FINANCIAL ADVISOR PROFESSIONAL SERVICES CONTRACT

This financial advisor professional services contract is dated as of September 27, 2018, and is between Kentucky Municipal Energy Agency, a governmental legal entity created and existing pursuant to Kentucky law (“**KYMEA**”), and PFM FINANCIAL ADVISORS, LLC, a Pennsylvania limited liability company (“**Financial Advisor**”).

KYMEA contemplates now and in the future requiring the services of a municipal financial advisor in order to assist KYMEA on financial matters that may include, but not be limited to the following: obtaining credit ratings, reviewing and commenting on the credit related aspects of power sales contracts, exploring potential financing sources, etc.

In order to establish KYMEA’s credit rating and to institute sound financial and credit provisions in energy related contracts, KYMEA has determined that it is in its best interest to retain the services of an independent financial advisor to assist KYMEA in developing and implanting energy supply a possible a financing program on a practical and financially sound basis.

KYMEA is entering into this contract with Financial Advisor on behalf of KYMEA’s power supply arrangements, and KYMEA’s other interests.

Pursuant to the terms of this contract KYMEA desires to retain Financial Advisor, and Financial Advisor desires to perform financial advisory services, as more fully set forth in this contract, such services being collectively referred to herein as “**Financial Advising Services**.”

The parties therefore agree as follows:

1. **Financial Advising Services**. (a) Financial Advisor agrees, at the request of KYMEA, to review and analyze engineering, economic and legal information of KYMEA relating to any financial or debt related matters for the purpose of developing and recommending to KYMEA a plan or plans which, in the opinion of Financial Advisor, will be the most practical and financially sound approach for KYMEA.

(b) Financial Advisor will perform the following Financial Advising Services, to the extent appropriate and as requested by KYMEA:

(1) study, assist in the development of, and make any relevant comments or recommendations with respect to financing resolutions, contracts, and related documents;

(2) consult with any KYMEA’s bankers, lender, auditors, consulting engineers, legal counsel, and any other consultants or advisors to KYMEA, as may be appropriate or as KYMEA may request, and review all studies, reports, contracts and other matters related to KYMEA financial and power supply activities, except that Financial Advisor shall not be liable for the fees and out-of-pocket expenses of any consultant or advisor to KYMEA;

(3) assist in the preparation of a financing documents and contracts relating to any contract or debt obligations, with the assistance of and in collaboration with KYMEA’s management, legal counsel, bankers, lenders, auditors, engineering consultants, and any other consultants or advisors to KYMEA, except that Financial Advisor shall not be liable for the fees and out-of-pocket expenses of any consultant or advisor to KYMEA;

(4) advise KYMEA regarding the condition of the financial markets and the costs or expenses in connection with KYMEA’s financial activities;

(5) prepare from data researched by Financial Advisor, or supplied by KYMEA or its other consultants or representative, appropriate presentations necessary to obtain the best possible rating for KYMEA and assist KYMEA in making presentations of such information to the rating agencies;

(6) assist KYMEA in conducting such informational meetings as may be necessary or appropriate to inform and advise bond dealers, investors, rating agencies, news media, KYMEA member cities, and the general public as to KYMEA and any of its projects and financial activities;

(7) advise KYMEA on matters of structure, costs and expenses in connection with any financing, financial contract or related transaction, and make recommendations to KYMEA in relation to such costs and expenses;

(8) assist KYMEA in any financial activities as requested by KYMEA.

2. **Compensation**. (a) For the performance of the Financial Advising Services and all other requested services performed by Financial Advisor, KYMEA shall compensate Financial Advisor on an hourly basis in accordance with the following rates:

|  |  |  |
| --- | --- | --- |
| Hourly Billing Rates | | |
| Managing Director |  | $425 |
| Senior Managing Consultant |  | $300 |
| Analyst |  | $225 |

(b) It is expected that Financial Advisor will be available to attend KYMEA Board of Directors upon the request of KYMEA.

3. **Expense Reimbursement and Billing**. (a) KYMEA shall reimburse Financial Advisor’s itemized reasonable travel expenses and out-of-pocket expenses on an actually incurred basis.

4. **Financial Advisor’s Personnel**. Financial Advisor has, or will secure, all appropriately qualified personnel required to perform its obligations pursuant to this contract. KYMEA has the right to disapprove any proposed changes to the personnel of Financial Advisor providing Financing Advising Services pursuant to this contract.

5. **No Guaranty**. Financial Advisor does not assume the responsibilities of any KYMEA governing body, nor the responsibilities of the KYMEA staff or other professionals and vendors representing KYMEA, in the provision of services.

6. **Insurance**. (a) Financial Advisor shall have and keep in force during the term of this contract workers’ compensation and employer liability coverages in accordance with the requirements of law.

(b) Upon request, Financial Advisor shall provide KYMEA with the certificates of insurance evidencing any required coverages pursuant to this contract. All certificates of insurance shall provide that the applicable insurance policies have been endorsed to provide a minimum of 30 days advance notice to KYMEA in the event of cancellation.

7. **General Provisions**. (a) The term of this contract shall be deemed to have begun upon Financial Advisor’s commencement of work for KYMEA in December, 2014, upon which time Financial Advisor agreed to provide services in anticipation of KYMEA’s execution and implementation of various power supply arrangements. The term of the contract will end on June 30, 2019, unless terminated earlier by either party pursuant to the terms of this contract. Each party has the unlimited right to terminate this contract, with or without cause, by delivering not less than 30 days prior written notice to the other party. Financial Advisor will be paid for all services, including Financial Advising Services, performed under this contract until its receipt of a written notice of termination, and any services performed afterward, as authorized and approved in writing by KYMEA. In the event of any termination of this contract by KYMEA, Financial Advisor is not entitled under any circumstance to any compensation from KYMEA whatsoever after the effective date of such termination.

