

MEMORANDUM OF AGREEMENT

This Memorandum of Agreement (the “*Agreement*”) is made and entered into as of the _____ day of _____, 2025 (the “*Effective Date*”), by and between the Lexington-Fayette Urban County Government, an urban county government and political subdivision of the Commonwealth of Kentucky (“*LFUCG*”) and Medical Debt Resolution, Inc. d/b/a Undue Medical Debt, a New York not-for-profit corporation (“*Undue Medical Debt*,” collectively with LFUCG referred to as the “*Parties*” and individually as a “*Party*”) to establish an agreed upon protocol for the administration and management of the Medical Debt Relief Initiative (the “*Project*”) described below.

RECITALS

WHEREAS, LFUCG has allocated \$1,000,000.00 of Project Funds for the purpose of supporting the Project which shall focus on abolishing the medical debt of Eligible Residents who are unable to cover their medical bills; and

WHEREAS, the Project will further the mission of LFUCG and serve the broader public purposes of protecting the health, safety, and welfare of the residents of Lexington-Fayette County, Kentucky by promoting economic development, justice and equity; and

WHEREAS, LFUCG desires to provide funding to Undue Medical Debt for the administration and management of the Project in Lexington-Fayette County, Kentucky, as described herein; and

WHEREAS, Undue Medical Debt is able and willing to assist LFUCG in the administration and management of the Project and to perform these services pursuant to this Agreement; and

WHEREAS, Undue Medical Debt is authorized by its governing body to enter into this Agreement with LFUCG for the purposes described herein.

NOW THEREFORE, in consideration of the covenants and mutual agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **INCORPORATION OF RECITALS.** The recitals set forth above constitute an integral part of this Agreement and are incorporated herein by this reference.
2. **DEFINITIONS.**
 - (a) “*Eligible Expenses*” shall refer to payroll, debt purchases, operating expenses, technical assistance expenses, Project administration expenses, Project coordination expenses and other expenses included in the Project Budget.
 - (b) “*Eligible Resident(s)*” shall refer to any resident of Lexington-Fayette County, Kentucky who meets the eligibility criteria established in Section 3(b) of this Agreement, as determined by data obtained from FinThrive or an equivalent data provider.
 - (c) “*Event of Default*” shall refer to the material failure of either Party to observe and perform its terms, covenants, promises, and agreements under this Agreement.
 - (d) “*Force Majeure Event*” shall refer to a natural disaster, actions or decrees of governmental bodies, not including actions taken by LFUCG in its contracting capacity, lack of participation from Providers and third-party debt collectors, or technological or communications failure not the fault of the affected Party.
 - (e) “*FPL*” shall refer to the Federal Poverty Level established by the United States Department of Health and Human Services.
 - (f) “*Project Budget*” shall refer to the budget in EXHIBIT C.
 - (g) “*Project Funds*” shall refer to the funds allocated by LFUCG for the Project.

- (h) “*Provider*” shall refer to any hospital or health care provider that has provided services to Eligible Residents.
- (i) “*Qualifying Medical Debt*” shall refer to any medical debt owed by an Eligible Resident to a Provider or third-party debt collector.

3. ELIGIBILITY FOR THE PROJECT.

- (a) Undue Medical Debt hereby certifies that it has the authority and approval necessary to execute this Agreement and receive Project Funds for eligible uses specified under this Agreement.
- (b) Undue Medical Debt shall use Project Funds to acquire and cancel medical debt owed by Eligible Residents. Status as an Eligible Resident shall be determined by Undue Medical Debt and is limited to Lexington-Fayette County residents who:
 - (i) Live in a household with total household income between zero percent (0%) and four hundred percent (400%) of the FPL; and/or
 - (ii) Have medical debt that will be cancelled under this Agreement that equals or exceeds five percent (5%) of total household income.

4. GENERAL PROVISIONS.

- (a) TERM. This Agreement shall become effective as of the date on which it is fully executed by both Parties and will continue in full force and effect until the third anniversary of the Effective Date, unless it is terminated earlier in accordance with Section 6 of this Agreement.
- (b) OBLIGATIONS OF THE PARTIES. Undue Medical Debt agrees to administer the Project on behalf of LFUCG, as described herein and in the Scope of Work set forth in EXHIBIT A, attached hereto and incorporated herein. LFUCG agrees to provide One Million Dollars (\$1,000,000.00) in Project Funds to be made available to carry out the purposes of the Project. Payments will be made to Undue Medical Debt for eligible uses of the Project Funds, hereunder, according to the criteria for the use of such funds. Invoice submission for Project Funds shall be in accordance with the provisions provided in Section 5(b) of this Agreement. Undue Medical Debt understands and agrees that the One Million Dollars (\$1,000,000.00) in Project Funds provided is a not-to-exceed amount.
- (c) REPRESENTATIVES. Each Party to this Agreement shall designate one staff representative, who shall be the primary point of contact for that Party.
 - (i) Undue Medical Debt:
Courtney Story
Vice President of Government Initiatives
courtney.story@unduemicaldebt.org
 - (ii) LFUCG:
Tori Cruz-Falk
Aide to Vice Mayor
tcruzfalk@lexingtonky.gov
- (d) FINANCIAL MANAGEMENT AND INTERNAL CONTROLS. Undue Medical Debt agrees to adhere to appropriate accounting principles and procedures, utilize adequate internal controls and maintain necessary source documentation for all Eligible Expenses. Undue Medical Debt’s accounting system for recording expenditures must be established and maintained in accordance with generally accepted accounting principles.

