

**RE: Debt Issuance, Continuing Disclosure**

**DATE: February 25, 2025**

This Scope Appendix is attached by reference to the above-named engagement letter (the Engagement Letter) between Town of Munster, Indiana (the Client) and Baker Tilly Advisory Group, LP (BTAG) and relates to services to be provided by both BTAG and Baker Tilly Municipal Advisors, LLC (BTMA), collectively (Baker Tilly).

### **SCOPE OF WORK**

BTMA agrees to furnish and perform the following services for the Client's Municipal Water Utility.

#### **A. General Municipal Advisory Services**

Unless otherwise agreed to by the parties, in connection with any request for services relative to any financial topic, new project concept planning or other financially related topic or project (each referred to herein as a Project), BTMA shall perform the following services, as applicable:

1. Provide general financial advice relative to a Project.
2. Survey the resources available to determine the financial feasibility of a Project.
3. Assist in the development of a plan including alternative approaches for a particular Project that may be available and appropriate for such Project.
4. Assist the Client in selecting an approach for a Project.
5. Advise the Client generally on current market conditions, financial impacts of federal, state or other laws, and other general information and economic data that might be relevant to a Project.
6. Assist Client, as requested, in identifying other professional services that may be necessary to a Project.
7. Assist Client in coordinating the activities of the working group for a Project as needed.
8. Assist with the review of documents provided that are relevant to the development of a plan and alternative approaches for a Project.
9. Assist the Client with other components of a Project as requested and agreed upon.

#### **B. Securities Issuance**

Unless otherwise agreed to by the parties, in connection with any request for services relative to any debt issuance including modifying or refunding of a prior issuance or other financings (each referred to herein as a Transaction), BTMA shall perform the following services, as applicable:

1. Develop a preliminary estimate of project costs and provide a financial feasibility to assist the Client in its determination of what type of financing is most suitable to meet the needs of the Client for the issuance (the Debt Obligation).
2. Assist the Client in determining an appropriate method of sale for the Debt Obligation (e.g., competitive, negotiated, private placement.)
3. Provide for the Client's consideration an amount, the security, maturity structure, call provisions, estimated pricing, and other terms and conditions of the Debt Obligation.
4. Advise the Client on current market conditions, financial impacts of federal, state, or other laws, and other general information and economic data that might normally be expected to influence the ability to borrow or interest rates of the Debt Obligation.

5. Assist the Client in the analysis of advisability of securing a credit rating, and the selection of a credit rating firm or firms for the Debt Obligation and further assist in the development and presentation of information to obtain a credit rating or credit ratings for the Debt Obligation.
6. Assist the Client in the analysis of utilizing credit enhancement and aid in seeking such credit enhancement if such credit enhancements would be advantageous to the Client.
7. Assist Client in coordinating the financing activities between various parties to any Transaction as needed.
8. Assist Client in identifying other professional services that may be necessary for the issuance or post-issuance requirements of the Debt Obligation.
9. Assist the Client in connection with the preparation, composition, review, and distribution of an offering document (e.g., Preliminary and Final Official Statement, Offering Circular, Term Sheet, or Private Placement Memorandum, as applicable) of the type and nature generally prepared in connection with the sale of municipal securities, which will disclose technical data, information and schedules relating to the Client, the project, and the Debt Obligation.
10. Provide relevant information for and assist with the review of other primary financing documents, including but not limited to the relevant governing body issuance resolutions/ordinances, bond purchase agreement, and official notice of sale.
11. Communicate with potential underwriters or investors, as appropriate to any Transaction, to ensure that each is furnished with information the Client has deemed to be material to render an independent, informed purchase or investment decision concerning the Client's proposed financing.
12. Facilitate the sale of Debt Obligations through receipt and analysis of bids in a competitive sale or analysis of pricing and terms offered by an underwriter or purchaser in a negotiated or private placement sale.
13. Coordinate with the proper parties to ensure the efficient delivery of the Debt Obligations to the applicable purchaser and receipt of proceeds.

BTAG agrees to furnish and perform the following services for the Client.

**C. Continuing Disclosure Services (if necessary)**

Baker Tilly will commence continuing disclosure services for debt obligations as set forth in any continuing disclosure undertaking for the debt obligations (CDU) that the Client will execute upon settlement. Annually, the Firm will check in with the Client to confirm the engagement for the next annual reporting period.

In carrying out its duties, Baker Tilly shall do the following:

1. Preparation and filing of annual reporting

The Client will provide Baker Tilly with the executed CDU, including any master or supplemental CDUs.

