

**MEMORANDUM OF AGREEMENT
BETWEEN LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT
AND ARBOR YOUTH SERVICES, INC.**

THIS MEMORANDUM OF AGREEMENT (the “Agreement”), is made and entered into on the ____ day of _____, 2026 (the “Execution Date”), 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”), and **ARBOR YOUTH SERVICES, INC.** (“Organization”), for the purpose of setting out the parties’ mutual understanding as to the use of Funds provided by LFUCG to the Organization.

RECITALS

WHEREAS, Organization is in need of funds to address facility repairs, specifically the installation of a new fire sprinkler system, at Organization’s transition age youth shelter located at 540 West Third Street, Lexington, Kentucky; and

WHEREAS, completion of the fire sprinkler system installation will increase bed capacity to nine (9) additional emergency beds for transition-age youth experiencing homelessness at 540 West Third Street, Lexington, Kentucky; and

WHEREAS, Organization previously received \$155,464.00 from the Community Development Block Grant for the Project; and

WHEREAS, LFUCG wishes to provide an additional \$56,000.00 to Organization to aid in the installation of said sprinkler system, subject to the terms and conditions of this Agreement.

STATEMENT OF AGREEMENT

NOW, THEREFORE, and in consideration of the foregoing and the mutual covenants set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties understand and agree as follows:

1. **Project**. Organization will install a full fire sprinkler system at Organization’s transition age youth shelter located at 540 West Third St., Lexington, Kentucky (the “Project”). The fire sprinkler installation shall be in accordance with state and local building codes and shall be in compliance with all local, state, and federal laws and regulations. A description of the Project is attached hereto as Exhibit A. To the extent that there is any conflict between this Agreement and Exhibit A, the terms and provisions of this Agreement shall prevail.
2. **Term**. This Agreement shall be in effect from the Execution Date until completion of the Project (the “Term”), but Organization’s obligations set forth in Sections 3, 4, 6, and 8 below shall continue for a period of five (5) years beyond the expiration or termination of this Agreement.
3. **Project Funds**. LFUCG shall pay to Organization a total amount not to exceed **Fifty-Six Thousand Dollars and 00/100 Cents (\$56,000.00)** (the “Funds”) to support the Project. Payments shall be made monthly for expenditures the organization actually incurred, only after receipt of monthly invoices. The Funds are limited to the Project 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.

LFUCG shall make payment under this Agreement upon timely submission of an invoice(s) from Organization accompanied by data satisfactory to LFUCG to document entitlement to payment. 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 work performed or materials provided for the work are inadequate or defective.

LFUCG also reserves the right to reject any invoice submitted for work related to the Project more than sixty (60) days after the work was rendered.

Organization further acknowledges that the Funds awarded under this Agreement are public funds subject to all applicable state and local laws and regulations pertaining to the use of public funds. In any written or oral communications, Organization shall identify LFUCG as the source of the Funds; however, Organization shall not identify individual Urban County Councilmember(s) as being responsible for the Funds.

4. Disposition and/or Change in Usage of Property Purchased with the Funds. Organization agrees that it shall only use the Funds for the Project. Organization shall not:
 - a. spend the Funds on any other expenses or costs without first obtaining the written consent of LFUCG;
 - b. transfer, sell, abandon, destroy, or otherwise dispose, or enter into any contract or agreement to see or otherwise transfer, any of the property or assets purchased with the Funds without first obtaining the written consent of LFUCG; and/or
 - c. use the property or assets purchased with the Funds to promote a private purpose.
5. Termination; Breach and Cure; Recovery of Funds. 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. In the event of termination based upon a material condition of non-performance or default by Organization, LFUCG shall provide Organization with advance written notice specifying the nature of such breach. Organization shall have ten (10) days from the receipt of such notice to cure such breach. If more time is reasonably required for Organization's performance or ability to cure such breach, then Organization shall notify LFUCG in writing of its proposed schedule for performance and commence performance within such ten (10) day period; thereafter, Organization shall diligently proceed to completion. If Organization fails to cure or to commence cure within such ten (10) day period, then LFUCG shall have the right to terminate this Agreement immediately by serving Organization with written notice of termination. In the event that this Agreement is terminated, LFUCG shall be entitled to recover all funds advanced to Organization for which it has not yet expended on the Project in accordance with this Agreement.
6. Record Retention; Reporting; Access. Organization shall create, maintain, and preserve sufficient records of its expenditures to demonstrate compliance with the requirements of this Agreement. Organization shall provide such records to LFUCG promptly upon written request. Such records shall be maintained not less than five (5) years after the expiration or termination of this Agreement. Upon request, Organization shall provide LFUCG with all necessary access and/or documentation to verify its compliance with any provision of this Agreement and the Exhibits attached hereto. Organization shall provide LFUCG with

timely reports and updates related to the Project in the form and manner reasonably specified by LFUCG.

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. Indemnity. Organization shall defend, indemnify and hold harmless LFUCG and/or its officers, agents, employees, representatives, assignees, and/or designees from any and all liability, actions, claims, demands, or suits, and all related costs, attorney fees, and expenses arising out of or resulting from this Agreement. 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 associated with the use of the Funds.
9. Open Records. 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. Independent Contractors. 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 in the performance of this Agreement.
11. 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.
12. 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.
13. No Assignment; No Third Party Rights. Organization may not assign any of its rights and duties under this Agreement without prior written consent of LFUCG. This Agreement does not create a contractual relationship with or right of action in favor of a third party against either Organization or LFUCG.

14. Law and Venue. This Agreement shall be governed in all respects by the laws of the Commonwealth of Kentucky. Venue for all actions arising under this Agreement shall lie in the Circuit Court of Fayette County, Kentucky.
15. Amendments. This Agreement may be amended or modified from time to time only by the mutual written agreement of the parties hereto. 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.
16. 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
17. Notice. Any notice required by this Agreement shall be delivered via hand delivery or certified mail, return receipt requested, to the following:

To LFUCG: Lexington-Fayette Urban County Government
 Office of Homelessness Prevention and Intervention
 200 East Main Street
 Lexington, Kentucky 40507
 Attn: Jeff Herron

To Organization: ARBOR YOUTH SERVICES, INC.
 P.O. Box 904
 Lexington, Kentucky 40588
 Attn: Joshua McKinley, Executive Director
18. Entire Agreement. This Agreement shall constitute the entire agreement between the parties hereto, 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.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Execution Date.

**LEXINGTON-FAYETTE
URBAN COUNTY GOVERNMENT**

ARBOR YOUTH SERVICES, INC.

Linda Gorton, Mayor

Joshua McKinley, Executive Director

Attested by:

Clerk of the Urban County Council

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EXHIBIT "A"

PROJECT DESCRIPTION

4910-5871-9145, v. 1

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