

**HARDIN COUNTY FISCAL COURT  
RESOLUTION NO. 2021-177**

**AMERICAN RESCUE PLAN ACT STATE AND LOCAL FISCAL RECOVERY FUND EXPENDITURE  
POLICY RESOLUTION**

A RESOLUTION ADOPTING A POLICY FOR ENGAGING FINANCIAL AND LEGAL ADVICE FOR THE EXPENDITURE OF AMERICAN RESCUE PLAN ACT STATE AND LOCAL FISCAL RECOVERY FUNDS, A POLICY FOR APPROVING COMPLIANT EXPENDITURES, AND REPEALING INCONSISTENT RESOLUTIONS.

WHEREAS, the County of Hardin, Kentucky, duly organized pursuant to the laws of the Commonwealth of Kentucky and existing as a political subdivision of the Commonwealth of Kentucky (the "Governmental Agency"), has received federal funds granted by the American Rescue Plan Act's State and Local Fiscal Recovery Fund ("SLFRF"); and

WHEREAS, the Governmental Agency desires to engage Compass Municipal Advisors, LLC and Stites & Harbison, PLLC to provide professional financial and legal advice in the administration, planning, execution, expenditure, recordation, and reporting associated with federal assistance received from the federal SLFRF ; and

NOW, THEREFORE, BE IT RESOLVED by the Fiscal Court of the Governmental Agency, as follows:

Section 1 – Authorization of Engagement. The Governmental Agency hereby authorizes the engagement of Compass Municipal Advisors, LLC ("Compass") and Stites & Harbison, PLLC ("Stites") for the provision of professional financial and legal advice in the administration, planning, execution, expenditure, recordation, and reporting associated with federal assistance the Governmental Agency has or will receive from the federal SLFRF in accordance with the terms and conditions reviewed and approved by the Governmental Agency's County Attorney and/or Judge/Executive (the "Engagement"). The Governmental Agency, in adopting this Resolution, states its determination that competitive procurement for the services to be provided by Stites and Compass is not feasible and that the Engagement constitutes a contract for the services of licensed professionals. The Engagement shall consist of the following payment terms:

The County shall pay Stites, for its legal and compliance advising services, a fee equal to three quarters of one percent (0.75%) of ARPA funds expended or disbursed by the Governmental Agency in accordance with the Policy (the "Stites Fee"). The Stites Fee shall be paid to Stites from the Governmental Agency's SLFRF funds, and the Governmental Agency shall not be obligated to pay any fees to Stites for the Engagement unless SLFRF funds are disbursed.

The County shall pay Compass, for its financial, administrative, and fund management services, a fee equal to three quarters of one percent (0.75%) of ARPA funds expended or disbursed by the Governmental Agency in accordance with the Policy (the "Compass Fee"). The Compass Fee shall be paid to Compass from the Governmental Agency's SLFRF funds, and the Governmental Agency shall not be obligated to pay any fees to Compass for the Engagement unless SLFRF funds are disbursed.

Section 2 – Policy and Procedure for Disbursement of Funds. The Governmental Agency hereby adopts a policy (the "Policy") of consultation with Compass and Stites as to compliance with the United States Department of the Treasury's Guidance on SLFRF expenditures and other applicable law (the "Treasury/Legal SLFRF Expenditure Compliance Requirements") prior to any expenditures of SLFRF funds, and of executing an Expenditure Approval Form substantially in the form of Attachment A (the "Expenditure Approval Form"), attached hereto and incorporated herein by reference, for each and every expenditure of SLFRF funds. Prior to any expenditure of SLFRF funds, an Expenditure Approval Form, from time to time, shall be executed, and the SLFRF expenditures contained therein implemented, by the County Judge/Executive of the Governmental Agency without need for further approval of the Governmental Agency. The content of the Expenditure Approval Form, with respect to the Treasury/Legal SLFRF Expenditure Compliance Requirements, shall also be approved by Stites as evidenced by its execution thereof.

