

MEMORANDUM OF AGREEMENT

This Memorandum of Agreement is made and entered into effective as of July 1, 2013, by and between Lexington Fayette Urban County Government, an urban county government of the Commonwealth of Kentucky, created pursuant to KRS Chapter 67A (hereinafter "LFUCG") and the Metro Employees Credit Union, Incorporated, a Kentucky nonprofit corporation organized and governed as a credit union pursuant to KRS 286.6.005, et seq., with principal office located at 1306 Versailles Road, Suite 140, Lexington, Kentucky 40504 ("MECU").

WITNESSETH:

WHEREAS, MECU was originally established in 1940 by city of Lexington employees in order to serve as the credit union for city employees under the name Lexington Kentucky City Employees Credit Union;

WHEREAS, upon the merger of the City of Lexington and Fayette County the credit union changed its name to Metro Employees Credit Union, Incorporated, and expanded its services to include the employees of the Lexington-Fayette Urban County merged government; and

WHEREAS, MECU has been the exclusive continuous credit union for Lexington's and LFUCG's employees since its creation; and

WHEREAS, MECU's membership is currently limited to employees and their respective family members by blood or marriage, with such employees including employees of LFUCG, employees of accepted agencies of LFUCG, and employees of the credit union, and certain accepted organizations related to the members; and

WHEREAS, eligibility to be a MECU member is a valuable benefit to LFUCG's employees; and

WHEREAS, at LFUCG's request, MECU assists in informing employees of their eligibility for MECU membership and of the benefits related to becoming a member, and provides related information during employee orientation, open enrollment for benefits, and as otherwise requested by LFUCG; and

WHEREAS, at LFUCG's request MECU assists with training LFUCG employees to use payroll system kiosks in MECU's branch offices; and

WHEREAS, MECU provides additional support and assistance to LFUCG and its employees by providing banking services such as savings and checking accounts, cashing checks, accepting overnight deposits, waiving service fees, notarizing documents, and change, and by participating in and supporting LFUCG during certain events and fundraisers; and

WHEREAS, in recognition of the value of this relationship LFUCG has historically permitted employees serving in board or committee relationships with MECU to attend meetings without having to expend personal leave time; and

WHEREAS, LFUCG provides MECU certain payroll data and related services so MECU can offer payroll deduction-related services to LFUCG employees who are MECU members; and

WHEREAS, the parties want to acknowledge their mutually beneficial relationship and clarify their respective rights, duties, and obligations regarding these payroll deduction related-services.

NOW, THEREFORE, in consideration of the mutual covenants expressed herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties, LFUCG and MECU, hereby covenant and agree as follows:

1. The above recitals are incorporated herein as if fully stated and the parties will continue supporting each other accordingly.
2. It is the intent of the parties that the historical relationship which has existed between them will continue.
3. This Agreement shall be for an initial period of five (5) years, and may be automatically renewed for additional periods of one (1) year each. If either party does not wish to have the Agreement automatically renew it shall provide the other party with at least sixty (60) days advance written notice.
4. Either party may terminate its duties, rights, and obligations related to the services further described in paragraph 6 of this Agreement at any time and for any reason by providing the other party at least ninety (90) days advance written notice.
5. MECU will continue to permit LFUCG's employees and their eligible family members to be MECU members.
6. It is the intent of the parties that they will continue to provide to each other the payroll deduction-related services which have historically been provided.
 - a. LFUCG and MECU will exchange necessary payroll data, including deductions and related information and data for employees who are MECU members receiving payroll deduction-related services, each time LFUCG runs or cycles its employee payroll.
 - b. LFUCG currently runs its employee payroll every two weeks and processes the payroll approximately two (2) days prior to any date scheduled for the distribution of paychecks to employees.
 - c. At least two (2) days prior to LFUCG processing its employee payroll, MECU will provide LFUCG with a compatible electronic file containing the deductions and related information and

data for those employees who are MECU members receiving payroll-deduction related services.

d. LFUCG will continue to use its best reasonable efforts to provide MECU with a compatible electronic file and payroll total as soon as possible in conjunction with its processing of LFUCG's employee payroll.

e. In the event that there is any issue with receiving or processing the electronic file from MECU on a timely basis, LFUCG will take steps to make sure its employees who are MECU members are timely paid and will reasonably assist MECU in rectifying any remaining issues, but shall not otherwise be responsible to MECU or its members for the delay or failure of the services.

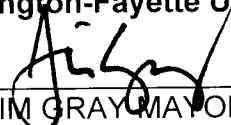
7. LFUCG reserves the right to charge MECU for any reasonable amounts LFUCG incurs for any computer system or related changes or enhancements necessary for it to provide the payroll deduction-related services further described in paragraph 6 of this Agreement. The parties shall agree in advance to any such changes or enhancements. If LFUCG decides to charge MECU for such changes or enhancements payment by MECU to LFUCG shall be due within thirty (30) days after MECU receives the invoice.
8. In the event LFUCG's payroll processing system changes or is substantially modified, it shall be under no obligation to continue to provide these services to MECU absent a new agreement between the parties. LFUCG and MECU agree to negotiate in good faith towards reaching such an agreement and will attempt to minimize any adverse impact to employees within reason.
9. MECU shall require each LFUCG employee to whom MECU provides payroll deduction related-services to execute appropriate document(s) authorizing LFUCG to distribute his or her paycheck into the proper account(s) at MECU and will make copies available to LFUCG upon request.
10. MECU shall be solely responsible for the accuracy of the data MECU provides to LFUCG. MECU agrees to indemnify, save, and hold harmless LFUCG and its elected and appointed officials, employees, agents, volunteers, and successors in interest from and against all liability, damages, and losses, including but not limited to, demands, claims, obligations, causes of action, judgments, penalties, fines, liens, costs, expenses, interest, defense costs and reasonable attorney's fees that are in any way connected with or


that arise or are alleged to have arisen, from the deduction or treatment of an LFUCG employee's funds or payroll deposit based upon provided by MECU, or upon the performance of this Agreement by MECU.

11. LFUCG shall not be liable to MECU for any damages in the event that LFUCG's payroll system is unable to timely provide MECU with any of the information required by this Agreement due to a malfunction or similar event. LFUCG shall not be required to incur any additional costs beyond those normally and reasonably associated with maintaining and operating its current payroll data sharing exchange with MECU.


IN WITNESS WHEREOF, the parties hereto have executed this Memorandum of Agreement as of the date(s) indicated below, with an effective date of July 1, 2013.

Lexington-Fayette Urban County Government

By: 
JIM GRAY, MAYOR

ATTEST: 
SUSAN LAMB,
Clerk of the Urban County Council

DATE: 6-8-2013

Metro Employees Credit Union, Inc.

Piper L. Graham, President

ATTEST
BY: 

DATE: 5-14-13

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