

COUNTY OF HARDIN, KENTUCKY

RESOLUTION NO. 2014-170

A RESOLUTION OF THE FISCAL COURT OF THE COUNTY OF HARDIN, KENTUCKY, ADOPTING CERTAIN GUIDELINES AND PROCEDURES IN CONNECTION WITH THE COMPLIANCE WITH RULE 15c2-12 OF THE SECURITIES AND EXCHANGE COMMISSION

RECITALS:

1. In accordance with the requirements of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission (the "SEC"), the County of Hardin, Kentucky (the "County") is required to provide or cause to be provided, in a timely manner, to the Electronic Municipal Market Access system ("EMMA") at <http://www.emma.msrb.org>, annual financial information and/or audited financial statements (collectively the "Annual Report") of the County generally consistent with the information contained in Official Statements used in the marketing of bonds or other obligations (the "County's Bonds"), as well as material events as set forth in the Rule. Such Annual Report will be made available in accordance with the County's continuing disclosure certificates (collectively the "Disclosure Certificates") relating to the sale or underwriting of the County's Bonds.

2. For the purpose of assuring compliance with the Rule and the Disclosure Certificate, the County desires to adopt the Guidelines and Procedures (the "Procedures"), attached hereto as **Exhibit A**.

3. The SEC announced on March 10, 2014 its Municipalities Continuing Disclosure Cooperation Initiative (the "MCDC") to provide favorable settlement terms to issuers involved in the offer or sale of municipal securities as well as underwriters of such offerings if they self-report to the SEC possible violations involving materially inaccurate statements relating to prior compliance with continuing disclosure obligations.

4. Underwriters of the County's general obligation bonds disclosed to the SEC as part of the MCDC that annual financial information was occasionally filed late or not filed by or on behalf of the County, which is due in part to the tardiness of the State Auditor in completing audits.

5. The Fiscal Court of the County does not believe that the County has made materially inaccurate statements relating to prior compliance with continuing disclosure obligations.

NOW, THEREFORE, BE IT RESOLVED BY THE FISCAL COURT OF THE COUNTY OF HARDIN, KENTUCKY:

Section 1. Approval of Procedures. The Procedures for SEC Rule 15c2-12 attached hereto as **Exhibit A** are hereby approved and incorporated into this section as if expressly set forth herein. The Fiscal Court hereby covenants that unless it receives an opinion of bond counsel to the effect that failure to comply with such Procedures will not cause a violation of the Rule and Disclosure Certificates, it will comply with the attached Procedures.

Section 2. Amendment of Procedures. The Fiscal Court hereby delegates to the County Treasurer, in consultation with the County Attorney, the authority to amend the Procedures on a case-by-case basis, as deemed necessary.

Section 3. Filing with the SEC. The Fiscal Court does hereby authorize the filing of a Municipalities Continuing Disclosure Cooperation Initiative Questionnaire For Self-Reporting Entities with the SEC to disclose and explain possible violations of the Rule by the County the contents of which questionnaire will be subject to approval of the County Judge/Executive or the County Treasurer.

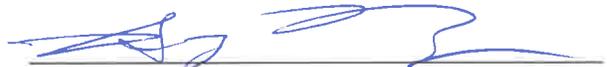
Section 4. Applicable Provisions of Law. This Resolution shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky.

Section 5. Authorizations. All officials and employees of the County, including the County Judge/Executive and the County Treasurer, are authorized and empowered, collectively or individually, to take all other actions and steps as they deem necessary or desirable in connection with the adoption and compliance with the Procedures.

Section 6. Effective Date. This Resolution shall take effect immediately upon its adoption.

Introduced, read, adopted and enacted by the Fiscal Court of the County of Hardin, Kentucky, at a duly convened meeting held on November 25, 2014, signed by the County Judge/Executive indicating approval, and attested by the County Clerk.