Baker Tilly will:

- a. Identify the Client's reporting obligations, assist, as needed, with any necessary operating data, and file any required annual report and financial statements, including the audit if available, as provided for in each CDU for the reporting period;
- b. Provide to the Municipal Securities Rulemaking Board (MSRB) through its Electronic Municipal Market Access System (EMMA), the annual information required under each respective CDU;
- c. Provide additional reporting to purchasers, as set forth in bond related agreements; and
- d. If not filed at the time of the annual report, file the audit as set forth in the CDU.

2. Assistance filing reportable events on EMMA

Upon notification of one of the events listed as set forth in each CDU (collectively, Reportable Events), Baker Tilly will assist the Client with filing any Reportable Events. Most Reportable Events are required by the Rule to be filed within ten business days of the occurrence. Client will notify Baker Tilly as soon as possible when they believe a reportable event has or may have occurred to enable Baker Tilly to file a timely notice on EMMA. It is the Client's sole responsibility to notify Baker Tilly of the potential occurrence of a Reportable Event.

3. Compliance Check

- a) At the time of issuance, Baker Tilly will prepare the Client's post issuance policies and procedures. If these policies and procedures are already in place, Baker Tilly will review with the Client.
- b) At the time that Baker Tilly conducts services annually under item 1, Baker Tilly will update the compliance check.
- c) If a deficiency is found and the bonds remain outstanding at the time of Baker Tilly's compliance check, Baker Tilly will prepare any necessary reporting or notices to meet the CDU obligations. Baker Tilly will provide the Client with documentation that the EMMA filing has occurred.

4. Other post issuance services (Upon Request)

If requested, Baker Tilly will provide to the Client other post issuance services including, but not limited to, consultation related to disclosure operating procedures, rating surveillance support, and debt management.

Client agrees to provide Baker Tilly with the audit and accurate information with respect to the annual report in a timely manner and to fully disclose to Baker Tilly any Reportable Events as they occur.

**COMPENSATION AND INVOICING**

For services as set forth in the scope sections above fees shall be:

Scope Section(s)	Fee
A and B	\$80,000
C	Time and Expense*

Standard Hourly Rates by Job Classification  
9/1/2024

Title	Hourly Rate
Principals / Directors	\$420 - \$660
Managers / Senior Managers	\$290 - \$440
Consultants / Analysts / Senior Consultants	\$185 - \$300
Support / Paraprofessionals / Interns	\$115 - \$195

*\*Billing rates are subject to change periodically due to changing requirements and economic conditions. The Client will be notified thirty (30) days in advance of any change to fees. If Client does not dispute such change in fees within that thirty (30) day period, Client will be deemed to have accepted such change. The fees billed will be the fees in place at the time services are provided. 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 Baker Tilly except for direct, project-related expenses such as travel costs and 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®.

**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.

Nonattest Services

As part of this engagement, we will perform certain nonattest services. For purposes of the Engagement Letter and this Scope Appendix, nonattest services include services that the *Government Auditing Standards* refers to as nonaudit services.

We will not perform any management functions or make management decisions on your behalf with respect to any nonattest services we provide.

In connection with our performance of any nonattest services, you agree that you will:

- > Continue to make all management decisions and perform all management functions, including approving all journal entries and general ledger classifications when they are submitted to you.
- > Designate an employee with suitable skill, knowledge, and/or experience, preferably within senior management, to oversee the services we perform.
- > Evaluate the adequacy and results of the nonattest services we perform.



- > Accept responsibility for the results of our nonattest services.
- > Establish and maintain internal controls, including monitoring ongoing activities related to the nonattest function.

Conflicts of Interest

Attachment A to the Engagement Letter contains important disclosure information that is applicable to this Scope Appendix.

We are unaware of any additional conflicts of interest related to this Scope Appendix that exist at this time.

Termination

Notwithstanding termination provisions contained in the Engagement Letter, this Scope Appendix is intended to be ongoing and applicable individually to specific services including debt issuance, continuing disclosure, (Sub-engagements) as if they are the sole subject of the Scope Appendix. As such, termination may occur for a specific Sub-engagement without terminating the Scope Appendix itself. On termination of a Sub-engagement or the Scope Appendix, all fees and charges incurred prior to termination shall be paid promptly. Unless otherwise agreed to by the Client and Baker Tilly, the scope of services provided in a Sub-engagement performed under this Scope Appendix will terminate 60 days after completion of the services for such Sub-engagement.

If this Scope Appendix is acceptable, please sign below and return one copy to us for our files. We look forward to working with you on this important project.

Signature,

BAKER TILLY ADVISORY GROUP, LP



Jeffrey R. Rowe, Principal

**Signature Section:**

The services and terms as set forth in this Scope Appendix are agreed to on behalf of the Client by:

Name: \_\_\_\_\_

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

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