the Securities
- Develop a marketing plan for the offering, including identification of potential purchasers of the Securities
- Assist in the preparation of the preliminary official statement and final official statement or the private placement memorandum and other offering documents
- Contact potential purchasers of the Securities and provide them with copies of the offering materials and related information
- Respond to inquiries from potential purchasers and, if requested, coordinate their due diligence calls and meetings
- Assist in the preparation of information and materials to be provided to securities rating agency or agencies, as necessary, and in the development of strategies for meetings with the rating agency or agencies to obtain a rating for the Securities
- Assist in the preparation of information and materials to be provided to bond insurance companies and in the development of strategies for meetings/calls with the bond insurance companies
- Inform the Issuer of the marketing and offering process
- Negotiate the pricing, including the interest rate, and other terms of the Securities
- Obtain CUSIP number(s) for the Securities and arrange for their DTC book-entry eligibility
- Submit documents and other information about the offering to the MSRB’s EMMA website
- Plan and arrange for the closing and settlement of the issuance and the delivery of the Securities
- Such other usual and customary underwriting services as may be requested by the Issuer

2. Disclosures Concerning Baird’s Role as Underwriter or Placement Agent as Required by MSRB Rules G-23 and G-17: At the Issuer’s request, Baird may provide incidental financial advisory services, including advice as to the structure, timing, terms and other matters concerning the issuance of the Securities. Please note that Baird would be providing such advisory services in its capacity as underwriter or placement agent and not as a municipal advisor

Robert W. Baird & Co.  
777 East Wisconsin Avenue  
Milwaukee WI 53202-5391  
Main 414 763-5500  
Toll Free 800 RW BAIRD

\*Preliminary, subject to change.

www.rwbaird.com

or financial advisor to the Issuer. As underwriter, Baird's primary role is to purchase, or arrange for the placement of, the Securities in an arm's length commercial transaction between the Issuer and Baird. As placement agent, Baird's primary role is to arrange for the placement of the Securities in an arm's length commercial transaction between the issuer and Baird. Baird has financial and other interests that differ from those of the Issuer. Municipal Securities Rulemaking Board Rule G-17 requires an underwriter to deal fairly at all times with both municipal issuers and investors. However, unlike a municipal advisor or financial advisor, Baird as an underwriter or placement agent does not have a fiduciary duty to the Issuer under the federal securities laws and is, therefore, not required by federal law to act in the best interests of the Issuer without regard to its own financial or other interests. As part of its services, Baird will review the official statement or private placement memorandum and/or any other disclosure document (if any) applicable to the proposed offering or placement in accordance with, and as part of, its responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of the proposed offering.

As underwriter, Baird will not be required to purchase the Securities except pursuant to the terms of the Purchase Agreement, which will not be signed until successful completion of the pre-sale offering period and satisfaction of various conditions. This letter does not obligate Baird to purchase any of the Securities. As placement agent, Baird will not be required to purchase the Securities or to find one or more buyers of the Securities, but rather to use its reasonable best efforts to arrange for the sale of the Securities to one or more buyers. If all of the conditions to its obligation to purchase any securities have been satisfied, Baird as underwriter has a duty to purchase securities from the Issuer at a fair and reasonable price but must balance that duty with its duty to sell those securities to investors at prices that are fair and reasonable.

Baird is registered with the Municipal Securities Rulemaking Board ("MSRB") and the SEC. The MSRB website is [www.msrb.org](http://www.msrb.org). Two investor brochures, Information for Municipal Securities Investors and Information for Municipal Advisory Clients, describe the protections that may be provided by the MSRB's rules. The brochures are available on the MSRB website. The MSRB website also contains information about how to file a complaint with an appropriate regulatory authority.