COUNTY OF HARDIN, KENTUCKY



Harry L. Berry, County Judge/Executive

Attest:



Kenneth L. Tabb, County Clerk

CERTIFICATE OF COUNTY CLERK

I, the duly qualified and acting County Clerk of the County of Hardin, Kentucky, do hereby certify that the foregoing is a true, complete, and correct copy of a Resolution read, adopted and enacted by the Fiscal Court of the County, executed by the County Judge/Executive and attested by the County Clerk on November 25, 2014, and that said Resolution has been duly recorded in the official records of the County, as shown by the official records of said County in my custody and under my control.

IN TESTIMONY WHEREOF, witness my signature as County Clerk of the County this November 25, 2014.

A handwritten signature in blue ink that reads "Kenneth L. Tabb". The signature is written in a cursive style and is positioned above a horizontal line.

Kenneth L. Tabb, County Clerk

EXHIBIT A

COUNTY OF HARDIN, KENTUCKY

GUIDELINES AND PROCEDURES RELATING TO COMPLIANCE WITH RULE 15c2-12 OF THE SECURITIES AND EXCHANGE COMMISSION

BACKGROUND

In accordance with the requirements of Rule 15c2-12 (the "**Rule**") promulgated by the Securities and Exchange Commission, the County of Hardin, Kentucky (the "**County**") is required to provide or cause to be provided, in a timely manner, to the Electronic Municipal Market Access system ("**EMMA**") at <http://www.emma.msrb.org>, annual financial information and/or audited financial statements (collectively the "**Annual Report**") of the County generally consistent with the information contained in Official Statements used in the marketing of bonds or other obligations (the "**County's Bonds**"), as well as material events as set forth in the Rule. Such Annual Report will be available in accordance with the County's continuing disclosure certificates (collectively the "**Disclosure Certificates**") relating to the sale or underwriting of the County's Bonds.

The County may engage, as appropriate, disclosure agents (collectively the "**Disclosure Agent**") with expertise in matters relating to the Rule. These Guidelines and Procedures (the "**Procedures**") have been approved by the Fiscal Court.

The primary responsibility for compliance with the Procedures will rest with the County Treasurer of the County (the "**Compliance Officer**").

GENERAL REQUIREMENTS, PROCEDURES AND RESPONSIBILITIES

Responsibility of Compliance Officer. The Compliance Officer is responsible for coordinating compliance with the provisions of these Procedures, the Disclosure Agreement and the Rule. The Compliance Officer will consult with the Disclosure Agent (if any) as necessary to effectuate compliance with these Procedures.

The Compliance Officer is the individual and officer responsible for complying or causing compliance with the filing requirements of the Rule. The Compliance Officer will:

- (i) be responsible for updating, compiling and providing or causing the update and compilation of and to provide to the Disclosure Agent (if any) the information to be filed with EMMA;
- (ii) by **November 1** of each year consult with the independent auditor for the County to determine if the audited financial statements for the County will be completed on or before **December 27** of each year;
- (iii) within 15 business days of the receipt and completion of the Annual Report, file or cause to be filed the Annual Report with EMMA;

(iv) in the event that the Annual Report is not expected to be completed on or before **December 27** of any year, file or cause to be filed with EMMA a notice that the Annual Report will not be completed and filed with EMMA by **December 27**;

(v) create an internal tickler system to cause compliance with the reporting requirements of the Rule;

(vi) report on an annual basis to the County Judge/Executive that the reporting requirements of the Rule have been met or if unable to be met the reasons therefor and the information reported to EMMA relating to the failure to meet the reporting requirements of the Rule; and

(vii) file or cause to be filed any in a timely manner not in excess of ten (10) business days after the occurrence of a "**Material Event**", notice of each Material Event to EMMA. "Material Event" has the meaning provided in the Disclosure Agreement for the relevant bond issue of the County.

Annual Report Availability. The County agrees to make publicly available its Annual Report. Such information regarding the County can be obtained from the County Treasurer, P.O. Box 568, Elizabethtown, Kentucky 42702, Telephone (270) 765-4491.