Section 3 – Authority. Stites and/or Compass are hereby authorized to undertake and complete all filings of notices or information, and to take any actions, which may be required by law to be prepared, filed, posted, recorded, and/or maintained by the Governmental Agency to satisfy the Treasury/Legal SLFRF Expenditure Compliance Requirements.

Section 4 -- Resolution a Contract; Amendment. This Resolution may be amended, but only for the purpose of (i) adding to or modifying the details pertaining to the Engagement and/or the Policy, (ii) curing any ambiguity, correcting defects, or supplementing any ambiguous provision contained herein, or (iii) answering questions arising under this Resolution.

Section 5 -- Severability. If any one or more of the provisions of this Resolution should be determined by a court of competent jurisdiction to be contrary to law then such provisions shall be deemed to be severable from all remaining provisions and shall not affect the validity of such other provisions.

Section 6 -- Inconsistent Actions. All prior resolutions or parts thereof inconsistent herewith are hereby repealed.

Section 7 -- Effective Date. This Resolution shall become effective immediately upon adoption, as provided by law.

Section 8 -- Attachments. The following attachments are hereby included and adopted as part of this Resolution:

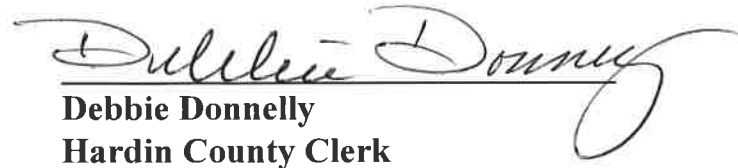
1. Attachment A – Expenditure Approval Form

DULY ADOPTED at, and recorded in the minutes of, a properly constituted meeting of the Governing Body of the Governmental Agency held on the date set forth below.

COUNTY OF Hardin, KENTUCKY

  
Harry L. Berry  
Hardin County Judge/Executive

ATTEST

  
Debbie Donnelly  
Hardin County Clerk

## **AGREEMENT FOR PROGRAM ADMINISTRATIVE SERVICES**

**THIS AGREEMENT FOR PROGRAM ADMINISTRATIVE SERVICES** (“Agreement”) made and entered into as of this 28 day of SEPTEMBER 2021 by and between County of Hardin, Kentucky (the “Issuer”) and Compass Municipal Advisors, LLC (the “Program Administrator”).

**WHEREAS**, Issuer seeks assistance in administering and disbursing federal funds granted by the American Rescue Plan Act’s State and Local Fiscal Recovery Fund (“SLFRF”).

**WHEREAS**, the Issuer has considered the proposal of the Program Administrator and desires to execute this Agreement in order to retain the services of the Program Administrator.

**NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS BETWEEN THE PARTIES HERETO HEREIN CONTAINED, IT IS AGREED BETWEEN THE PARTIES AS FOLLOWS:**

### **I. SERVICES TO BE PROVIDED BY PROGRAM ADMINISTRATOR**

The Program Administrator will assist in the administration, planning, execution, expenditure, recordation, and reporting associated with federal SLFRF’s, including but not limited to the following non-municipal advisory services:

- Assistance in identifying eligible expense
- Assistance in calculating revenue losses attributed to COVID 19
- Provide local policies on how funds would be disbursed and tracked
- Provide a standardized form for each disbursement to be approved by Stites & Harbison, PLLC or other retained law firm.
- Ongoing monitoring, tracking and reporting of all expenses

### **II. FEES AND EXPENSES OF PROGRAM ADMINISTRATOR**

The Issuer shall pay Compass the program administrative fee for its financial, administrative, and fund management services (non-municipal advisory services), equal to three quarters of one percent (0.75%) of ARPA funds expended or disbursed by the Issuer (the “Compass Fee”). The Compass Fee shall be paid to Compass from the Issuer’s SLFRF funds, and the Issuer shall not be obligated to pay any fees to Compass for the Agreement unless SLFRF funds are disbursed.