3. Fees and Expenses; Conflicts of Interest. Baird's underwriting fee/spread will be a mutually agreed upon amount determined prior to the sale of the Securities. The underwriting fee/spread will represent the difference between the price that Baird pays for the Securities and the public offering price stated on the cover of the final official statement. If Baird is acting as a placement agent, Baird's placement agent fee will be a mutually agreed upon amount determined prior to the sale of the Securities. The underwriting fee/spread will represent the difference between the price that Baird pays for the Securities and the public offering price stated on the cover of the final official statement. The underwriting fee/spread will be contingent upon the closing of the proposed offering and the amount of the fee/spread will be based on the principal or par amount of the Securities. While this form of compensation is customary in the municipal securities market, it presents a conflict of interest because the underwriter may have an incentive to recommend to the Issuer a transaction that is unnecessary or to recommend that the size of the transaction be larger than is necessary. Other firms that provide services in connection with the proposed offering may also have fees that are contingent on the closing of the offering.

Baird shall be responsible for paying the fees of underwriter's counsel and other expenses it incurs in connection with the offering, including without limitation, CUSIP, DTC, MSRB, IPREO (electronic book-running/sales order system); The Issuer shall be responsible for paying all other costs of issuance, such as fees of bond counsel, issuer counsel and disclosure counsel (if any); municipal advisory and other consultant fees; ratings agency fees and expenses and travel expenses directly related thereto; auditor and other expert fees; trustee, registrar and paying agent fees; and official statement printing and mailing/distribution costs.

Baird is a full service securities firm and as such Baird and its affiliates may from time to time provide advisory, brokerage, consulting and other services and products to municipalities, other institutions, and individuals including the Issuer, certain Issuer officials or employees, and potential purchasers of the Securities for which Baird may receive customary compensation; however, such services are not related to the proposed offering. Baird has previously served as underwriter, placement agent or financial advisor on other bond offerings and financings for the Issuer and may serve in such capacities in the future. Baird may also be engaged from time to time by the Issuer to manage investments for the Issuer (including the proceeds from the proposed offering) through a separate contract that sets forth the fees to be paid to Baird. Baird may compensate its associates for any referrals they have made that resulted in the Issuer's selection of Baird to serve as underwriter on the proposed offering of the Securities. Baird manages various mutual funds, and from time to time those funds may own bonds and other securities issued by the Issuer (including the Securities). Additionally, clients of Baird may from time to time purchase, hold and sell bonds and other securities issued by the Issuer (including the Securities).



In the ordinary course of fixed income trading business, Baird may purchase, sell, or hold a broad array of investments and may actively trade securities and other financial instruments, including the Securities and other municipal bonds, for its own account and for the accounts of customers, with respect to which Baird may receive a mark-up or mark-down, commission or other remuneration. Such investment and trading activities may involve or relate to the offering or other assets, securities and/or instruments of the Issuer and/or persons and entities with relationships with the Issuer. Spouses and other family members of Baird associates may be employed by the Issuer.

Baird has not identified any additional potential or actual material conflicts that require disclosure. If potential or actual conflicts arise in the future, we will provide you with supplemental disclosures about them.

4. Term and Termination. The term of this engagement shall extend from the date of this letter to the closing of the offering of the Securities. Notwithstanding the forgoing, 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 Issuer, the Issuer agrees to reimburse Baird for its out-of-pocket expenses incurred until the date of termination.

5. Indemnification; Limitation of Liability. The Issuer agrees that neither Baird nor its employees, officers, agents or affiliates shall have any liability to the Issuer for the services provided hereunder except to the extent it is judicially determined that Baird engaged in gross negligence or willful misconduct. In addition, to the extent permitted by applicable law, the Issuer shall indemnify, defend and hold Baird and its employees, officers, agents and affiliates harmless from and against any losses claims, damages and liabilities that arise from or otherwise relate to this Agreement, actions taken or omitted in connection herewith, or the transactions and other matters contemplated hereby, except to the extent such losses, claims, damages or liabilities are judicially determined to be the result of Baird's gross negligence or willful misconduct.

