



GOVERNOR'S OFFICE OF AGRICULTURAL POLICY

Steven L. Beshear
Governor

404 Ann Street
Frankfort, Kentucky 40601
Phone (502) 564-4627
Fax (502) 564-8990
agpolicy.ky.gov
www.kentucky.gov

Roger Thomas
Executive Director

May 13, 2013

Ms. Lisa Adkins
Blue Grass Community Foundation
250 West Main Street, Suite 1220
Lexington, KY 40507

Re: **Application A2012-0108**
Execution Date 05/09/2013

Dear Ms. Adkins:

A check in the amount of **\$25,000.00** has recently been requested from the Kentucky State Treasury and should be to you in the next few days. If you do not receive the above amount within the next seven (7) business days please contact us.

Enclosed you will find a copy of your executed Legal Agreement for this project. Please keep this copy for your records and reference this document when needed.

Please recall that during the course of this project, the **Blue Grass Community Foundation** is required to submit progress reports due every six months, and at the end of the project to the Compliance Department. We appreciate your efforts in reporting this information.

Thank you for your work on this project. Please do not hesitate to contact me at 502-564-4627 if you have any questions.

Sincerely

A handwritten signature in black ink that reads "Debbie Hollis".

Debbie Hollis
Administrative Assistant

Enclosure

RECEIVED

MAY - 8 2013

A2012-0108

GOVERNOR'S OFFICE OF
AGRICULTURE POLICY

**AGREEMENT BETWEEN
THE KENTUCKY AGRICULTURAL DEVELOPMENT BOARD
AND
BLUE GRASS COMMUNITY FOUNDATION
FOR PROJECT A2012-0108**

BACKGROUND RECITALS

1. The **Kentucky Agricultural Development Board** (the "Board") was created by the General Assembly pursuant to KRS 248.707 and charged with the responsibility of administering funds from the "Rural Development Fund," established in KRS 248.655 to provide economic assistance to the agricultural community of the Commonwealth.
2. The Board, pursuant to its statutory mandate of receiving requests via Applications for funding and subsequently authorizing the distribution of said funds pursuant to KRS 248.709(2), desires to enter into an Agreement with the **Blue Grass Community Foundation** (the "Recipient") in furtherance of said goals and objectives.
3. The Recipient established an Agricultural Advisory Committee (the "Committee"). The members of that Committee are identified in Exhibit B. The Committee submitted to the Board detailed, measurable benchmarks and goals (Exhibit C) for the Food Policy Coordinator to meet.
4. The Recipient has submitted an Application (A2012-0108) which after full review and consideration during the August 24, 2012 Board meeting, the Board has approved said Application and now the Board and the Recipient (the "Parties") seek to enter into an Agreement to set forth the rights and obligations of the Parties.

Accordingly, the Parties agree to the following:

**SECTION I.
FUNDING**

A. Amount of Funding

The Board, subject to the terms, conditions and restrictions set forth herein, agrees to provide up to the sum of TWENTY-FIVE THOUSAND DOLLARS (\$25,000) in Fayette County funds in the form of a grant to the Recipient to create a position in the Office of the Mayor, Lexington-Fayette Urban County Government (the "LFUCG") to advocate for policies and programs that would lead to increased markets for local farm products.

B. Use of State Funds

The Recipient agrees to abide by any general restrictions as set forth by the Commonwealth of Kentucky for the use of state funds.

C. Voidable Agreement

Notwithstanding any other provision in this Agreement, this Agreement shall be voidable

upon the notification by the Board of its inability to fund any project for any reason. The Recipient recognizes and agrees that the Board shall not be liable for any funding commitment or any portion thereof when the Board is unable to fund said commitment for any reason.

SECTION II. TERMS AND CONDITIONS

A. Effective Date of Agreement

The "Effective Date" of this Agreement shall be the date of execution by the Executive Director of the Governor's Office of Agricultural Policy (the "GOAP").

B. Availability of Funds

The Board through its duly appointed representatives shall make the TWENTY-FIVE THOUSAND DOLLARS (\$25,000) of Fayette County funds, as outlined in the budget (Exhibit A), available to the Recipient on the Effective Date in the form of a grant.

