

PURCHASE OF SERVICE AGREEMENT

THIS PURCHASE OF SERVICE AGREEMENT, made and entered into on the _____ day of _____ 2026, by and between the **LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT**, an urban county government of the COMMONWEALTH OF KENTUCKY created pursuant to KRS Chapter 67A ("LFUCG"), 200 East Main Street, Lexington, Kentucky 40507, on behalf of its **OFFICE OF HOMELESSNESS PREVENTION AND INTERVENTION** (hereinafter "Sponsor") and **ARBOR YOUTH SERVICES, INC.**, a Kentucky corporation, ("Organization") with offices located at 536 W. 3rd. St., Lexington, Kentucky 40508.

WHEREAS, the Lexington-Fayette Urban County Government has established the Extended Social Resource (ESR) Grant Program to provide grant funds to various non-profits that provide important social services to the community; and

WHEREAS, this ESR Grant Program, which prioritizes partnerships with community organizations in delivering social services to supplement and support the work of the Urban County Government, fulfills an important and vital public purpose; and

WHEREAS, the ESR Grant Program provides funding for the Emergency Shelter Program, administered by the Sponsor; and

WHEREAS, the Sponsor identifies non-profits in the community that provide emergency shelter for those experiencing homelessness and who may qualify for funding in accordance with the Lexington-Fayette County Continuum of Care; and

WHEREAS, the Organization qualifies for funding in accordance with the Lexington-Fayette County Continuum of Care; and

WHEREAS, the Parties agree that the main goal of any funding investment is the reduction and end to homelessness.

WITNESSETH

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, the receipt and sufficiency of which are acknowledged, the parties hereby agree as follows:

- 1. EFFECTIVE DATE; TERM.** This Agreement shall commence on July 1, 2026 and shall last until June 30, 2027 unless terminated by LFUCG at an earlier time. This Agreement shall automatically renew for another one-year term on July 1, 2027, pursuant to the same terms and conditions contained herein, unless LFUCG determines it does not wish to exercise the option to renew.

2. RELATED DOCUMENTS. This Agreement shall consist of the terms herein as well as the following additional documents, which are attached hereto as exhibits and incorporated herein by reference as if fully stated:

- a. Exhibit "A" – RFP #20-2026, Emergency Shelter – Extended Social Resources (ESR) Grant Program
- b. Exhibit "B" – Organization's Response to RFP #20-2026
- c. Exhibit "C" – Quarterly Reporting

To the extent that there is any conflict between or among any of these documents, the terms and provisions of this Agreement shall prevail, followed by terms and provisions of Exhibit "A", "C", and "B" in that order.

3. SCOPE OF SERVICES. Organization shall perform the services outlined in the attached Exhibits for LFUCG in a timely, workmanlike and professional manner (the "Services"). Any alteration in the nature of such Services constitutes an amendment to this Agreement and must be in writing signed by both parties.

4. PAYMENT. LFUCG shall pay Organization a total amount not to exceed Three Hundred Thousand Dollars and Zero Cents (\$300,000.00) ("Funds") in the term of this Agreement for the performance of the Services, contingent upon the appropriation of sufficient funds by the Urban County Council. One-fourth (1/4th) of the Funds shall be payable in July, or shortly thereafter upon receipt of a quarterly invoice and a detailed financial report (the form of which is attached herein as part of Exhibit C). The remaining portion of the Funds shall be payable in equal installments in October, January, and April upon receipt of an invoice and receipt of detailed financial reports and detailed program reports as described in Section 6. A total amount not to exceed Ninety-Five Thousand and Eight Dollars and Zero Cents (\$95,008.00) of the Funds shall be used by Organization for minor shelter. A total amount not to exceed Two Hundred Four Thousand and Nine Hundred Ninety-Two Dollars and Zero Cents (\$204,992.00) of the Funds shall be used by Organization for 18–24 year old shelter. Organization shall ensure that each installment of the Funds is appropriately apportioned so as to provide each shelter type with 1/4th of its funding per quarter. If this Agreement is renewed for an additional one (1) year term starting July 1, 2027, then the same amount of Funds will be due under this Agreement during that additional one (1) year term, and those Funds will be payable in the same manner as provided in this numbered paragraph, contingent upon the appropriation of sufficient funds in future fiscal years.

