

FIRST AMENDMENT TO SUBRECIPIENT AGREEMENT

THIS FIRST AMENDMENT TO SUBRECIPIENT AGREEMENT ("Amendment"), is made and entered into on 26th day of July, 2024, by and between **LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT**, an urban county government pursuant to KRS Chapter 67A, and located at 200 East Main Street, Lexington, Fayette County, Kentucky 40507 (hereinafter referred to as "GOVERNMENT"), and **COMMERCE LEXINGTON, INC.**, whose post office address is 330 E. Main Street, Lexington, Ky. 40507 (hereinafter referred to as "SUBRECIPIENT").

WHEREAS, GOVERNMENT and SUBRECIPIENT entered into an Agreement dated May 31, 2022 ("Agreement"), in which the SUBRECIPIENT was allocated \$991,000.00 in federal funds originally awarded to GOVERNMENT pursuant to the American Rescue Plan Act of 2021 (referred to hereinafter as "ARPA");

WHEREAS, the parties now mutually desire to amend that Agreement to specify how the balance of the Funds shall be used in the final year of the Agreement;

WHEREAS, the Agreement provides that the Agreement may be amended only in a writing executed by the GOVERNMENT and the SUBRECIPIENT.

NOW, THEREFORE, in consideration of the foregoing and mutually agreed upon promises, conditions and covenants hereinafter set forth, the parties hereto agree as follows:

- A. Section I.B of the Agreement, titled: "STATEMENT OF WORK – Budget and Use of Funds" shall be replaced in its entirety with the following language:

"The SUBRECIPIENT understands and agrees that grant funds provided under this Agreement will be in an amount not to exceed \$991,000.00 ("Funds"). The SUBRECIPIENT agrees that it shall only use the Funds to pay eligible expenses, which shall be limited to payments for services and activities directly related to the activities described in SUBRECIPIENT'S American Rescue Plan Project Proposal ("Project"), attached as Exhibit 1 to this Agreement and incorporated herein by reference, and consistent with the agreed budget attached as Exhibit 2 to this Agreement and incorporated herein by reference. To the extent that any terms included in Exhibit 2 conflict with the terms of Exhibit 1, the terms of Exhibit 2 shall control. The SUBRECIPIENT understands and agrees that no other uses of the Funds are permitted unless agreed to by the parties in an Addendum to this Agreement. The SUBRECIPIENT is prohibited from charging to the subaward the costs of ineligible activities and from using any Funds provided herein or personnel employed in the administration of activities under this Agreement for political activities, inherently religious activities, or lobbying.

The SUBRECIPIENT further understands and agrees that the Funds may only be used for activities and services that directly benefit owners of "small businesses," as defined by the Small Business Administration."

- B. Section IV.B of the Agreement, titled "SUSPENSION, TERMINATION AND REMEDIES FOR BREACH – Recapture of Funds; Breach of Agreement" shall be amended to add the following language, which is underlined below:

(d) Any invoice submitted to GOVERNMENT, and/or any documentation produced in support of the amounts requested in aforesaid invoice, including but not limited to timesheet(s), is determined to contain any statement or assertion that is proven to be untrue, misleading, or otherwise made in bad faith.

C. In all other respects, except as specifically modified herein, the terms of the Agreement shall remain in full force and effect with respect to the provisions outlined therein.

IN WITNESS WHEREOF, the parties executed this Agreement the day, month, and year above written.

LEXINGTON-FAYETTE URBAN COUNTY
GOVERNMENT



Linda Gorton, Mayor

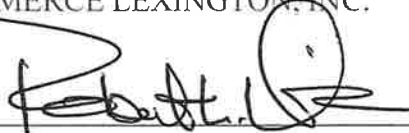
ATTEST:



Clerk of Urban County Council

COMMERCE LEXINGTON, INC.

BY



Robert L. Quick, President and CEO