It is the intention and expectation of the Fiscal Court that the Annual Report with respect to each fiscal year will be either transmitted to a Disclosure Agent with the request that the information be immediately filed with, or shall otherwise be filed directly with, EMMA, as required under the Rule and the Disclosure Agreement, no later than **December 27** of each calendar year for the fiscal year of the County ended June 30. If the Fiscal Court appoints a Disclosure Agent to undertake the filing requirements of the Rule and the Disclosure Agreement, the Compliance Officer shall request confirmation from the Disclosure Agent that the Annual Report has been timely and appropriately filed with EMMA, as required under the Rule and the Disclosure Agreement.

Reporting Compliance. As of the date of these Procedures, the County is in compliance with the reporting requirements of the Rule for all undertakings for which they are an "obligated person" as defined in the Rule.

These Procedures are dated November 25, 2014, the date of their approval by the Fiscal Court.

The undersigned hereby acknowledges having received a copy of these Procedures and has read and understand the duties assigned hereunder:

By _____
Lisa Pearman, Treasurer
County of Hardin, Kentucky

Kentucky Home Trust Building, 450 South Third Street, Louisville, Kentucky 40202-1410
Telephone (502) 569-7525 Telefax (502) 569-7555 www.rubinhays.com

CHARLES S. MUSSON
W. RANDALL JONES
CHRISTIAN L. JUCKETT

MEMORANDUM

TO: County of Hardin, Kentucky
FROM: Rubin & Hays
DATE: November 19, 2014
RE: Municipalities Continuing Disclosure Cooperation Initiative

The federal government decided some time ago that issuers of municipal bonds should be obligated to disclose to bondholders and potential bondholders the issuer's financial condition. To accomplish this goal, about 25 years ago the Securities and Exchange Commission (the "SEC") adopted Rule 15c2-12 (the "**Rule**") to cause issuers of bonds to provide updated financial information to bondholders and potential bondholders.

When issuer's issue bonds, they adopt a certificate ("**Disclosure Certificate**") of some kind in which they agree to regularly disclose financial information to comply with the Rule. The Disclosure Certificate describes the information to disclose and when and where to disclose it. Currently, issuers file annual financial information and/or audited financial statements (collectively the "**Annual Report**") as well as material events (like a missed payment) to the Electronic Municipal Market Access system ("**EMMA**") at <http://www.emma.msrb.org>. Frequently in Kentucky, the issuer's financial advisor assists with the process of collecting the data each year and filing it.

The process of compiling the relevant information and posting it to EMMA can be difficult and time consuming. Frequently, through no fault of the issuer, the audit is not ready by the filing deadlines in the issuer's Disclosure Certificate. Consequently, issuers throughout the country regularly miss the deadlines in their Disclosure Certificates.

The SEC determined, in the aftermath of the "Great Recession", to put a greater emphasis on continuing disclosure by issuers. On March 10, 2014 the SEC announced its Municipalities Continuing Disclosure Cooperation Initiative (the "**MCDC**") to provide favorable settlement terms to issuers involved in the offer or sale of municipal securities as well as underwriters of such offerings if they self-report to the SEC possible violations involving materially inaccurate statements relating to prior compliance with continuing disclosure obligations.

Underwriters of Kentucky bonds (the buyers of bonds) submitted reports to the SEC on a number of Kentucky issuers. These issuers include cities, counties, utility systems, and taxing

districts, and are represented by the different bond counsel and financial advisors who work in Kentucky.

You are receiving this memorandum, because an underwriter reported a problem with your financial disclosures. Since the SEC has been informed of potential and immaterial mistakes in your financial disclosures, it is advisable to submit a report to the SEC addressing the matters raised by the underwriter. In addition, the SEC is encouraging issuers to adopt procedures to try to improve future compliance.

The deadline to file a report with the SEC and participate in the MCDC Initiative is **December 1, 2014**.

Please feel free to call us if you have any questions about the MCDC program and would like assistance preparing and filing a report with the SEC for the MCDC Initiative.