- (e) **RECORD RETENTION.** All financial records, supporting documents, statistical records, or other records of Undue Medical Debt that are pertinent to this Agreement shall be maintained by Undue Medical Debt for a period of three (3) years from the date of the submission of the final expenditure report.
- (f) **ACCESS TO RECORDS.** Subject to the limitations otherwise set forth herein, including without limitation Section 5(c), Undue Medical Debt agrees that LFUCG shall have access to any records, reports, or other data that is directly pertinent to the services provided by Undue Medical Debt under this Agreement, including for purposes of program review, and Undue Medical Debt acknowledges and understands that records relating to this Agreement and/or the services provided hereunder may be subject to the Kentucky Open Records Act, KRS 61.870 to KRS 61.884. Confidentiality of records shall be maintained to the fullest extent permitted by law.
- (g) **CLOSE-OUT.** The Parties' obligations under this Agreement shall not end until all Project close-out requirements are completed as determined by the mutual agreement of the Parties. Activities during the close-out period shall include but are not limited to making final payments and disposing of Project Funds. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that Undue Medical Debt has control over any Project Funds.

5. REPORTING AND INVOICING. Undue Medical Debt agrees to provide the following reports and information, subject to availability of data and compliance with any applicable laws:

- (a) **REPORTING.**
 - (i) **Quarterly Reports.** Within sixty (60) days of the conclusion of each quarter, Undue Medical Debt shall submit a report to LFUCG which includes the information contained in this Section 5(a)(i); *provided* that Undue Medical Debt shall have no obligation to share a quarterly report for a quarter during which no 2(i) was abolished.
 - (A) A narrative summary of Project status during the reporting period;
 - (B) The amount expended by Undue Medical Debt on the Project during the quarter;
 - (C) A detailed accounting of Eligible Expenses for which Project Funds are sought during the quarter, including source documentation;
 - (D) The cumulative total amount of Project Funds reimbursed on the Project since inception;
 - (E) The amount that has been obligated for spending on the Project but has not been invoiced for reimbursement;
 - (F) Total number of Project recipients of medical debt relief under the Project (such data shall be categorized by income relative to the FPL, gender, race, ethnicity and ZIP Code); and
 - (G) Any additional information determined by the mutual agreement of the Parties.
 - (ii) **Final Report.** Within ninety (90) days of the conclusion of the term, Undue Medical Debt shall submit a report to LFUCG which includes the following information:

- (A) Total number of recipients of medical debt relief under the Project (such data shall be categorized by income relative to the FPL, gender, race, ethnicity and ZIP Code) who participated in the Project;
- (B) Total Project Funds disbursed;
- (C) Qualitative data from awardees (including recipient testimonials); and
- (D) Any additional information determined by the mutual agreement of the Parties

(b) INVOICING AND SOURCE DOCUMENTATION.

- (i) Invoicing. Undue Medical Debt shall invoice LFUCG on no less than a quarterly basis for the reimbursement of Eligible Expenses. Invoices are due within forty-five (45) days of the end of the quarter, except for the final invoice, which shall be due within ninety (90) days of the end of the term. The invoice must include all source documentation (including source documentation of subcontractors) evidencing payment of Eligible Expenses set forth on the invoice. LFUCG shall reimburse Undue Medical Debt for all Eligible Expenses. LFUCG will make all reasonable efforts to reimburse all portions of any invoice that is adequately supported by source documentation within thirty (30) days of receipt.
 - (ii) Source Documentation. Undue Medical Debt shall submit and maintain source documentation, which evidences the basis of the Eligible Expenses incurred and invoiced to LFUCG, as well as the dates and amounts of all expenditures. Examples of source documentation that LFUCG will require to be maintained by Undue Medical Debt and its contractors are as follows:
 - (A) For labor costs, to the extent applicable, payroll source documentation including: (a) employment letters and all authorizations for rates of pay, benefits, and employee withholdings; or (b) payroll reports from payroll processing companies.
 - (B) Materials and supplies should be supported by: (a) purchase orders or requisition; (b) invoices from the vendor; (c) original invoices or sales receipts; or (d) other evidence demonstrating payment was made.
 - (C) Detailed invoices evidencing payment to contractors.
 - (iii) Undue Medical Debt may request an advance from Project Funds by submitting a Request for Advance of Project Funds in the form set forth in EXHIBIT B. LFUCG shall not unreasonably deny such request for advance payment; *provided*, however, that Undue Medical Debt shall provide as much advance notice as reasonably possible to LFUCG prior to any impending or proposed expenditure of Project Funds by Undue Medical Debt which may result in a Request for Advance of Project Funds.
- (c) The Parties agree that, unless required by law, Undue Medical Debt shall have no obligation under this Agreement to disclose the following to LFUCG: (i) any information covered by a non-disclosure agreement, a business associate agreement, or any similar confidentiality agreement, (ii) any protected health information as defined in 45 C.F.R. § 160.103, (iii) any personally identifiable information as defined in 2 C.F.R. § 200.1, (iv) any information that is a trade secret or otherwise proprietary to Undue Medical Debt, or (v) any information that Undue Medical Debt is otherwise prevented from sharing with LFUCG pursuant to law.