6. Miscellaneous. This letter shall be governed and construed in accordance with the laws of the State of Indiana. This Agreement may not be amended or modified except by means of a written instrument executed by both parties hereto. This Agreement may not be assigned by either party without the prior written consent of the other party. The Issuer acknowledges that Baird may, at its option and expense and after announcement of the offering, place announcements and advertisements or otherwise publicize a description of the offering and Baird's role in it on Baird's website and/or other marketing material and in such financial and other newspapers and journals as it may choose, stating that Baird has acted as underwriter for the offering. The Issuer also agrees that Baird may use the Issuer's name and logo or official seal for these purposes.

7. Disclosures of Material Financial Characteristics and Material Financial Risks.

Accompanying this letter is a disclosure document describing the material financial characteristics and material financial risks of the Securities as required by MSRB Rule G-17.

If there is any aspect of this Agreement that requires further clarification, please do not hesitate to contact us. In addition, please consult your own financial and/or municipal, legal, accounting, tax and other advisors as you deem appropriate. We understand that you have the authority to bind the Issuer by contract with us, and that you are not a party to any conflict of interest relating to the proposed offering. If our understanding is not correct, please let us know.

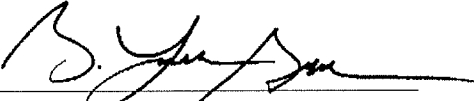
Please evidence your receipt and agreement to the foregoing by signing and returning this letter.

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

[Signature block on page 4]

Very truly yours,

**ROBERT W. BAIRD & CO. INCORPORATED**

By:   
Landon Boehm, Managing Director

Accepted this \_\_\_\_ day of \_\_\_\_\_, 20\_\_

**TOWN OF WHITESTOWN, INDIANA**

By: \_\_\_\_\_

Title: \_\_\_\_\_

## Disclosures of Material Financial Characteristics and Financial Risks of Proposed Offering of Fixed Rate Bonds

Robert W. Baird & Co. Incorporated (“Baird”) has been engaged as underwriter for the proposed offering by you (or the “Issuer”) of fixed rate bonds, notes, certificates of participation or other debt securities (“Fixed Rate Bonds”), to be sold on a negotiated basis. The following is a general description of the financial characteristics and security structures of Fixed Rate Bonds, as well as a general description of certain financial risks that you should consider before deciding whether to issue Fixed Rate Bonds.

This document is being provided to an official of the Issuer who has the authority to bind the Issuer by contract with Baird, who does not have a conflict of interest with respect to the offering.

If the Fixed Rate Bonds proposed to be issued are “conduit revenue bonds,” you will be a party to the bond purchase agreement and certain other legal documents to be entered into in connection with the issuance, but the material financial risks described below will be borne by the borrower or obligor, as set forth in those legal documents.

### **Financial Characteristics**

*Maturity and Interest.* Fixed Rate Bonds are interest-bearing debt securities issued by state and local governments, political subdivisions and agencies or authorities, such as the Issuer. Maturity dates for Fixed Rate Bonds will be fixed at the time of issuance and may include serial maturities (specified principal amounts are payable on the same date in each year until final maturity) or one or more term maturities (specified principal amounts are payable on each term maturity date) or a combination of serial and term maturities. Maturity dates, including the final maturity date, are subject to negotiation and will be reflected in the official statement. At each maturity, the scheduled principal or par amount of the Fixed Rate Bonds will have to be repaid.

Fixed Rate Bonds will pay fixed rates of interest typically semi-annually on scheduled payment dates, although some Fixed Rate Bonds may accrue interest to be paid at maturity. Such bonds are often referred to as capital appreciation or zero-coupon bonds. The interest rates to be paid on Fixed Rate Bonds may differ for each series or maturity date. The specific interest rates will be determined based on market conditions and investor demand and reflected in the official statement for the Fixed Rate Bonds. Fixed Rate Bonds with longer maturity dates will generally have interest rates that are greater than securities with shorter maturity dates.