### **III. REGULATORY DISCLOSURES AND REPRESENTATIONS**

Although the Program Administrator is not providing municipal advisory services for this engagement, it does hereby represent that, of the date hereof, the Program Administrator is registered as a municipal advisor under Section 15B of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), with respect to the issuance of the Bonds and municipal financial products generally (including investments of Bond proceeds and escrow agreements) and, as such, is subject to the fiduciary duty owed to municipal entities that the Exchange Act (specifically Section 15(B)(1) thereof) imposes on municipal advisors.

Pursuant to Municipal Securities Rulemaking Board Rule G-10, on Investor and Municipal Advisory Client Education and Protection, Municipal Advisors are required to provide certain written information to their municipal entity and obligated person clients which include the following:

(1) Compass Municipal Advisors, LLC is currently registered as a Municipal Advisor with the U.S. Securities and Exchange Commission and the Municipal Securities Rulemaking Board.

(2) within the Municipal Securities Rulemaking Board (“MSRB”) website at [www.msrb.org](http://www.msrb.org), the Issuer may obtain the Municipal Advisory client brochure that is posted on the MSRB website. The brochure describes the protections that may be provided by the MSRB Rules along with how to file a complaint with financial regulatory authorities.

#### Conflict of Interest Disclosures

Although not directly related to this engagement, as of the date hereof, the Program Administrator represents that it has no known material conflicts of interest, based on the exercise of reasonable diligence. However, in connection with the issuance of any Bond (unrelated to this engagement) and pursuant to Section III, the Program Administrator may receive compensation for the services enumerated herein, which compensation is contingent upon the successful closing of a transaction or is based on the size of a transaction. Consistent with the requirements of certain regulatory authorities, the Program Administrator hereby discloses that such contingent and/or transactional compensation may present a conflict of interest, because it may cause the Program Administrator to recommend a transaction that it is unnecessary or in a size that be larger than is necessary. In addition, the Program Administrator is currently contracted with Kentucky Association of Counties, Inc. (“KACo”) to provide municipal advisory services to counties and special taxing districts across the Commonwealth of Kentucky. KACo will be compensated by the Program Administrator from the fees set forth in Section III herein.” These potential conflicts of interests will not impair the Program Administrator’s ability to render unbiased and competent advice or to fulfill its fiduciary duty.

If the Program Administrator becomes aware of any additional potential conflict of interest that arise after this disclosure, the Program Administrator will disclose the detailed information in writing to Issuer in a timely manner.

#### Legal Events and Disciplinary History

A customer complaint disclosure has been made on two Compass Municipal Advisors, LLC (“Compass”) personnel. The details are available on Brian Nurick and Robert Michael Gallagher’s Form MA-I in item 6; I(1)(a) and I(2)(a) and the corresponding customer complaint DRP section on each of their Form MA-I. Issuers may electronically access Compass’s most recent Form MA and each most recent Form MA-I filed with the Commission at the following website: [www.sec.gov/edgar/searchedgar/companysearch.html](http://www.sec.gov/edgar/searchedgar/companysearch.html). There have been no material changes to a legal or disciplinary event disclosure on any Form MA or Form MA-I filed with the SEC.

There have been no changes to any legal or disciplinary events that have been disclosed on Compass’s SEC registration Form MA filed on March 26, 2019 or Form MA-I’s filed on March 26, 2019.

#### **IV. TERM AND TERMINATION OF AGREEMENT**

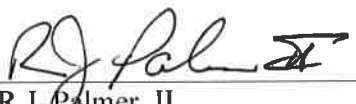
This Agreement shall be in effect until terminated by either party, at any time, for any reason, upon 30 days written notice to the other party. This agreement has no preset termination date.

**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the date first above written.

**County of Hardin, Kentucky**

  
\_\_\_\_\_  
Harry L. Berry  
Hardin County Judge/Executive

**Compass Municipal Advisors, LLC**

  
\_\_\_\_\_  
R.J. Palmer, II  
Senior Vice President

**STITES & HARBISON, PLLC ENGAGEMENT AGREEMENT**

This Stites & Harbison, PLLC/County Engagement Agreement (the "Agreement") is made and entered into as of the 28 day of September, 2021, by and between Stites & Harbison, PLLC ("Stites"), of 250 W. Main Street, Suite 2300, Lexington, Kentucky 40507, and the County of Hardin (the "County"), of 150 N Providence Way, Ste. 314 E-toms, Ky 42701 (collectively referred to herein as the "Parties").