6. TERMINATION.

(a) TERMINATION FOR CAUSE.

- (i)** If a Party commits an Event of Default, then the non-defaulting Party shall deliver a notice of default. The defaulting Party will have thirty (30) days from the date written notice of default is delivered in which to cure such Event of Default; *provided*, however, that if the defaulting Party has commenced to cure within thirty (30) days, is diligently working to effect a cure and the Event of Default is not reasonably capable of being cured within thirty (30) days, the defaulting Party shall have such additional time as is reasonably necessary, as determined by the non-defaulting Party.

If the defaulting Party fails to cure such Event of Default within the applicable cure period, the non-defaulting Party may terminate this Agreement for cause, in whole or in part, by giving written notice to the defaulting Party of such termination and specifying the effective date thereof.

- (ii)** In the event that the services of Undue Medical Debt are terminated by LFUCG for fault on the part of Undue Medical Debt, Undue Medical Debt shall be paid an amount representing just and equitable compensation for work performed or services rendered and delivered for which it has not already been paid; such amount to be paid shall be determined by the mutual agreement of the Parties.

- (b)** Subject to Section 6(a)(ii), if in the event of a termination of this Agreement, Undue Medical Debt:

- (i)** Has incurred Eligible Expenses greater than the amount of Project Funds received, LFUCG shall compensate Undue Medical Debt for the difference between Eligible Expenses incurred and Project Funds received.

- (ii)** Has received an amount of Project Funds greater than the amount of Eligible Expenses incurred, Undue Medical Debt shall return to LFUCG the difference between Project Funds received and Eligible Expenses incurred.

- (c)** FORCE MAJEURE. In the event that either Party is unable to perform any of its obligations under this Agreement because of a Force Majeure Event, the Party which has been so affected agrees to give notice as soon as practicable to the other Party and agrees to do everything reasonably within its control to resume performance. Upon receipt of such notice, this Agreement shall be suspended immediately. If the period of nonperformance exceeds ten (10) days from the receipt of notice of the Force Majeure Event, the Party whose ability to perform has not been so affected may terminate this Agreement for convenience by giving written notice to the other Party.

7. NOTICES. All notices shall be delivered in writing and shall be communicated by electronic mail, USPS First Class Mail, fax or overnight courier to the Parties hereto at the addresses set forth below or at such other address as either Party may designate by written notice to the other with five (5) days written notice. Any such notice shall be deemed to be given or made three (3) business days following the date that it is deposited in the United States Post Office or on the day following the delivery to the overnight courier.

- (a) To Undue Medical Debt:**
Michael Derbes
General Counsel

Undue Medical Debt
28-07 Jackson Avenue, 5th Floor
Long Island City, NY 11101

By email: michael.derbes@unduemicaldebt.org

To LFUCG:
Lexington-Fayette Urban County Government
Office of Vice Mayor
Attn: Tori Cruz-Falk
200 East Main Street
Lexington, KY 40507
By email: tcruzfalk@lexingtonky.gov

WITH A COPY TO:

Lexington-Fayette Urban County Government
Commissioner of Law
Department of Law
200 East Main Street
Lexington, KY 40507