*Redemption.* Fixed Rate Bonds may be subject to optional redemption, which allows the Issuer, at its option, to redeem some or all of the Fixed Rate Bonds on a date prior to scheduled maturity, such as in connection with the issuance of refunding bonds to take advantage of lower interest rates. Fixed Rate Bonds may be subject to optional redemption only after the passage of a specified period of time from the date of issuance, and upon payment of the redemption price set forth in the official statement for the Fixed Rate Bonds, which typically is equal to the par amount of the Fixed Rate Bonds being redeemed (plus accrued interest) but may include a redemption premium. The Issuer will be required to send out a notice of optional redemption to the holders of Fixed Rate Bonds, usually a certain period of time prior to the redemption date. Fixed Rate Bonds with term maturity dates also may be subject to mandatory sinking fund redemption, which requires the Issuer to redeem specified principal

amounts of the Fixed Rate Bonds annually in advance of the term maturity date. The mandatory sinking fund redemption price is 100% of the principal amount of the Fixed Rate Bonds to be redeemed. Fixed Rate Bonds may also be subject to extraordinary or mandatory redemption upon the occurrence of certain events, authorizing or requiring you to redeem the Fixed Income Bonds at their par amount (plus accrued interest).

*Credit Enhancements.* Fixed Rate Bonds may feature credit enhancements, such as an insurance policy provided by a municipal bond insurance company that guarantees the payment of principal of an interest on the bonds when due in the event of default. Other credit enhancements could include a letter of credit provided by a financial institution, or financial support from a state agency.

*Tax Status.* If Fixed Rate Bonds are intended to be tax-exempt, counsel will provide an opinion that interest on the Fixed Rate Bonds will be excluded from gross income for federal income tax purposes. Certain Fixed Rate Bonds may also be exempt from state personal income tax.

Some Fixed Rate Bonds (or a portion of those being issued) may be taxable, meaning that interest on the Fixed Rate Bonds will be included in gross income for federal income tax purposes.

### **Security**

Payment of principal of and interest on a municipal security, including Fixed Rate Bonds, may be backed by various types of pledges and forms of security, some of which are described below. The security for Fixed Rate Bonds will vary, depending on whether they are general obligation bonds, revenue bonds, conduit bonds or other types.

#### *General Obligation Bonds*

“General obligation bonds” are debt securities to which your full faith and credit is pledged to pay principal and interest. If you have taxing power, generally you will pledge to use your ad valorem (property) taxing power to pay principal and interest. Ad valorem taxes necessary to pay debt service on general obligation bonds may not be subject to state constitutional property tax millage limits (an unlimited tax general obligation bond). The term “limited” tax is used when such limits exist. General obligation bonds constitute a debt and, depending on applicable state law, may require that you obtain approval by voters prior to issuance. In the event of default in required payments of interest or principal, the holders of general obligation bonds have certain rights under state law to compel you to impose a tax levy.

#### *Revenue Bonds*

“Revenue bonds” are debt securities that are payable only from a specific source or sources of revenues that are generated from a particular enterprise or service you offer, such as water, electricity, sewer, health care, housing, transportation, toll roads and bridges, parking, parks and recreation fees, and stadiums and entertainment facilities. Revenue bonds are not a pledge of your full faith and credit and you are obligated to pay principal and interest on your revenue bonds only from the revenue source(s) specifically pledged to the bonds. Revenue bonds do not permit the bondholders to compel you to impose a tax levy for payment of debt service. Pledged revenues may be derived from operation of the financed project or system, grants, license or user fees, or excise or other specified taxes. Generally, subject to state law or local charter requirements, you are not required to obtain voter approval prior to issuance of revenue bonds. If the specified source(s) of revenue become inadequate, a default in payment of principal or interest may occur. Various types of pledges of revenue may be used to secure interest and principal payments on revenue bonds. The nature of these pledges may

differ widely based on state law, the type of issuer, the type of revenue stream and other factors. Some revenue bonds may be backed by your full faith and credit or moral obligation. A moral obligation is a non-binding covenant by you to make a budget recommendation to your legislative body to appropriate moneys needed to make up any revenue shortfall in order to meet debt service obligations on the revenue bonds, but the legislative body is not legally obligated to make such appropriation.