C. Utilization of Funds

1. Purpose – The Recipient shall utilize the Kentucky Agricultural Development Funds exclusively to create a position in the office of the Mayor, LFUCG, to advocate for policies and programs that would lead to increased markets for local farm products.
2. Approved Budget; Changes Thereto –Any use of funds that is a deviation from the approved budget (Exhibit A) shall be submitted in writing and approved in advance by the Board.

D. Expiration of Funds

If any portion of the funds given by the Board to the Recipient under Section II.B. have not been committed or encumbered TWELVE (12) months after the Effective Date of this Agreement, then the Recipient shall return the uncommitted or unencumbered funds to the Board or its duly authorized representative within thirty (30) days after the anniversary of the Effective Date.

E. Acknowledgement of Funding Source

All grants are intended to further the mission of the Kentucky Agricultural Development Fund (the "KADF") of diversifying and modernizing Kentucky's farm economy. Therefore the Recipient is required to acknowledge in any awards, publications, brochures, websites, articles, advertising, correspondence, or promotional projects and activities that a portion of the funding for this project was provided by the Kentucky Agricultural Development Fund. Furthermore, the Recipient shall utilize where possible, the KADF logo which is available for download at http://agpolicy.ky.gov/kadf_logo.shtml. Copies of publications, brochures, etc. shall be submitted in conjunction with the Recipient's Six-Month Report and One Year Report as required by Section VI, below.

F. GOAP Right to Inspect

The Governor's Office of Agricultural Policy reserves the right to inspect and/or audit any

and all records and documents and visit the site related to the Kentucky Agricultural Development Board's or the Kentucky Agricultural Finance Corporation's funding associated with the project.

**SECTION III.
DURATION OF AGREEMENT**

The Agreement herein shall be in full force and effect for ONE (1) year from the Effective Date of this Agreement as defined in Section II., Sub-Section A., above.

**SECTION IV.
MODIFICATION**

A. Procedure for Amendment

1. If, during the life of the Agreement, the Recipient wishes to modify or amend the Agreement, the Recipient shall make a formal written request to the GOAP with specific suggested changes or additions to the Agreement.
2. The GOAP shall submit the request to the Board for its consideration.

B. Incorporation of Amendment

If the Board approves said modification or amendment, it shall be incorporated as an Amendment to the original Agreement.

**SECTION V.
REQUIRED RECORDKEEPING**

A. Maintenance of Business Records

The Recipient shall maintain all business records and supporting documentation for a period of at least SEVEN (7) years from the date of the initial payment of funds to the Recipient.

B. Business Records Defined

For purposes of this Agreement business records include, but are not limited to, those documents typically required in the normal course and scope of a traditional business operation, as well as any documents required by the Board or its authorized representatives.

C. Format of Business Records

Business records may be maintained in either paper or generally recognized electronic format.

D. Substantiation of Expenditures

The business documents maintained by the Recipient shall substantiate expenditures made with funds received pursuant to this Agreement.

E. Right to Inspect/Copy Business Records

Upon request by the Board, the Recipient shall permit the Board or its authorized representative(s) the right to inspect and/or copy any business records maintained by the

Recipient, including, but not limited to, books, documents, papers, records, computer programs or any other evidence reflecting the project funded by the Board and memorialized by the Agreement herein.

F. Subject to Open Records Law

Said business records shall be subject to public disclosure pursuant to Kentucky's Open Records Law unless exempted from disclosure by KRS 61.878 or other applicable law.

**SECTION VI.
REPORTS REQUIRED FROM RECIPIENT**

A. Grant Funds Expenditures Reports

The Recipient shall submit two reports to the Board. The Recipient may submit the reports electronically. To do this, the Recipient can refer to the Governor's Office of Agricultural Policy's website: http://agpolicy.ky.gov/funds/project_reporting.shtml. The Recipient shall e-mail the reports to: GovKYAGPolicy@ky.gov.

1. Six Month Report

The Recipient shall submit a report SIX (6) months after the Effective Date of this Agreement. The Recipient shall include in the report:

- a. a report documenting the progress toward each benchmark and goal established by the Committee, and
- b. an accounting and receipts for the use of all funds, including matching funds, along with any other information requested by the Board or its authorized representative.