8. **COMPLIANCE WITH LAWS.** Undue Medical Debt acknowledges that this Agreement is governed by the laws of the Commonwealth of Kentucky and that Undue Medical Debt shall comply with all applicable state and local orders, laws, regulations, rules, policies and certifications governing its performance of this Agreement. Unless specifically waived herein, all LFUCG ordinances, manuals, rules, regulations, or similar requirements of LFUCG applicable to the subject matter of this Agreement shall control.
9. **PROCUREMENT.** Undue Medical Debt is responsible for ensuring that any procurement of goods or services using Project Funds is consistent with the procurement standards set forth in the purchasing policies and regulations of LFUCG related to public procurement, as determined to be applicable by LFUCG.
10. **CONFIDENTIALITY.**
 - (a) PERSONALLY IDENTIFIABLE INFORMATION. Undue Medical Debt must take reasonable measures to safeguard protected personally identifiable information, as defined in 2 C.F.R. 200.1.
 - (b) The Parties hereby mutually agree that Undue Medical Debt shall have the right to use any and all data obtained through the performance of this Agreement for the purpose of analyzing the problem of medical debt in the United States, the Commonwealth of Kentucky and in Lexington-Fayette County, Kentucky; *provided* that Undue Medical Debt remains in compliance with its Data Retention and Archiving Policy, which is hereby incorporated as EXHIBIT D, and notifies LFUCG of any material changes to said policy. If any published data analysis utilizes or is based on data obtained through the performance of this Agreement, Undue Medical Debt shall notify LFUCG prior to publication and, if requested by LFUCG, recognize LFUCG's contribution to the data analysis; *provided* that LFUCG's name will not be included in any data analysis or publication without the express written consent of LFUCG.
 - (c) Undue Medical Debt and LFUCG understand and agree that this Agreement and any related documents may be subject to disclosure, in whole or in part, under the Kentucky Open Records Act, and, to the extent required by law, Undue Medical Debt shall cooperate with any reasonable request by LFUCG to provide assistance with such a request.

11. **INSURANCE.** Undue Medical Debt shall provide and maintain the insurance coverages outlined in its certificate of insurance, set forth in EXHIBIT E, attached hereto and incorporated herein. The insurance coverages shall be effective during the term of this Agreement and any time period following expiration if Undue Medical Debt is required to return and perform any of the services under this Agreement. Undue Medical Debt shall promptly notify LFUCG if any of its insurance coverage are canceled, not renewed, decreased, or otherwise lapse.
12. **LIMITATION OF LIABILITY.** Undue Medical Debt's sole remedy for a breach of this Agreement shall be limited to the amount of Project Funds authorized under this Agreement, less any amount then-expended or then-encumbered. Barring gross negligence or willful misconduct on the part of LFUCG, in no event shall LFUCG be liable to Undue Medical Debt in a cumulative amount greater than the Project Funds authorized (\$1,000,000.00).
13. **EXHIBITS.** All exhibits to this Agreement are incorporated as if set out fully. In the event of any inconsistencies or conflict between the language of this Agreement and the exhibits, the language of the exhibits shall control, but only to the extent of the conflict or inconsistency. This Agreement contains the following exhibits:

EXHIBIT A – Scope of Work

EXHIBIT B – Request for Advance of Project Funds

EXHIBIT C – Project Budget

EXHIBIT D – Undue Medical Debt's Data Retention and Archiving Policy

EXHIBIT E – Undue Medical Debt's Insurance Coverage

14. **MISCELLANEOUS.**

- (a) **COUNTERPARTS.** This Agreement may be executed in counterparts, each of which shall be deemed an original. In the event that any signature is delivered via facsimile or by email of a “.pdf” format data file, such signature shall create a valid and binding obligation of such party with the same force and effect as if such facsimile or “.pdf” signature page was an original thereof.
- (b) **ENTIRE AGREEMENT.** This Agreement, including the incorporated recitals and exhibits, constitutes the entire agreement between the Parties and supersedes all prior offers, negotiations, and other agreements concerning the subject matter contained herein. This Agreement cannot be modified or amended except by mutual written agreement of both Parties.
- (c) **SEPARATE ENTITIES.** It is understood and agreed that nothing contained herein is intended or should be construed as in any way affecting the status of the Parties as separate, independent and distinct entities under the laws of the Commonwealth of Kentucky or any other jurisdiction. It is further understood and agreed that nothing herein is intended or should be construed as in any way creating or establishing the relationship of co-partners or joint ventures between the Parties hereto, or as constituting the Parties as representatives of each other for any purpose.
- (d) **NON-LIABILITY OF PUBLIC OFFICIALS.** No official, employee or agent of LFUCG shall be charged personally by Undue Medical Debt or by an assignee or subcontractor with any liability or expenses of defense or be held personally liable under any term or provision of this Agreement.
- (e) **BINDING EFFECT.** This Agreement shall be binding upon, and shall inure to the benefit of, the successors and assigns of the Parties hereto, and neither party shall assign, sublet, or transfer its interests in this Agreement without the written consent of the other party.