WHEREAS, the American Rescue Plan Act ("ARPA") was signed into law on March 11, 2021, establishing the Coronavirus State and Local Fiscal Recovery Fund ("SLFRF"), intended to provide support to local governments, including counties, in responding to the economic and public health impacts of the COVID-19 pandemic and in local government efforts to contain or mitigate the pandemic's impact on their communities, residents, and businesses;

WHEREAS, the County received a certain SLFRF allocation pursuant to the ARPA;

WHEREAS, the County wishes to receive professional legal assistance in the administration, planning, execution, and expenditure of federal assistance received from the ARPA;

WHEREAS, Stites has the professional staff to meet the needs of the County's requirements regarding the ARPA funds they receive, and

WHEREAS, it is the Parties' intention such funds be received, obligated and spent according to the priorities set-forth by the County following the guidance provided by the US Treasury.

WHEREAS, it is the Parties' intention that this Agreement formalize the retention of Stites as legal counsel for the County, as provided for in the Rules of Professional Conduct governing the legal profession.

NOW THEREFORE, for good and valuable consideration, including but not limited to the promises and mutual covenants and agreements contained herein, the Parties hereby agree as follows:

1. **STITES' FEE.** Stites shall be entitled to receive payment under this Agreement based on the method indicated below:
  - i. The County shall pay to Stites a fee of three quarters of one percent (0.75%) of ARPA funds expended or disbursed by the County (the "Stites Fee") pursuant to this Agreement. The Parties acknowledge that the consideration paid and received in connection with this Agreement is fair, just and adequate and constitutes lawful consideration supporting the execution and legally binding effect of this Agreement. However, this provision shall be subject to the provision regarding Early Termination set forth below.
  - ii. **Timing of Payment.** Stites shall invoice the County monthly in proportion to the funds distributed within that monthly period. The County agrees to remit payment to Stites within thirty (30) days of receipt of an invoice. If requested, Stites will provide the County with a detailed description of the legal services and other charges included in the monthly invoices. Invoices over thirty (30) days past due may be assessed finance charges equal to the lower of one percent (1%) per month or the maximum amount permitted by applicable law. If any statement remains unpaid for more than sixty (60) days, Stites may suspend performing services for the County unless and until an arrangement satisfactory to Stites has been made for the payment of outstanding statements and the payment of future Stites Fees.
  
2. **STITES' DUTIES.** Stites will provide professional legal services, including advice for completion of the projects for which the County assigns ARPA funds. Such services shall include:

- i. Advice and consultation on adherence to the US Treasury Interim and Final Guidance (Treasury Guidance) applicable to expenditures of ARPA funds;
  - ii. Advice and consultation on preparing and implementing policies related to ARPA fund expenditures in accordance with the Treasury Guidance and other applicable law
  - iii. Advice and consultation on procedures for submission of all quarterly and final reports as required by the Treasury Guidance and other applicable law;
  - iv. Advice and consultation on legal mandates for coordinating receipt, validation and payment of all contracts associated with projects designated by the County, including but not limited to architectural, engineering and construction contracts, other professional services contracts, and other procurement contracts set forth in Treasury Guidance and other applicable law;
  - v. Communicating with the County regarding desired projects and any questions the County may have with respect to ARPA funds.
3. COUNTY'S DUTIES. To enable Stites to represent the County effectively, the County agrees to cooperate with Stites and disclose all facts and documents that may be relevant to the subject matter of this Agreement.
4. RELATIONSHIP OF PARTIES. This Agreement is not intended, nor shall it be construed to create, an employer/employee, partnership, or joint venture relationship between the Parties. For purposes of this Agreement, Stites' sole client is the County, and not any affiliate, subsidiary, employee, officer, director, shareholder, partner, member, elected official, or citizen of the County. The County is Stites' client for the specific matter described in Section 2 herein. Stites does not undertake, and will not be deemed, to represent the County in connection with any other matter by virtue of this Agreement. Either at the commencement of Stites' representation of the County or during the course of Stites' engagement, Stites may express opinions or beliefs concerning the outcome of various proposed courses of action or the results that may be anticipated. Any such statements are intended to be an expression of Stites' professional opinion and judgment only, based on the information available at the time and the current state of the law, and such statements shall not be construed as promises or guarantees.
5. ATTORNEY-CLIENT PRIVILEGE NOTIFICATION. The County acknowledges that this Agreement involves advice and consultation with Stites and a financial advisory firm, Compass Municipal Advisors, LLC. By signing below, the County acknowledges Stites has advised it of the limits of the attorney-client privilege, particularly as it pertains to communications and other information shared with third parties, including Compass Municipal Advisors, LLC. While Stites and its attorneys shall keep all communications between Stites and the County confidential and privileged, all decisions as to what information is shared with third parties, including Compass Municipal Advisors, LLC, are the County's decisions to make and Stites shall have the right to rely on the County's direction as to information that should be shared with Compass Municipal Advisors, LLC and any other third parties. Stites is a professional limited liability company. In general, this means that each member of the firm is responsible for his or her own professional actions and that the assets of Stites also stand behind the professional actions of each member. The liability of members not directly performing services to you and the liability of others employed by Stites may be limited by applicable law.
6. NO THIRD-PARTY BENEFICIARIES. This Agreement and all rights under it are intended for the sole benefit of the Parties to it and shall not imply or create any rights on the part of, or obligations to, any other entity not a party to this Agreement.
7. EARLY TERMINATION. Either party may terminate this Agreement for any or no reason upon thirty (30) days prior written notice ("Early Termination"). In the event of Early Termination, Stites shall be entitled to receive the Stites Fee as set forth below:
  - a. Stites shall be entitled to retain the Stites Fee, calculated in accordance with County expenditures per Section 1 above, regardless of how much work has or has not been completed. Further, the County shall pay Stites for any amounts Stites remains obligated to pay third parties which were incurred within the thirty (30) days preceding notice of Early Termination. Stites shall take reasonable efforts to cancel such obligations prior to Early Termination taking effect. Upon the County's termination of Stites, Stites shall return all Client Files (defined below) promptly upon payment of outstanding fees and costs.
  - b. Stites may terminate this Agreement and withdraw from representation of the County if the County fails to fulfill its obligations under this Agreement, including the County's obligation to

pay Stites fees and expenses, or as permitted or required under any applicable standards of professional conduct or rules of court or administrative agency. The County acknowledges that several types of conduct or circumstances may require Stites to withdraw from representing a client and that other circumstances or conduct may clearly constitute a basis for withdrawal. Among these are misrepresentation or failure to disclose a material fact; taking actions in contravention of Stites' advice; and conflicts of interest concerning another of Stites' clients. Stites will attempt to identify in advance and discuss with you any situation which may lead to Stites' withdrawal, and, if withdrawal becomes necessary, to immediately provide written notice to the County.