2. One Year Report

The Recipient shall submit a report ONE (1) year after the Effective Date of this Agreement. The Recipient shall include in the report the same types of information included in the Six Month Report but for the activity that occurred after the first report was made.

B. Compliance Requirement

Failure to comply with the reporting requirements set forth in this Section may result in the denial of requests for funding in the future by the Recipient or its subsidiaries.

**SECTION VII.
ASSIGNMENT**

This Agreement shall not be assigned to any other entity. Any attempted assignment of this Agreement by the Recipient shall be void.

**SECTION VIII.
SUB-CONTRACTS**

A. Board Approval Required

1. If the Recipient wishes to enter into a sub-contract for work to be done that would normally be part of the duties and responsibilities of the Recipient, the Recipient shall not do so until it makes a request to and receives permission from the Board.

2. At the time of the request for approval, the Recipient shall provide the necessary documentation (in paper or electronic form) to aid the Board, including, but not limited to, details regarding the scope of the sub-contract and cost estimates.
3. Furthermore, failure to comply with the provisions of this paragraph may result in the Recipient being found in default, and the Board may terminate this Agreement pursuant to Section XV, below.

B. Terms of Agreement

The sub-contract shall be in writing and require that the subcontractor be subject to all provisions of this Loan Agreement and shall be incorporated by reference into this Loan Agreement herein.

**SECTION IX.
AUDIT OF RECORDS**

The Recipient (or contractor), as defined in KRS 45A.030(9), agrees that the Governor's Office of Agricultural Policy, the Finance and Administration Cabinet, the Auditor of Public Accounts, and the Legislative Research Commission, or their duly authorized representatives, shall have access to any books, documents, papers, records, or other evidence, which are directly pertinent to this contract for the purpose of financial audit or program review. Records and other prequalification information confidentially disclosed as part of the bid (application) process shall not be deemed as directly pertinent to the contract and shall be exempt from disclosure as provided in KRS 61.878(1)(c). The contractor also recognizes that any books, documents, papers, records, or other evidence, received during a financial audit or program review shall be subject to the Kentucky Open Records Act, KRS 61.870 to 61.884.

In the event of a dispute between the contractor and the GOAP, Attorney General, or the Auditor of Public Accounts over documents that are eligible for production and review, the Finance and Administration Cabinet shall review the dispute and issue a determination, in accordance with Secretary's Order No. 11-004.

**SECTION X.
COMPLIANCE WITH STATE AND FEDERAL LAWS**

A. Recipient's Compliance

The Recipient submits that, to the best of its knowledge, it complies with all state and federal laws and regulations.

B. Conflict of Laws

This Agreement and all sub-contracts are governed by KRS Chapter 248. If any material portion of this Agreement conflicts with said laws or regulations, such portion shall be void with the remainder of this Agreement to continue in full force and effect.

C. Tax Consequences

The Recipient shall be responsible for all tax consequences, if any, that may result from the receipt of said money from the Board.

**SECTION XI.
CONFLICTS OF INTEREST**

The Recipient agrees to avoid entering into business relationships that create a conflict of interest, either real or perceived. If Recipient can provide sufficient evidence that a conflict of interest can be overcome, the justification for approval, as well as additional oversight measures should be documented by legal counsel and submitted to the Board for approval as an Addendum to the Agreement herein.

**SECTION XII.
RELATED PARTY TRANSACTIONS**

The Recipient shall seek prior approval from the Kentucky Agricultural Development Board for all business transactions or agreements with related parties. For purposes of this Agreement related parties are defined as relatives of the Recipient's management, or arrangements with businesses or other entities in which an officer or employee of the Recipient holds a significant financial interest.

**SECTION XIII.
VENUE AND CHOICE OF LAW**

A. Venue

Both parties agree that venue for any action regarding the terms and conditions of this Agreement shall be in the Franklin Circuit Court or the United States District Court, Eastern District of Kentucky, Frankfort Division. Both parties agree that this is a material term of the Agreement and consent to said venue.

B. Choice of Law

Both parties further agree that all questions as to the execution, validity, interpretation, construction, and performance of this Agreement shall be governed by the laws of the Commonwealth of Kentucky. Recipient agrees to place the substance of this paragraph into all sub-Agreements with other entities.