- (f) INDEMNIFICATION AND HOLD HARMLESS. It is understood and agreed by the Parties that Undue Medical Debt hereby assumes the entire responsibility and liability for any and all damages to persons or property caused by or resulting from or arising out of any act or omission on the part of Undue Medical Debt, its contractors, subcontractors, agents, servants, owners, principals, licensees, or assign, in connection with the provision of services as set forth in this Agreement and the performance or failure to perform any services as set forth in this Agreement. Undue Medical Debt shall, to the extent permitted by law, indemnify, save, hold harmless, and defend LFUCG and its elected and appointed officials, employees, agents, and successors in interest from and against any and all liability, damages, and losses, to the extent that such claims expressly relate to the provision of services by Undue Medical Debt as set forth in this Agreement or the failure by Undue Medical Debt to perform services expressly required to be performed as set forth in this Agreement, to the extent that such claims are attributable to the negligent acts, errors, omissions, or willful misconduct of Undue Medical Debt, its contractors, or its subcontractors. Undue Medical Debt shall have no obligation to indemnify LFUCG to the extent that such claims are caused by the negligence or willful misconduct of LFUCG. These provisions shall in no way be limited by any financial responsibility or insurance requirements and shall survive any termination of this Agreement. Undue Medical Debt acknowledges and understands that LFUCG is a political subdivision of the Commonwealth of Kentucky and that LFUCG is unable to provide indemnity or otherwise save, hold harmless, or defend Undue Medical Debt in any manner.
- (g) CONSTRUCTION. Any headings of this Agreement are for convenience of reference only and do not define or limit the provisions thereof. Words of any gender shall be deemed and construed to include correlative words of the other genders. Words importing the singular number shall include the plural number and vice versa, unless the context shall otherwise indicate. All references to any person or entity shall be deemed to include any person or entity succeeding to the rights duties, and obligations of such persons or entities in accordance with the terms and conditions of this Agreement.
- (h) WAIVER. The failure or delay on the part of Undue Medical Debt or LFUCG to exercise any right, power, or privilege hereunder shall not operate as a waiver thereof. Whenever a Party waives the other Party's performance in any respect or waives a requirement or condition of another Party's performance, the waiver so granted shall only apply to the particular instance and shall not be deemed a waiver forever or for subsequent instances of the performance, requirement or condition. No such waiver shall be construed as a modification of this Agreement regardless of the number of times a Party may have waived the performance, requirement or condition.
- (i) SEVERABILITY. If any provision of this Agreement shall be held or made invalid by a court decision, statute or rule, or shall be otherwise rendered invalid, the remainder of this Agreement shall not be affected thereby.
- (j) AMENDMENTS. This Agreement may be amended only by a written instrument signed by both Parties. LFUCG may, in their discretion, amend this Agreement to conform with available funding amounts.
- (k) GOVERNING LAW AND VENUE. This Agreement shall be governed by and construed under the laws of the Commonwealth of Kentucky. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law. Any claim, suit, action, or proceeding brought in connection with this Agreement, including but not limited to actions either for breach of this Agreement or for enforcement of the Agreement, shall be brought in a court of appropriate jurisdiction in

Fayette County in the Commonwealth of Kentucky and each Party hereby irrevocably consents to the personal and subject matter jurisdiction of such court and waives any claim that such court does not constitute a convenient and appropriate venue for such claims, suits, actions or proceedings.

- (l) NO THIRD PARTY RIGHTS. Nothing in this Agreement, expressed or implied, is intended to or shall be construed to confer upon or give to any person other than the Parties hereto any right, remedy, or claim under or by reason of such agreement or covenant, condition, or stipulation herein contained. Nothing expressed or mentioned in or to be implied from this Agreement is intended or shall be construed to give to any person other than the Parties hereto any legal or equitable right, remedy, or claim under or in respect to this Agreement.

- (m) The execution, delivery, and performance of this Agreement and any documents relating thereto have been duly authorized by all necessary Parties, and this Agreement is enforceable in accordance with its terms. Undue Medical Debt and LFUCG have full power and authority to enter into this Agreement, to execute and deliver all instruments and documents referred to herein, and to consummate the transactions contemplated thereby.

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IN WITNESS WHEREOF, the Parties hereto have caused their duly authorized representatives to execute this Agreement on the dates hereafter set forth.

**MEDICAL DEBT RESOLUTION, INC. D/B/A
UNDUE MEDICAL DEBT**

By: _____
Allison Sesso
President / CEO

Date: _____

**LEXINGTON-FAYETTE URBAN COUNTY
GOVERNMENT**

By: _____

Date: _____

EXHIBIT A
SCOPE OF WORK

1. PROJECT DESCRIPTION AND OBJECTIVES.

- (a) LFUCG will partner with Undue Medical Debt to purchase and retire the medical debt of Eligible Residents who have been or are currently unable to cover outstanding medical bills because they are experiencing financial hardship.
- (b) Many individuals with medical debt are uninsured or underinsured and are experiencing financial hardship. These debts impose both psychological and financial burdens and may cause people to avoid seeking the health care services that they need. In a number of cases, they may feel lasting impacts due to reduced credit scores, wage garnishment, and property liens. The Project will help thousands of Lexington-Fayette County residents obtain financial stability, improve their health equity, and reduce stress and mental health problems.
- (c) DEFINITIONS. Capitalized terms used in this EXHIBIT A but not defined herein shall have the meaning given to them in the Agreement.