(b) In all matters relating to this contract, Financial Advisor is acting as an independent contractor of KYMEA. This contract shall not render Financial Advisor an employee, partner, agent of, or joint venture with KYMEA for any purpose. Financial Advisor shall have no authority to assume or create any obligation, express or implied, on behalf of KYMEA, and Financial Advisor shall have no authority to represent KYMEA as agent, employee, or any other capacity, except as otherwise expressly set forth in this contract.

(c) Financial Advisor warrants to KYMEA that it has not employed or retained any company or person, other than a bona fide employee or employees working solely for Financial Advisor, to solicit or secure this contract, nor has Financial Advisor paid or agreed to pay any person, company, corporation, individual or firm, other than a bona fide employee or employees working solely for Financial Advisor, any fee, commission, percentage, gift, or any other consideration that is contingent upon the making of this contract.

(d) In the event either party commits a material breach of the terms of this contract, this contract may be terminated effective immediately upon the delivery of written notice of termination by either party to the other.

9. **Modification**. This contract represents the entire agreement between KYMEA and Financial Advisor with respect to the subject matter of this contract, and upon execution of this contract by both KYMEA and Financial Advisor, as of the date stated in the introductory paragraph, supersedes all prior negotiations, binding documents, representations or agreements, whether written or oral. This contract may be amended or modified only by a written instrument signed by KYMEA and Financial Advisor.

10. **No Assignment**.Neither party may assign this contract or any interest or obligation herein without the express prior written consent of the other party. The rights and obligations of the parties shall inure to the benefit of and shall be binding upon the permitted successors and assigns of the either party.

11. **Severability**.Wherever possible, each provision of this contract is to be interpreted in such a manner as to be effective and valid under applicable law. Should any portion of this contract be declared invalid for any reason, such declaration shall have no effect upon the remaining portions of this contract. In the event any provision of this contract is held by any tribunal of competent jurisdiction to be contrary to applicable law, the remaining provisions of this contract remain in full force and effect.

12. **Authorization**. The execution of this contract has been duly authorized by the appropriate body or official of KYMEA and Financial Advisor, both parties have complied with all requirements of law, and both parties have full power and authority to comply with the terms and provisions of this Agreement.

13. **Governing Law**. The validity and interpretation of this contract and the rights and obligations of the parties under this contract are governed and shall be construed in accordance with the laws of the State of Kentucky without regard for any conflicts of law provisions that might cause the law of other jurisdictions to apply. All controversies, claims, or disputes arising out of or related to this contract or any agreement, instrument, or document contemplated by this contract, shall be brought exclusively in state or federal courts located in the State of Florida, as appropriate.

14. **Notices**.(a) Each party giving or making any notice, request, demand, or other communication pursuant to this contract shall use one of the following methods of delivery: (1) personal delivery; (2) registered or certified mail; (3) nationally recognized overnight courier; (4) e-mail; or (5) facsimile.

(b) Each party giving a notice shall address the notice to the appropriate person at the receiving party at the address listed below or to another addressee or at another address designed by a party in a notice pursuant to this section:

If to KYMEA: Kentucky Municipal Energy Agency

1700 Eastpoint Parkway

Louisville, Kentucky 40223

Attention: Heather R. Overby,

Facsimile No.:502242-5640

E-mail: hoverby@kymea.org

If to

Financial Advisor:PFM Financial Advisors LLC

11605 North Community House Road, Suite 500

Charlotte, North Carolina 28277

Attention: Michael Mace

Facsimile No.: (704) 541-8393

E-mail: macem@pfm.com

15. **No Implied Waiver**.The failure or delay of any party at any time to require performance by the other party of any provision of this contract, even if known, does not affect the continuing right of that party to require performance of that provision or to exercise any right, power, or remedy granted by this contract. The waiver by either party of a breach of any provision of this contract cannot be construed as a waiver of a continuing or succeeding breach of such provision, a waiver of the provision itself, or a waiver of any right, power, or remedy under this contract. No Notice to or demand on either party in any circumstance shall, of itself, entitle the party receiving the Notice or demand to any other or further Notice or demand in similar or other circumstances. The waiver of any breach or default of this contract does not constitute a waiver of any subsequent breach or default, and will not act to amend or negate the rights of the waiving party.

18. **Counterparts**.This contract may be executed in any number of counterparts, and signature pages exchanged by facsimile or email, and each counterpart shall be regarded for all purposes as an original, and such counterparts shall constitute, but one and the same instrument, it being understood that both parties need not sign the same counterpart. The signature page of any counterpart, and facsimiles and photocopies of that counterpart, may be appended to any other counterpart and when so appended constitute an original. In the event that any signature is delivered by facsimile transmission or by facsimile signature, such signature creates a valid and binding obligation of the party executing (or on whose behalf such signature is executed) the contract with the same force and effect as if such facsimile signature page were an original.

[SIGNATURE PAGE FOLLOWS]

The parties are signing this financial advisor professional services contract as of the date stated in the introductory clause.

KENTUCKY MUNICIPAL ENERGY AGENCY

By:

Douglas Buresh

President & CEO

PFM FINANCIAL ADVISORS LLC

By:

Michael Mace  
Managing Director