**SECTION XIV.
WAIVER OF LIABILITY**

In accepting the grant funds offered and approved by the Board, the Recipient, its agents, employees, representatives, successors, and assigns, absolutely and unconditionally release and forever discharge the Commonwealth, including the members of the Board, Chief Executive Officer of the Board and all staff members of the Governor's Office of Agricultural Policy, both in their official and individual capacities, from any and all actions, claims, demands, damages, executions, judgments, liabilities, expenses, costs, attorneys fees, and suits, arising out of, in connection with, or in any manner related to the Application, this Agreement and the grant funds

disbursed to the Recipient hereunder, whether past, present or future, known or unknown, foreseen or unforeseen, existent or nonexistent, disclosed or undisclosed.

SECTION XV. TERMINATION

The Board shall have the right to terminate this Agreement upon thirty (30) days written notice via certified mail, return receipt requested, to the Recipient. Specifically, the Board may terminate this Agreement because the Recipient is failing to perform its contractual duties, or for the convenience of the Commonwealth if the Board has determined that such action is in the best interest of the Commonwealth. This provision allows the Board to react to budgetary constraints, performance concerns, and other events.

A. Termination by Default

1. Default Defined – Events defining default shall include, but are not limited to:
 - a. Recipient's failure to perform the Agreement according to its terms, conditions and specifications;
 - b. Recipient's failure to diligently advance the work of the project in accordance with the terms of the Agreement and project application as evidenced by GOAP staff inspection;
 - c. The filing of a bankruptcy petition by or against the Recipient; or
 - d. Actions that endanger the health, safety or welfare of the Commonwealth or its citizens.
2. Curing of Deficiencies – If the Board determines that the identified default can be cured, the notice of termination shall include the specifics required to cure the deficiency and the date by which it shall be accomplished. Failure to cure the deficiencies within the time specified shall result in the Board proceeding with termination pursuant to this Section.

B. Termination for Convenience of the Commonwealth

The Board may terminate this Agreement for convenience if it determines that termination is in the Commonwealth's best interest.

C. Action Following Notice of Termination

The Recipient has thirty (30) days from receipt of the Board's notice of termination to:


1. Provide the Board with a full accounting of all funds received by the Recipient in association with Project A2012-0108 and the Agreement herein; and
2. Return any unused funds to the Board or the Board's designee; and
3. If the Recipient desires to negotiate a settlement, a written request must be received in the GOAP offices within the thirty (30) day timeframe. A meeting will be scheduled and the settlement offer communicated to the Board for review.

D. Board Not Liable for Damages

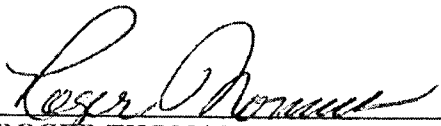
The Board shall not be responsible for any costs, damages, or expenditures to entities that receive funds from the Recipient because of termination of this Agreement with the Recipient.

IN WITNESS WHEREOF, the parties have set their hands by and through their duly authorized officers and representatives.


BLUE GRASS COMMUNITY FOUNDATION

BY:  5.6.13
LISA ADKINS Date
President/CEO
Blue Grass Community Foundation
Authorized Representative of the Blue Grass Community Foundation

**COMMONWEALTH OF KENTUCKY
KENTUCKY AGRICULTURAL DEVELOPMENT BOARD**

By:  5-9-13
ROGER THOMAS Date
Executive Director
Governor's Office of Agricultural Policy
Authorized Representative of KADB

APPROVED AS TO FORM AND LEGALITY:

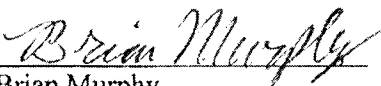

Brian Murphy
General Counsel
Governor's Office of Agricultural Policy

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Agreement between the Kentucky Agricultural Development Board and the Blue Grass Community Foundation was mailed via U.S. Mail, first class, postage pre-paid on this 14th day of May, 2013 to:

Blue Grass Community Foundation
c/o Lisa Adkins
250 West Main Street, Suite 1220
Lexington, KY 40507
Recipient

And the original shall be maintained on file at the Governor's Office of Agricultural Policy