8. ASSIGNMENT. Neither Party may assign this Agreement or pledge any amount payable hereunder voluntarily, involuntarily or by operation of law without prior written consent of the other Party.
9. FILE RETENTION. Stites will retain its files ("Client Files") for this matter for at least ten (10) years after completion or termination of representation, unless other arrangements have been made in writing. Client Files may be destroyed at any time after such ten-year retention period unless the Parties make other arrangements and confirm those arrangements in writing. The Client Files include correspondence between Stites & Harbison PLLC and the County or third parties, pleadings, motions, briefs, discovery, legal research and memoranda (other than personal attorney work product), transcripts, affidavits, witness statements, expert reports, legal instruments such as wills, deeds and contracts, corporate records, documents filed with governmental agencies, other documents exchanged with other parties to transactional matters, and other papers or property received from the County or third parties, or prepared for the County's use or on the County's behalf, during the representation. The Client Files do not include Stites' invoices and other billing and timekeeping records; internal memoranda, internal communications between or among Stites' attorneys and other personnel; attorney's notes and other personal attorney work product; conflict checks and other client and matter intake-related papers; client-relationship documentation (such as engagement letters, conflict waiver letters, screening memoranda, end-of-matter and final disposition letters, and termination of engagement letters); County contact information; calendars maintained by Stites attorneys and other personnel; other records generated by Stites' administrative departments; personnel assignments and records; other documents intended for internal use; and documents that Stites is prohibited, by court order or agreement with a third party, from providing to the County. If the County requests the transfer of its Client Files, the County agrees to pay for the time and expense involved in such transfer.
10. MEDIATION. In the event of a dispute regarding this Agreement or any term herein which the parties are unable to first resolve informally, the Parties agree to next attempt to resolve such dispute in good faith through mediation with a mediator mutually agreed upon by the Parties. The costs of the mediation shall be borne equally between the Parties. Participation in this mediation process shall be deemed a prerequisite to filing of a lawsuit to enforce any rights hereunder.
11. NOTICES. All notices and other communications required or permitted under this Agreement shall be in writing. Such notices may be delivered by U.S. Mail and shall be deemed delivered three days after being post-marked. Such notices may also be delivered by hand, facsimile, or e-mail in which event notice shall be deemed effective when delivered. Notice shall be delivered to the addresses indicated in the first paragraph of this Agreement.
12. ENTIRE AGREEMENT. Stites and the County certify that they have each read the entire contents of this Agreement and acknowledge receipt of a copy of same. It is expressly agreed that all terms and conditions of this Agreement are included herein, and that this Agreement shall constitute the complete and final agreement among the Parties and supersede all prior agreements, understandings or arrangements whether oral or written, between the Parties with respect to the subject matter hereof.
13. AMENDMENTS. This Agreement may not be modified or amended, except by written agreement signed by each of the Parties hereto.
14. SEVERABILITY. If any term or provision of any part of this Agreement shall be invalid or unenforceable, the remainder of this Agreement or the application of such terms or provisions to persons or circumstances (other than



those as to which it is held invalid or unenforceable) shall not be affected thereby; and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

15. BINDING EFFECT. The rights and obligations granted and assumed under this Agreement shall be binding on the heirs, administrators, executors, successors and permitted assigns of the Parties.
16. VENUE AND JURISDICTION; CONTROLLING LAW. To the extent permitted by law, the Parties agree that any claims made regarding this Agreement shall be subject to the law of the Commonwealth of Kentucky and shall be brought in the Fayette Circuit Court located in Lexington, Fayette County, Kentucky. The Parties hereby waive any right each may have to assert the doctrine of *forum non conveniens* or to object to venue to the extent of any proceeding brought in accordance with this paragraph. The Parties stipulate that the Fayette Circuit Court located in Lexington, Fayette County, Kentucky shall have *in personam* jurisdiction and venue over the Parties for the purpose of litigating such dispute.
17. TIME OF ESSENCE. Time is of the essence for this Agreement.
18. EXECUTION OF ADDITIONAL DOCUMENTS. The Parties shall execute such additional documents as shall be necessary to implement the provisions contained in this Agreement.
19. HEADINGS. The paragraph and subparagraph headings used in this Agreement are for convenience of reference only and shall not be considered a part hereof, nor shall they be deemed to limit or otherwise affect any of the terms or provisions hereof.
20. COUNTERPARTS. This Agreement may be executed in multiple counterparts, each of which shall constitute an original, but taken together shall constitute one agreement. If the Parties execute the Agreement using electronic signatures, the parties consent and intend to: (i) conduct this transaction by electronic means; (ii) use electronic signatures in other documents issued under this Agreement; and (iii) receive electronic mail and other electronic communication with respect to any document relating to or regarding this Agreement. The Parties agree and intend for their respective electronic signatures hereto to be given full legal effect and enforceability for the purposes of any applicable law.

**IN WITNESS WHEREOF**, the Parties hereto have caused this Agreement to be executed and delivered in their names and on their behalf, as of the date first written above.

STITES & HARBISON, PLLC		COUNTY OF HARDIN
By:		By: 
		Title: County Judge/Executive