2. ROLES AND RESPONSIBILITIES. Undue Medical Debt shall serve as the administrator of the Project and fiscal agent for the Project Funds provided by LFUCG for the Project. Undue Medical Debt shall retain funds to cover its costs as set forth in EXHIBIT C below. Undue Medical Debt shall manage and oversee design and execution, outreach, impact measurement, financial and performance reporting, and monitoring and compliance. LFUCG will provide funding.

3. WORKPLAN.

- (a) Establish Project management infrastructure.
 - (i) Meet regularly with LFUCG.
 - (ii) Develop a mechanism for invoicing LFUCG for Project costs in accordance with Section 5(b) of the Agreement.
 - (iii) Report metrics and information based on tools and templates prepared by Undue Medical Debt and reviewed by LFUCG.
- (b) Recruit Providers to sell or donate Qualifying Medical Debt to Undue Medical Debt for Project purposes.
 - (i) Enter into business associate agreements and non-disclosure agreements with Providers and third-party debt collectors early in the medical debt acquisition and abolishment process.
 - (ii) Share information with LFUCG including the required metrics and the status of the Project; *provided* that the names of Providers and third-party debt collectors that have (and have not) agreed to participate may not be shared unless such Provider or third-party debt collector consents to those disclosures.
- (c) Request and receive patient accounts data files from Providers.
 - (i) After entering into business associate agreements and non-disclosure agreements, Undue Medical Debt shall ask Providers to prepare and transmit patient accounts data files for analysis.
 - (ii) Data files are transmitted securely via SFTP (SSH File Transfer Protocol) or using other, highly secure methods.
- (d) Request and receive patient accounts data files from commercial debt buyers who have acquired medical debt for Lexington residents for collections purposes.

- (e) Analyze patient accounts data files (using proprietary scrubbing processes) to identify Qualifying Medical Debt.
- (f) Develop proposals to acquire Qualifying Medical Debt using Undue Medical Debt's standard pricing model.
- (g) Use Project Funds to acquire and cancel Qualifying Medical Debt.
- (h) Issue letters to notify Eligible Residents that medical debts have been cancelled.
 - (i) Apply Project Funds to pay for costs to notify individuals that their medical debts have been cancelled.
 - (ii) Undue Medical Debt shall use its standard form letter to notify Eligible Residents. The letter includes the medical debt balance or balances that have been abolished, the name of the Provider owed, applicable account numbers and dates of service, background on Undue Medical Debt and that the debt cancellation is non-taxable, and other information. The Parties may agree to send a second letter to provide Eligible Residents another opportunity to be notified.
 - (iii) Undue Medical Debt shall collaborate with LFUCG on the contents of these communications to assure that LFUCG is appropriately acknowledged.
- (i) Solicit and collect testimonials from Eligible Residents who have had their medical debts cancelled.
- (j) Support marketing and outreach in collaboration with LFUCG communications team.
- (k) Undue Medical Debt shall provide reports and information pursuant to Section 5 of the Agreement. If LFUCG has an online platform where Undue Medical Debt should submit the reporting or invoicing described in Section 5 of the Agreement, Undue Medical Debt shall use such platform; *provided* that if, after a good faith effort to use the platform, Undue Medical Debt determines that it is inadequate, Undue Medical Debt may provide reporting and invoicing through other means including, without limitation, email.

4. PROJECT BUDGET.

- (a) Under this Agreement, Undue Medical Debt shall receive Project Funds and use them to acquire portfolios of medical debt, to analyze those portfolios for Qualifying Medical Debt, to mail letters to recipients of debt relief advising them that certain medical debts have been cancelled, to fund Project administration and technology costs, to fund indirect costs (at fifteen percent (15%) of direct costs), and for other expenses associated with the Agreement. Undue Medical Debt is the sole recipient of the funds and as fiscal agent will use the funds to purchase Qualifying Medical Debt from Providers and for the other identified purposes.
 - (b) Undue Medical Debt may, via a deviation allowance or a series of deviation allowances, modify an established budget category by \$10,000 or 15% (an "**Acceptable Deviation**"), whichever is greater, without approval of LFUCG; *provided* that Undue Medical Debt may not adjust any budget category over the term of the Agreement by an amount that exceeds the Acceptable Deviation, regardless of whether such deviation was made all at once or cumulatively, without the approval of LFUCG. This deviation allowance does not authorize new categories not shown in EXHIBIT C. Further, any adjustment to the total amount of this Agreement must be made in writing and executed by all Parties through an amendment to this Agreement before the modifications can be implemented.

