

MEMORANDUM OF AGREEMENT

This MEMORANDUM OF AGREEMENT (the "Agreement") is made this 19 day of May, 2026, by and between the THE BOARD OF SUPERVISORS OF COUNTY OF WARREN, VIRGINIA, a political subdivision of the Commonwealth of Virginia, (the "County") and SAMUELS LIBRARY, INCORPORATED, a Virginia non-stock corporation (the "Library").

I. PURPOSE

The Library is a 501(c)(3) non-profit organization and is organized exclusively for charitable and educational purposes, including the operation of Samuels Public Library that, while private and independent of the County, is open to the public, including all County residents. The operations of the Library are managed by a Board of Trustees that has the authority to appoint officers, employ personnel, and make decisions on how the Library operates. The purpose of this Agreement is to establish the terms and conditions through which the Library shall receive County funds for the operation of the Library for the benefit of the public.

The mission of the Library since its incorporation in 1978 has included, *bringing people, information, and ideas together to enrich lives and build community*. A source of pride for residents and widely used, the Library's nonprofit model delivers cost savings and expanded opportunities while maximizing value, as evidenced by outstanding performance reports and numerous awards, including Virginia Library of the Year.

Together, the County and the Library provide exemplary library services to Warren County residents. This Memorandum of Agreement reflects an effort to provide for stable continued delivery of those services.

II. TERM OF AGREEMENT

This Agreement shall commence on the effective date first written above and shall continue through June 30, 2031. Thereafter, the Agreement shall automatically renew for 5-year terms beginning July 1 and ending June 30 from year-to-year unless formal written notice of non-renewal is provided by the County or the Library at least 180 days prior to any current term expiration date.

III. FUNDING

Following execution of this Agreement, the Supervisors shall appropriate to the Library all allocated funds in accordance with County practice. Funds shall be disbursed to the Library quarterly within 30 days of receipt of written request from the Library. The

County acknowledges that \$1,024,000 was appropriated for Library services for FY23, FY24, and FY25.

The County agrees that funding shall not fall below the \$1,024,000 that was appropriated in FY25, as this will jeopardize State Aid Funds as outlined in the Library of Virginia State Aid Requirements Document: “*Local operating expenditures from taxation or endowment for any library, or library system shall not fall below that of the previous year*”. Note: The Library was given a grace period for FY26.

The use of funds disbursed by the County will be restricted to Library operating expenses necessary to maintain a high-quality library for the residents of Warren County. Such operating expenses include, but not limited to:

- 1) Salaries and Payroll expenses – *future funding considerations should include provision for Cost of Living Adjustments (COLA) to help employees maintain the value of their pay against inflation*
- 2) Healthcare - eligible Library employees shall be provided health insurance through the County’s provider of choice if available; costs for these benefits will be borne by the Library
- 3) Utilities (electricity, water, phones, trash removal)
- 4) Insurance (liability, personal property, Directors & Officers, etc.)
- 5) Building system maintenance – *Note: The Library is a designated public heating and cooling center for the County.*

The Library will be responsible for providing for the balance of its operating expenses, including by leveraging State Aid, Federal funds, and through donated monies, grants, fundraisers, a volunteer program and any other avenues afforded a charitable organization.

The Library and County agree to work together to identify opportunities to share resources in order to provide cost savings for the Library without reduction in the County allocation.

IV. LIBRARY GOVERNANCE

The governance, policies, and day-to-day operations of the Library are the sole responsibility of the Board of Trustees. The Board of Trustees will operate in a transparent and accountable manner as outlined in the Library’s Bylaws and as required by Federal laws governing nonprofits, the Virginia Administrative Code: 17VAC15-110-10: Requirements and the Virginia Freedom of Information Act (§ 2.2-3700 et seq. of the 1950 Code of Virginia, as amended) and any other applicable laws.

The County shall appoint, in accordance with the Bylaws of the Library, a representative to the Board of Trustees from the County Board of Supervisors. Such representative Trustee shall be appointed to and be a member of the Executive Committee, as defined in the Library’s Bylaws.

Open positions on the Board of Trustees shall be advertised. Nominees shall engage in the

review process as outlined in the Bylaws. The process shall include consideration of previous expertise and residence. There shall be representation from each of the five magisterial districts.

All Library documents such as financial reports, audits, Bylaws, Trustee meetings and packets, legal documents, contact information, policies, programming, library catalog and general information can be found on the Library's website www.samuelslibrary.net.

V. PARTNER COMMITMENTS

The Library shall consider Warren County residents' interests in establishing its library policies while protecting the rights of all residents.