Certain revenue bonds may be structured as certificates of participation, which are instruments evidencing a pro rata share in a specified pledged revenue stream, usually lease payments that are typically subject to annual appropriation. With certificates of participation, the lessor or party receiving payments assigns those payments to a trustee that distributes them to the certificate holders. Certificates of participation do not constitute general obligation indebtedness of the issuer or municipality and are not backed by a municipality's full faith and credit or taxing power. Certificates of participation are payable solely from specific revenue sources.

#### *Tax Increment or Tax Allocation Bonds*

"Tax increment" or "tax allocation" bonds are a form of revenue bonds that are payable from the incremental increase in taxes realized from any appreciation in property values resulting from capital improvements benefitting the properties located in a particular location such as a tax incremental district. They are commonly used to redevelop, add infrastructure or otherwise improve a blighted, neglected or under-utilized area to encourage development in that area. Tax increment bonds may also be payable from increased sales taxes generated in a designated district. The proceeds of an issuance of tax increment or tax allocation bonds are typically applied to pay the costs of infrastructure and other capital improvements in the designated district. The incremental taxes or other revenues may not be sufficient to meet debt service obligations on the tax increment or tax allocation bonds. Some tax increment or tax allocation bonds may also be backed by an issuer's full faith and credit or moral obligation.

#### *Conduit Bonds*

Conduit revenue bonds may be issued by a governmental issuer acting as conduit for the benefit of a private sector entity or a 501(c)(3) organization (the "borrower" or "obligor"). Industrial revenue bonds are a form of conduit revenue bonds. Conduit revenue bonds commonly are issued for not-for-profit hospitals, health care facilities, educational institutions, single and multi-family housing, airports, industrial or economic development projects, corporations, and student loan programs, among other borrowers or obligors. Principal and interest on conduit revenue bonds normally are paid exclusively from revenues pledged by the borrower or obligor. Unless otherwise specified under the terms of the bonds, you are not required to make payments of principal or interest if the borrower or obligor defaults.

#### *Charter School Bonds*

Fixed Rate Bonds issued for the benefit of charter schools are a form of conduit revenue bonds. They are issued by a government entity acting as a conduit for the benefit of a charter school. The charter school is the borrower or obligor for the bonds. Principal and interest on charter school bonds normally are paid exclusively from revenues pledged by the charter school. Unless otherwise specified under the terms of the bonds, you are not required to make payments of principal or interest if the charter school defaults.

#### *Financial and Other Covenants*

Issuers of Fixed Rate Bonds (and/or obligors) may be required to agree to certain financial and other covenants (such as debt service coverage ratios) that are designed to protect bond holders. Covenants

are a form of additional security. The failure to continue to meet covenants may trigger an event of default or other adverse consequences to you and/or the obligor giving bond holders certain rights and remedies.

The description above regarding “Security” is only a brief summary of certain possible security provisions for the Fixed Rate Bonds and is not intended as legal advice. You should consult with your bond counsel for further information regarding the security for the Bonds.

### **Financial Risk Considerations**

Certain risks may arise in connection with your issuance of Fixed Rate Bonds, including some or all of the following (generally, the borrower or obligor, rather than you, will bear these risks for conduit revenue bonds):

#### **Issuer Default Risk**

You (or the obligor) may be in default if the funds pledged to secure Fixed Rate Bonds are not sufficient to pay debt service on the bonds when due. The consequences of a default may be serious for you (and/or the obligor) and, depending on applicable state law and the terms of the authorizing documents, the holders of the bonds may be able to exercise a range of available remedies against you (or the obligor). For example, if Fixed Rate Bonds are secured by a general obligation pledge, you may be ordered by a court to raise taxes. Other budgetary adjustments also may be necessary to enable you to provide sufficient funds to pay debt service on the bonds. If the Fixed Rate Bonds are revenue bonds, you (or the obligor) may be required to take steps to increase the available revenues that are pledged as security for the bonds. A default may negatively impact your (or the obligor’s) credit ratings and may effectively limit your (or the obligor’s) ability to publicly offer bonds or other securities at market interest rate levels. Further, if you (or the obligor) are unable to provide sufficient funds to remedy the default, subject to applicable state law and the terms of the authorizing documents, you (or the obligor) may find it necessary to consider available alternatives under state law, including (for some issuers) state-mandated receivership or bankruptcy. A default also may occur if you (or the obligor) are unable to comply with covenants or other provisions agreed to in connection with the issuance of the Fixed Rate Bonds.