5. MARKETING AND COMMUNICATION.

- (a) The Parties hereby agree to use all commercially reasonable efforts to coordinate with each other prior to discussing the Project or the other Party publicly. Further, neither Party shall issue any press release, flyer, advertisement or any other pre-planned public statement

regarding the Project or the other Party, including for the avoidance of doubt, statements to the press where the Party has time to prepare its statements or responses, without the other Party's approval.

- (b)** LFUCG has adopted CAO Policy 57: Branding, Graphic and Logo Standards that requires approval for any third-party use of any official LFUCG logo or seal. Undue Medical Debt shall comply with that policy and seek advance approval in writing for any intended use of any official LFUCG logo or seal, and LFUCG shall likewise seek advance written approval for any use of Undue Medical Debt's logo on any publicity materials related to the Project. Letters sent by Undue Medical Debt to beneficiaries for the Project will describe LFUCG's involvement and financial support, but shall not state or represent that the financial support or involvement by identifying any individual member of the Urban County Council by name, but may only represent that the financial support was provided by the Lexington-Fayette Urban County Government.

EXHIBIT B
REQUEST FOR ADVANCE OF PROJECT FUNDS

The following form affords organizations in need of an advance of funds to request them from LFUCG to perform Project activities. The information should be provided by Undue Medical Debt and shared with LFUCG. The information below is required before an advance of funds can be initiated.

Sample Advance Form:

Undue Medical Debt Name:	
Project Title:	
Amount Requested	
\$ Amount Requested:	% of Current Year Budget:
Description of Activities:	
Documentation of Need	
Certifications	
I certify that the advanced funds will only be used for costs applicable to the Project herein. I certify that I have the authority to submit this request on behalf of the organization I represent. Any misuse of funds could result in the termination of the Agreement and will require the organization to refund LFUCG in those amounts. Any advanced funds not yet spent for authorized work by Undue Medical Debt shall be promptly returned to LFUCG within sixty (60) days of termination.	
Undue Medical Debt Contact Information	
Name:	Title:
Signature:	Date:
LFUCG Signatory Information	
LFUCG Representative Name:	
LFUCG Representative / Approver Signature:	
Date Signed:	

EXHIBIT C
PROJECT BUDGET

EXHIBIT D

UNDUE MEDICAL DEBT'S DATA RETENTION AND ARCHIVING POLICY

Data Retention

Undue Medical Debt (“*Undue*”) shall maintain complete, accurate, and high-quality records in compliance with state and federal laws and guidance. Beneficiary records are to be retained for a period of ten years unless longer retention is required for contractual, legal, or regulatory requirements. Records that are no longer required, or have satisfied their required periods of retention, shall be destroyed or archived by Undue in a manner consistent with this Policy.

Certain disposable information may be discarded or deleted at the discretion of the user once it has served its temporary useful purpose or because it is not a “record” required to be maintained pursuant to this Policy. Examples may include:

- Duplicates of originals that have not been annotated,
- Preliminary drafts of letters, memoranda, reports, worksheets, and informal notes that do not represent significant steps or decisions in the preparation of an official “record.”

Data & Device Disposal

Undue shall ensure that all restricted and confidential data is securely deleted from company devices prior to, or at the time of, disposal.

Confidential and Restricted hardcopy materials shall be shredded or otherwise disposed of using a secure method.

Personally identifiable information (PII) shall be collected, used and retained for ten years from the year of debt abolishment. Then the PII will be deidentified before archival following the guidance provided by the U.S. Department of Health and Human Services. Undue policy refers to the “Guidance Regarding Methods for De-identification of Protected Health Information in Accordance with the Health Insurance Portability and Accountability Act (HIPAA) Privacy Rule.” The Privacy rule provides two methods by which health information can be designated as de-identified. Undue uses the “Safe Harbor” method. The following identifiers which are part of what Undue collects will be removed from the beneficiary data before the remaining data is archived:

- Names
- Addresses (The first three digits of a zip code are retained if the total population with zip codes with those three digits is over 20,000)
- All elements of dates including admission date, discharge date, death date and date of birth (years are retained)
- Telephone numbers
- Vehicle identifiers and serial numbers, including license plate numbers
- Fax numbers
- Device identifiers and serial numbers
- Email addresses
- Social security numbers (last four digits are retained)
- Medical record numbers
- Health plan beneficiary numbers
- Account numbers
- Certificate/license numbers

PII shall be securely deleted and disposed in accordance with company policy, contractual commitments and all relevant laws and regulations.

Archived Data

Deidentified PII would be archived and stored in secure location for a period of fifteen years. This timeline is determined by guidance provided by NIH Policy for Data Management and Sharing along with guidelines shared by universities interested in collaborating with Undue for research in this space. The first ten years is to conduct the research and then it is recommended that we retain this deidentified data for a period of 5 years after the year of publication. The following is a sample of the type of deidentified PII that would be archived:

- Year of birth
- Sex
- Race
- Ethnicity
- Marital status
- The first three digits of a zip code are retained if the total population with zip codes with those three digits is over 20,000
- Admission year
- Discharge year
- Year of death
- Insurance type
- Bankruptcy type
- Estimated household income
- Estimated household size
- Provider type

The retained data will not be sold. This is meant for research purposes only. After this archival period, the data will be deleted from Undue's archives.