Each Fiscal Year, Library staff and/or Trustees shall give presentations in publicly advertised meetings before the Board of Supervisors at mid-year and year-end during a regular meeting of the County Supervisors. The presentations shall provide updates on the Library's income and expenses, annual audit, financial condition and performance measurements for the Fiscal Year.

Each December, or at such other time as required by the County, the Library will submit a Warren County Budget Preparation Form (the Partner Agency Documentation Form) that describes the requested funding. The Library and the County will be the sole entities involved in this budgeting process with no other committees or agents involved other than County staff.

A joint roundtable discussion of the Library's Strategic Plan, in a public work session, is recommended to provide for changing needs within the community and to communicate expectations.

The Library contracts with an independent audit firm to conduct an audit on an annual basis, and shall file appropriate financial statements as required by law. The final audited financial statements will be included with the December budget request form.

Building

Under the lease agreement signed January 22, 2008, the Library occupies the County-owned building residing on Warren County School Board property located at 330 East Criser Street in Front Royal, Virginia.

1) Major Repairs or Replacements

Since the Library occupies a County-owned building, the County agrees to augment appropriated funding for significant repairs and necessary building system replacements above \$50,000 per fiscal year. The Library will continue to work with the County's Building Maintenance Committee to keep the County apprised of building maintenance issues and repairs.

2) Operating Expenses

Through County personnel or County contracts, and notwithstanding the Lease terms, the County shall provide for building and property-related services including but not limited to:

- Snow removal
- Lawn care and landscape maintenance
- Parking Lot and exterior lighting maintenance

3) Capital Improvements Program

The County agrees to include the Library facility in planning and anticipated necessary expenses including capital improvements with input provided by the Library.

For the purposes of this agreement, the term “capital improvements” is defined as any permanent structural addition or renovation that increases the property’s value, prolongs its useful life, or adapts it to new uses. Unlike routine repairs, these improvements become part of the property itself and are generally considered depreciable – such as adding a new roof, HVAC system or complete room addition.

As the owner, the County acknowledges that it is responsible for building maintenance and, as such, agrees to consider building improvements including updated flooring, HVAC replacement, roof replacement, and other facility needs as part of its Capital Improvement Plan.

VI. LEGAL

1. Entire Agreement

This Agreement constitutes the entire understanding and agreement among the parties with respect to the matters set forth herein and supersedes all prior or contemporaneous understandings or agreements among the parties with respect to the subject matter hereof, whether oral or written. This Agreement may be modified in whole or part by mutual consent of the Library and the County.

2. Choice of Law and Venue

Any dispute concerning the performance or interpretation of this Agreement shall be governed by the law of the Commonwealth of Virginia without regard to conflicts of law principles and the exclusive venue will be in the courts of Warren County, Virginia.

3. Severability

If any provision of this Agreement is invalid, illegal or unenforceable, the balance of this

Agreement remains in full force and effect.

4. No Construction Against Drafter

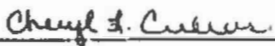
This Agreement constitutes a fully negotiated agreement among sophisticated parties, with the assistance of legal counsel, and must not be construed and interpreted for or against any party thereto. This Agreement is not intended to benefit third parties, and no third-party beneficiary shall have standing to bring suit related to this Agreement.

5. Subject to Appropriation

All payments and obligations of the County are subject to appropriation.

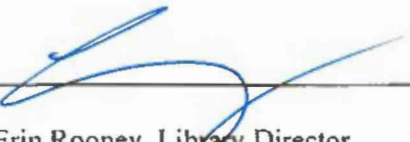
This **Memorandum of Agreement** has been duly authorized and approved by the Board of Supervisors of Warren County, Virginia and the Trustees of Samuels Library, Incorporated, and the representatives executing this Agreement are authorized to execute the same.

Board of Supervisors of Warren County, Virginia

By  (SEAL) Date: May 19, 2026

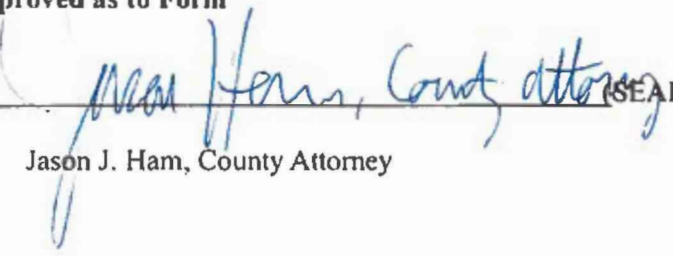
Cheryl L. Cullers, Chair

Samuels Library, Incorporated

By  (SEAL) Date: 5/27/2026

Erin Rooney, Library Director

Approved as to Form

By  (SEAL) Date: 5/26/26

Jason J. Ham, County Attorney