

PURCHASE OF SERVICE AGREEMENT

THIS PURCHASE OF SERVICE AGREEMENT, made and entered into on the _____ day of _____ 2025, 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, and **THE URBAN LEAGUE OF LEXINGTON, FAYETTE COUNTY, INCORPORATED**, a Kentucky corporation, ("Organization") with offices located at 148 Deweese Street, Lexington, Kentucky 40508.

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, 2025, and shall continue for a period of twelve (12) months from that date unless terminated by LFUCG at an earlier time.
- 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" – Addendum for Services
 - b. Exhibit "B" – Services Budget

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" and "B" in that order.

- 3. SCOPE OF SERVICES.** Organization shall perform the services outlined in the attached Exhibit "A" – Addendum for Services for LFUCG in a timely, workmanlike and professional manner (the "Services"). Organization shall perform the Services faithfully and satisfactorily at the time, place and for the duration prescribed herein.

- 4. PAYMENT.** LFUCG shall pay Organization a total amount not to exceed Fifty Thousand Dollars and Zero Cents (\$50,000.00) for the performance of the Services. One-twelfth (1/12th) of the amount owed shall be payable each month for expenditures the Organization actually incurred, upon receipt of a monthly invoice and the timely submission of the monthly reports required in Section 6 herein, subject to any extensions granted in writing by LFUCG (which if granted, shall not constitute a waiver of the reporting requirements as set forth herein). 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.

a. Subject to any extensions granted in writing by LFUCG, LFUCG shall make payment under this Agreement upon timely submission of an invoice(s) 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 an invoice to provide payment. If Organization does not timely provide the aforesaid deliverables, or if it is determined by LFUCG that the Services performed or the deliverables provided are inadequate or defective, LFUCG shall have the option to grant an extension, to refuse payment, and/or to demand repayment.

b. 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. Subject to any extensions granted in writing by LFUCG (which, if granted, shall not constitute a waiver of the reporting requirements set forth herein), 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. Unless extended in writing by LFUCG, the Organization shall submit various reports to LFUCG as stated herein.

a. At the beginning of each month, on company letterhead, submit to Government: a report containing the personnel costs and fringe benefits for each of the services enumerated in the Addendum attached hereto. The monthly report shall also contain a monthly financial statement.

b. On July 1, submit an annual report to the Mayor and the Urban County Council, which shall contain a summary of its activities for the preceding year and a physical inventory of all property.

c. Following submission of the annual report, the Organization may, upon request, appear before the Mayor and Urban County Council at a Work Session, to be scheduled by the Council Administrator, to address any questions or concerns.

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

11. 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.

12. 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, (b) promote equal employment through a positive, continuing program of equal employment, and (c) 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.

13. 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.

14. ANNUAL AUDIT. Organization shall comply with the audit requirements of 200 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 200 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.

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

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

17. 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.

18. 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.

19. 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.

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

For Organization:

THE URBAN LEAGUE OF LEXINGTON, FAYETTE COUNTY, INCORPORATED
148 Deweese Street
Lexington, Kentucky 40507
Attn: [REDACTED]

For Government:

Lexington-Fayette Urban County Government
200 East Main Street
Lexington, Kentucky 40507
Attn: [REDACTED]

21. 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.

22. 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.

[Signature Page Follows]

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

THE URBAN LEAGUE OF LEXINGTON,
FAYETTE COUNTY, INCORPORATED

BY: _____
ITS: _____

ATTEST:

WITNESS: _____
DATE: _____

EXHIBIT "A"

Lexington/Fayette Urban County Government

Addendum for Services

1. Funding will support the addition of an office assistant to facilitate the efficient and timely reporting of annual tenant surveys, other required reporting, and assistance with grant applications. An additional maintenance person to increase the efficiency and timeliness of maintenance and inspection punch lists. It is projected that this increase in personnel will result in a quicker turnaround of vacated units and keep units in compliance.
2. Submit an annual report on July 1 of each year to the Mayor and the Urban County Council, which report shall contain a summary of its activities for the preceding year and a physical inventory of all property.
3. Following submission of the annual report, the Organization may, upon request, appear before the Mayor and Urban County Council at a Work Session, to be scheduled by the Council Administrator, to address any questions or concerns.

EXHIBIT "B"

Lexington/Fayette Urban County Government

FCLDC Capacity Building Budget Proposal

Maintenance Technician

Technician shall devote the maximum hours necessary and sufficient to provide maintenance repairs to all FCLDC rental properties; Schedule and facilitate maintenance and repairs conducted by third party subcontractors that are beyond the scope of "handyman" duties, as needed; Collaborate with Development Manager concerning all major repairs as well as those needed to maintain compliance with governing organizations (i.e., LFUCG and Housing Authority, etc.).

Staff Pay: \$2,500 monthly
 \$30,000 yearly

Compliance Coordinator

FCLDC Compliance Coordinator shall identify compliance needs, as required by governing organizations (i.e. LFUCG, HA, etc.); Review existing compliance processes; Develop, as necessary, additional and/or alternate procedures to ensure timely and accurate submissions to governing organizations; Train staff on new compliance processes and procedures. Paula King has been identified as the person of interest for this position.

Staff Pay: \$2,500 monthly
 \$30,000 yearly

\$ 20,800 LFUCG Funded
\$ 9,200 UL Funded

Capacity Building Outcome:

With the addition of a Maintenance Technician and a Compliance Coordinator, FCLDC is looking to reduce the amount of time necessary to make repairs to our rental inventory. Such timely repairs are imperative to our ability to remain in compliance with governing organizations and to continue to provide safe and decent affordable housing to low- and mid-income families in need. FCLDC aims to remain in compliance with all required documentation collection and reporting as required by governing organizations. As affordable housing providers, FCLDC prides itself in offering quality housing to the community. As units age we find that more resources are needed to maintain such quality that one can be proud to call home.

Proposed Budget Needs: \$50,000.00 /year
Proposed Duration: 2 Years