Annual Data Review

The COO of Undue shall ensure that records and record storage systems are reviewed no less frequently than annually and that records are stored or destroyed in conformance with this Policy.

Legal Requirements

Under certain circumstances, Undue may become subject to legal proceedings requiring retention of data associated with legal holds, lawsuits, or other matters as stipulated by Undue's legal counsel. Such records and information are exempt from any other requirements specified within this Data Management Policy and are to be retained in accordance with requirements identified by the Legal department. All such holds and special retention requirements are subject to annual review with Undue's legal counsel to evaluate continuing requirements and scope. Destruction of records relating to litigation or governmental investigations may constitute a criminal offense.

EXHIBIT E



CERTIFICATE OF LIABILITY INSURANCE

DATE (MMDD/YYYY)

12/5/2024

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Newfront Insurance Services 777 Mariners Island Blvd Suite 250 San Mateo, CA 94404 www.newfront.com	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2">CONTACT NAME: Cert Request</td> </tr> <tr> <td>PHONE (A/C, No, Ext): 650-488-8565</td> <td>FAX (A/C, No):</td> </tr> <tr> <td colspan="2">E-MAIL ADDRESS: TechCertRequest@newfront.com</td> </tr> <tr> <td colspan="2" style="text-align: center;">INSURER(S) AFFORDING COVERAGE</td> </tr> <tr> <td>INSURER A: Hartford Underwriters Insurance Company</td> <td style="text-align: right;">NAIC # 30104</td> </tr> <tr> <td>INSURER B: Gemini Insurance Company</td> <td style="text-align: right;">10633</td> </tr> <tr> <td>INSURER C:</td> <td></td> </tr> <tr> <td>INSURER D: Palomar Excess and Surplus Insurance Co</td> <td style="text-align: right;">16754</td> </tr> <tr> <td>INSURER E: Landmark American Insurance Company</td> <td style="text-align: right;">33138</td> </tr> <tr> <td>INSURER F:</td> <td></td> </tr> </table>	CONTACT NAME: Cert Request		PHONE (A/C, No, Ext): 650-488-8565	FAX (A/C, No):	E-MAIL ADDRESS: TechCertRequest@newfront.com		INSURER(S) AFFORDING COVERAGE		INSURER A: Hartford Underwriters Insurance Company	NAIC # 30104	INSURER B: Gemini Insurance Company	10633	INSURER C:		INSURER D: Palomar Excess and Surplus Insurance Co	16754	INSURER E: Landmark American Insurance Company	33138	INSURER F:	
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INSURER F:																					

COVERAGES **CERTIFICATE NUMBER:** 82919981 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR		POLICY NUMBER	POLICY EFF (MMDD/YYYY)	POLICY EXP (MMDD/YYYY)	LIMITS	
		INSO	WVD					
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJ. <input type="checkbox"/> LOC <input type="checkbox"/> OTHER			57SBAAT6EKM	10/1/2024	10/1/2025	EACH OCCURRENCE	\$1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	\$1,000,000
							MED EXP (Any one person)	\$10,000
							PERSONAL & ADV INJURY	\$1,000,000
							GENERAL AGGREGATE	\$2,000,000
							PRODUCTS - COMPOP AGG	\$2,000,000
								\$
A	<input type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			57SBAAT6EKM	10/1/2024	10/1/2025	COMBINED SINGLE LIMIT (Ea accident)	\$1,000,000
							BODILY INJURY (Per person)	\$
							BODILY INJURY (Per accident)	\$
							PROPERTY DAMAGE (Per accident)	\$
								\$
A	<input type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$10,000			57SBAAT6EKM	10/1/2024	10/1/2025	EACH OCCURRENCE	\$1,000,000
							AGGREGATE	\$1,000,000
								\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y/N If yes, describe under DESCRIPTION OF OPERATIONS below		N/A				PER STATUTE	OTH-ER
							E.L. EACH ACCIDENT	\$
							E.L. DISEASE - EA EMPLOYEE	\$
							E.L. DISEASE - POLICY LIMIT	\$
B	Professional Liability			VNPL017176	10/1/2024	10/1/2025	\$1,000,000 each Claim/\$3,000,000 Agg	
D	Cyber			PLM-CB-SETADEUD3-003	10/1/2024	10/1/2025	Agg: \$5,000,000	
E	1st Excess Cyber			LHZ861565	10/1/2024	10/1/2025	Agg: \$5,000,000 XS \$5,000,000	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 181, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER For Informational Purposes Only	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE Rod Sokolov
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ACORD 25 (2016/03)

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