Brian Murphy
General Counsel

RECEIVED

MAY - 8 2013

GOVERNOR'S OFFICE OF
AGRICULTURE POLICY

Exhibit A

Funding Sources (across) Budget Categories (down)	LFUCG	Foundation for a Healthy Kentucky	Ag Development Funds, County	Totals
Director salary and benefits (1/2 of full salary and benefits of 104,430)	52,215			52,215
Office space	15,000			15,000
admin	2,000			2,000
supplies	3,000			3,000
Travel		15,000		15,000
Marketing & Materials		15,000		15,000
Events		20,000	25,000	45,000
Totals	72,215	50,000	25,000	147,215



Director salary and benefits	52,215
Office space	15,000
admin	2,000
supplies	3,000
Travel	15,000
Events	45,000
Marketing & Materials	15,000
Total	147,215

Exhibit B

Local Food Coordinator Advisory Committee

Name	Representing						
Dr. Sandra Bastin	University of Kentucky , Chair of the Department of Dietetics and Nutrition						
Marty Flynn	Child Nutrition Coordinator for Fayette County Public Schools						
James Coles	Community Ventures Corporation						
Shane Norris	Locust Trace AgriScience Farm High School						
Jill Mahan	Mahan Farms						
Ouita Michel	Holly Hill Inn, Wallace Station and Windy Corner						
Ryan Koch	Seedleaf						
Mac Stone	Kentucky State University						
Anita Courtney	Tweens Coalition						
Ben Abell	University of Kentucky Sustainability						
Nancy Cox	UK College of Agriculture						

Name	Representing						
Nick Carter	Fayette County Extension Foodchain						
Rebecca Self	Lexington Farmers Market						
Jeff Dabbelt	Lexington Farmers Market						
Todd Clark	Marksbury Farm Market						
Carrie Johnson	Fayette Co. Farm Bureau						
Steve Kay	Urban County Council						

Mayor's Office of Economic Development	Department of Planning, Preservation and Development	Mayor's Office	Department of Planning, Preservation and Development
<p>Kevin Atkins Chief Development Officer</p> <p>LFUCG Center 200 E. Main St. Lexington, KY 40507 O: 258-3110 E-mail: katkins@lexingtonky.gov</p>	<p>Derek J. Paulsen, Ph.D. Commissioner</p> <p>101 East Vine St., 4th floor Lexington, KY 40507 O: 258-3018 E-Mail: dpaulsen@lexingtonky.gov</p>	<p>Jamie Emmons Chief of Staff</p> <p>LFUCG Center 200 E. Main St. Lexington, KY 40507 O: 258-3118 E-mail: jemmons@lexingtonky.gov</p>	<p>Billy Van Peit Director Purchase of Development Rights</p> <p>101 East Vine St., 5th Floor Lexington, KY 40507 O: 425-2227 E-mail: bvangeit@lexingtonky.gov</p>

Exhibit C

GOALS AND OBJECTIVES

Over-arching goal: Develop a road map for food-related economic and agricultural development and improvement of nutritional health in the region.

A. Support the development of regional distribution and processing infrastructure.

1. Encourage and support local food producers in marketing their products in a coordinated manner in order to move a large volume of product at a profitable price.
2. Work to aggregate product as it becomes available and communicate back unmet demand to guide future growth.
3. Work with wholesale buyers.
4. Develop channels for increasing the sales of surplus and seconds.

B. Increase coordination and collaboration.

1. Develop food policies-local and state
2. Market the features, advantages, and benefits of locally grown, safe, healthy produce as a strong feature of overall institutional food purchasing.
3. Market new opportunities for adding to farm income by taking part in new producer-customer networks.
4. Facilitating grower meetings, coordinating with farmers market managers, and networking with meat processing facilities.
5. Support food and farm related entrepreneurs.
6. Develop a road map for marketing and coordinating farmers' markets throughout Lexington and the region.
7. Coordinate with existing restaurant promotion program, working closely with regional restaurateurs who have experience buying directly from farmers and promoting their products on the restaurants' menus.

C. Support delivery systems and related consumer education, with emphasis on underserved populations.

1. Facilitate the delivery of local food to underserved populations.
2. Encourage education about local foods and farming throughout the educational sector.
3. Market to community consumers the reasons to support local producers by buying their locally grown products.
4. Increase the availability and purchase of wholesome foods to underserved populations, ranging from identified food deserts to school systems, emphasizing convenience for the consumer.