a. The Funds are limited to the services provided herein and may not be spent by the Organization for any other purpose without the prior written consent of LFUCG. Absent any additional written agreement stating otherwise any travel or other expenses are included in the above payment.

b. LFUCG shall make payment under this Agreement upon timely submission of quarterly invoices and quarterly reports from Organization specifying that the Services have been performed, accompanied by data satisfactory to LFUCG to document entitlement to payment for the Services performed to date. LFUCG shall have thirty (30) days from the date of receipt of the invoice to pay the invoice amount. LFUCG reserves the right to refuse payment if it is determined by LFUCG that the Services performed or materials provided for the Services are inadequate or defective. LFUCG shall have the right to recover any unspent Funds at the end of each quarter.

c. LFUCG also reserves the right to reject any invoice submitted for services more than sixty (60) days after the services were rendered.

5. TERMINATION. LFUCG, through the Mayor or the Mayor's designee, may terminate this Agreement for any reason whatsoever by providing Organization with at least thirty (30) days advance written notice. Organization shall be entitled for payment of all work performed up to that period of time, calculated on a reasonable basis.

a. In the event of a termination based upon a material condition of non-performance or default by Organization, LFUCG shall provide Organization advance written notice and a reasonable period of time to cure the breach.

b. Organization may only terminate this Agreement based upon LFUCG's failure to timely pay for properly invoiced and accepted work. Organization shall provide LFUCG with at least thirty (30) days advance written notice and an opportunity to cure prior to termination.

c. Organization acknowledges that LFUCG is a governmental entity, and that the validity of this Agreement is based upon the availability of appropriated funding. In the event that such funding is not appropriated in a future fiscal year, LFUCG's obligations under this Agreement shall automatically expire without penalty to the LFUCG thirty (30) days after written notice to Organization. LFUCG shall exercise any application of this provision in good faith.

6. REPORTING. Organization shall provide LFUCG with timely reports and updates related to the provisions of the Services in the form and manner reasonably specified by LFUCG.

a. Organization shall submit to Sponsor separate quarterly financial and quarterly program reports for each shelter type. The program reports shall be in the form of a KYHMIS CoC-APR report, or generated from a comparable database, for the reporting periods specified in Exhibit C. Organization shall also submit to Sponsor quarterly financial reports (the form of which is attached hereto as part of Exhibit C). All detailed program reports and detailed financial reports will be due on the second Friday of October, January, April, and July. Reports shall reflect the services and programs directly related

to the funding provided by Lexington Fayette Urban County Government, with emphasis on measurable outcomes.

b. The Organization shall, on such forms as the Sponsor shall provide, submit to Sponsor an annual report and financial statement which summarize the previous year's activities regarding the services required in the Exhibits. Organization shall provide said reports for each shelter type.

7. REGISTRATION; COMPLIANCE; AUTHORITY TO SIGN. Organization shall be lawfully registered or authorized to do business in the Commonwealth of Kentucky and Lexington-Fayette County and shall at all times comply with any and all applicable federal, state, and local laws, ordinances, and regulations. LFUCG may request proof that Organization has timely filed federal, state, or local tax forms which shall be provided by Organization on a timely basis. The person signing this Agreement on behalf of Organization is fully authorized to do so.