This description is only a brief summary of issues relating to defaults and is not intended as legal advice. You should consult with your bond counsel for further information regarding defaults and remedies.

#### **Redemption Risk**

Your (or the obligor’s) ability to redeem Fixed Rate Bonds prior to maturity may be limited, depending on the terms of any optional redemption provisions. In the event that interest rates decline, you (or the obligor) may be unable to take advantage of the lower interest rates to reduce debt service. In addition, if Fixed Rate Bonds are subject to extraordinary or mandatory redemption, you (or the obligor) may be required to redeem the bonds at times that are disadvantageous.

#### **Refinancing Risk**

If your (or the obligor’s) financing plan contemplates refinancing some or all of the Fixed Rate Bonds at maturity (for example, if there are term maturities or if a shorter final maturity is chosen than might otherwise be permitted under the applicable federal tax rules), market conditions or changes in law may limit or prevent you (or the obligor) from refinancing those bonds when required. Further, limitations in the federal tax rules on advance refunding of bonds (an advance refunding of bonds

occurs when tax-exempt bonds are refunded more than 90 days prior to the date on which those bonds may be retired) may restrict your (or the obligor's) ability to refund the Fixed Rate Bonds to take advantage of lower interest rates.

Reinvestment Risk

You (or the obligor) may have proceeds of the Fixed Rate Bonds to invest prior to the time that you (or the obligor) are able to spend those proceeds for the authorized purpose. Depending on market conditions, you (or the obligor) may not be able to invest those proceeds at or near the rate of interest that you (or the obligor) are paying on the bonds, which is referred to as "negative arbitrage".

Tax Compliance Risk (applicable if the Fixed Rate Bonds are tax-exempt bonds)

The issuance of tax-exempt bonds is subject to a number of requirements under the United States Internal Revenue Code, as enforced by the Internal Revenue Service (IRS), and, if applicable, state tax laws. You (and the obligor) must take certain steps and make certain representations prior to the issuance of tax-exempt bonds. You (and the obligor) also must covenant to take certain additional actions after issuance of the tax-exempt bonds. A breach of the representations or a failure to comply with certain tax-related covenants may cause the interest on the Fixed Rate Bonds to become taxable retroactively to the date of issuance of the bonds, which may result in an increase in the interest rate that you (or the obligor) pay on the bonds or the mandatory redemption of the bonds. The IRS also may audit you (or the obligor) or the Fixed Rate Bonds or your (or the obligor's) other bonds, in some cases on a random basis and in other cases targeted to specific types of bond issues or tax concerns. If the Fixed Rate Bonds are declared taxable, or if you (or the obligor) are subject to audit, the market price of the Fixed Rate Bonds and/or your (or the obligor's) other bonds may be adversely affected. Further, your (or the obligor's) ability to issue other tax-exempt bonds also may be limited.

This description of tax compliance risks is not intended as legal advice and you should consult with your bond counsel regarding tax implications of issuing Fixed Rate Bonds.

Continuing Disclosure Risk.

In connection with the issuance of Fixed Rate Bonds, you (and/or the obligor) may be subject to continuing disclosures which require dissemination of annual financial and operating information and notices of material events. Compliance with these continuing disclosure requirements is important and facilitates an orderly secondary market. Failure to comply with continuing disclosure requirements may affect the liquidity and marketability of the Fixed Rate Bonds, as well as your (and/or the obligor's) other outstanding securities. Because instances of material non-compliance with previous continuing disclosure requirements must be disclosed in an official statement, failure to comply with continuing disclosure requirements may also make it more difficult or expensive for you (or the obligor) to market and sell future bonds.