8. INSURANCE; INDEMNITY.

a. At all times relevant to the performance of this Agreement, Organization shall maintain insurance coverages in at least the following amounts, which shall be properly filed and approved by the Kentucky Department of Insurance. Evidence of such coverage shall be made available to LFUCG upon request. General Liability (\$1 million per occurrence, \$2 million aggregate or \$2 million combined single limit); Commercial Automobile Liability (combined single, \$1 million per occurrence) only if Organization utilizes automobiles in the performance of this Agreement; (if applicable) Professional Liability (\$1 million per occurrence, \$2 million aggregate); Worker's Compensation (Statutory); and Employer's Liability (\$1 million).

b. Organization shall indemnify, defend and hold harmless LFUCG and its elected and appointed officials, employees, agents, volunteers, and successors in interest, from and against any and all liability, damages, and losses, including but not limited to: demands, claims, liens, suits, notices of violation from governmental agencies, obligations, causes of action, judgments, penalties, fines, liens, costs, expenses, interest, defense costs and reasonable attorney's fees that are in any way incidental to or connected with, or that arise or are alleged to have arisen, directly or indirectly, from or by Organization's performance of, or breach of this Agreement and/or the provision of goods or services, provided that (a) it is attributable to personal injury, bodily injury, sickness, or death, or to injury to or destruction of property (including the loss of use resulting therefrom), or to or from the negligent acts, errors or omissions or willful misconduct of Organization or its officials, employees, or agents; and (b) not caused solely by willful misconduct of LFUCG.

c. Organization understands and agrees that its obligation to defend LFUCG includes the obligation to investigate, handle, respond to, resist, provide a defense for, and defend

claims, at Organization's expense, using attorneys approved in writing by the LFUCG, which approval shall not be unreasonably withheld.

d. Organization further understands and agrees that its obligation to indemnify includes, but is not limited to: attorney fees and expenses, costs of litigation, court and administrative costs, expert witness fees and expenses, judgments, fines, penalties, interest, all environmental cleanups and remediation costs of whatever kind, and any liability arising from death, injury, or damage of any kind, to any person, including employees and agents of Organization and LFUCG, and damage to, or destruction of, any property, including the property of LFUCG.

e. This provision shall in no way be limited by any financial responsibility or insurance requirements, and shall survive the termination of this Agreement.

f. Organization understands that LFUCG is a political subdivision of the Commonwealth of Kentucky and acknowledges and agrees that LFUCG is unable to provide indemnity or otherwise save, hold harmless, or defend the Organization in any manner.

9. RECORDS. Organization shall keep and make available to LFUCG any records related to this Agreement as are necessary to support its performance of the services for a period of at least five (5) years following the expiration or termination of this Agreement, or as otherwise required depending upon the source of funds. Books of accounts shall be kept by Organization and entries shall be made therein of all money, goods, effects, debts, sales, purchases, receipts, payments and any other transactions of Organization related to this Agreement and shall be made available to LFUCG upon request.

a. LFUCG shall be the owner of all final documents, data, studies, plans, reports, and information prepared by Organization under this Agreement.

b. Organization understands and agrees that this Agreement and any related documents may be subject to disclosure under the Kentucky Open Records Act and will comply with any reasonable request by LFUCG to provide assistance with such a request.

10. DATA. Organization agrees that it shall ensure that data on all persons served and/or all activities assisted with using any amount of Funds provided under this Agreement shall be entered into the applicable Kentucky Homeless Management Information System (KYHMIS) in accordance with standards of the U.S. Department of Housing and Urban Development and the Continuum of Care. If Organization is unable to utilize KYHMIS, Organization shall ensure that such data is entered into a comparable database in accordance with standards of the U.S. Department of Housing and Urban Development and the Continuum of Care. The Organization further agrees that this provision shall survive termination of this Agreement.

11. ACCESS. Organization shall allow LFUCG any necessary reasonable access to monitor its performance under this Agreement.

12. CONTRACTUAL RELATIONSHIP ONLY. In no event shall the parties be construed, held or become in any way for any purpose the employee of the other party, or partners, associates or joint ventures in the conduct of their respective endeavors or otherwise.

13. EQUAL OPPORTUNITY; FAIRNESS ORDINANCE. Organization shall provide equal opportunity in employment for all qualified persons, and shall (a) prohibit discrimination in employment because of race, color, creed, national origin, sex, age, sexual orientation, gender identity, or handicap and (b) cause any subcontractor or agency receiving funds provided pursuant to this Agreement to do so. This program of equal employment opportunity shall apply to every aspect of its employment policies and practices. Organization agrees to comply with LFUCG's Fairness Ordinance (Ordinance No. 201-99) and all sources of applicable law, including those specified in any Exhibit attached to this Agreement and incorporated herein by reference.

14. SEXUAL HARASSMENT. Organization must adopt or have adopted a written sexual harassment policy, which shall, at a minimum, contain a statement of current law; a list of prohibited behaviors; a complaint process; and a procedure which provides for a confidential investigation of all complaints. The policy shall be given to all employees and clients and shall be posted at all locations where Organization conducts business. The policy shall be made available to LFUCG upon request.

15. ANNUAL AUDIT. Organization shall comply with the audit requirements of 2 CFR Part 200, Subpart F, if applicable. LFUCG shall also have the option to request an audit of all revenue and expenditures related to this Agreement. If such an audit is requested by LFUCG, the audit shall be conducted by independent certified public accountants at Organization's expense, who shall express an opinion as to whether or not revenue and expenditures during the year audited have conformed to state and local law and regulation. For any audit performed, including a 2 CFR Part 200 audit, a copy of the audit, or clean audit opinion letter from an independent certified public accountant, shall be submitted to LFUCG upon request.

16. INVESTMENT. Any investment of the Funds received pursuant to this Agreement must fully comply with any restrictions imposed by law.

17. NO ASSIGNMENT. Organization may not assign any of its rights and duties under this Agreement without the prior written consent of LFUCG.

18. NO THIRD PARTY RIGHTS. This Agreement does not create a contractual relationship with or right of action in favor of a third party against either Organization or LFUCG.

19. KENTUCKY LAW AND VENUE. This Agreement shall be governed in all respects by the laws of the Commonwealth of Kentucky and venue for all actions shall lie in the Circuit Court of Fayette County, Kentucky.

20. AMENDMENTS. By mutual agreement, the parties to this Agreement may, from time to time, make written changes to any provision hereof. Organization acknowledges that LFUCG may make such changes only upon approval of its legislative authority, the Lexington-Fayette Urban County Council, and the signature of its Mayor.

21. NOTICE. Any written notice required by the Agreement shall be delivered by certified mail, return receipt requested, to the following:

For Organization:

Arbor Youth Services, Inc.
536 W. 3rd. St.
Lexington, Kentucky 40508
Attn: Stephanie Spires, Executive Director

For Government:

Lexington-Fayette Urban County Government
200 East Main Street
Lexington, Kentucky 40507
Attn: Jeff Herron

22. WAIVER. The waiver by either party of any breach of any provision of this Agreement shall not constitute a continuing waiver or waiver of any subsequent breach by either party of either the same or another provision.

23. ENTIRE AGREEMENT. This Agreement shall constitute the entire agreement between the parties and no representations, inducements, promises or agreements, oral or otherwise, which are not embodied herein shall be effective for any purpose. This Agreement shall replace any previous agreement between the parties on the same subject matter.

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SIGNATURE PAGE TO FOLLOW.

IN WITNESS WHEREOF, the parties have executed this Agreement at Lexington, Kentucky, the day and year first above written.

LEXINGTON-FAYETTE URBAN
COUNTY GOVERNMENT

BY: _____
LINDA GORTON, MAYOR

ATTEST:

Clerk of the Urban County Council

ARBOR YOUTH SERVICES, INC.

BY: _____
Stephanie Spires, Executive Director

ATTEST:

WITNESS: _____
DATE: _____

EXHIBIT "A"

Lexington/Fayette Urban County Government

**RFP #20-2026, Emergency Shelter – Extended Social Resources (ESR)
Grant Program**

EXHIBIT "B"

Lexington/Fayette Urban County Government

Organization's Response to RFP #20-2026

EXHIBIT "C"
Lexington/Fayette Urban County Government
Quarterly Reporting