

PURCHASE OF SERVICE AGREEMENT

This Purchase of Service Agreement is made and entered into on the 9th day of July, 2013, by and between the **Lexington-Fayette Urban County Government**, an urban county government of the Commonwealth of Kentucky, created pursuant to KRS Chapter 67A (hereinafter "Government") and **Bluegrass State Games, Inc.** (hereinafter "Organization") a Kentucky non-profit corporation.

WITNESSETH:

That for and in consideration of the mutual promises and covenants herein expressed, the Government and the Organization agree as follows:

1. This Agreement shall commence on the date noted above and shall terminate one calendar year after that date unless within that period Government gives the Organization thirty (30) days written notice of termination of this Agreement in which case this Agreement shall terminate thirty (30) days from the date notice is given to the Organization.

2. Organization shall organize, fund, and conduct the Bluegrass Summer Games, an amateur athletic competition in which the finals are to be held primarily in Lexington-Fayette County. The Games will provide Kentuckians of all ages and ability levels a wholesome avenue for positive development through sports and activity, promote and develop local amateur athletics, provide amateur athletes an opportunity to showcase their talents and receive statewide recognition, and generate economic impact from visitor expenditures for the local economy. The Summer Games will consist of at least two (2) weekends of state final competition to be held in July, an opening ceremony, and other events as deemed appropriate.

3. In consideration for providing the services hereunder, Government will provide the Organization with the following, subject to sufficient funds being appropriated in the FY 2014 budget of the Urban County Government:

a. When, and as the necessity arises and is demonstrated, the Government will provide support staff to assist the Organization in its efforts to organize and conduct the Bluegrass State Games;

b. Government will make available for the Organization's use Urban County Parks, facilities, and equipment for the various events of the Bluegrass State Games;

c. Government will provide postage services as needed to the Organization;

d. Government will pay the Organization the sum of fifty two thousand five hundred dollars (\$52,500) for the services Organization is required to render by the terms of this agreement.

4. For purposes of this agreement, the Mayor shall identify a Government liaison. Where this agreement requires a demonstration of need, the Government liaison must be satisfied that such need exists before the Government provides any funds or services.

5. The Organization shall have the option to hire an executive director to direct the organization, administration, promotion and all other aspects of management for the Bluegrass State Games.

6. The Organization shall reimburse the Government for equipment (softballs, tennis balls, basketballs, scorecards, port-a-johns, etc.) purchased under Government price contracts.

7. Books of accounts shall be kept by the Organization and entries shall be made therein of all money, goods, effects, debts, sales, purchases, receipts, payments, contributions of goods of services, and any other transactions of the Organization. The books of accounts shall be maintained at the principle place of business of the Organization. The Government shall have access at all times to the books, papers and affairs of the Organization.

8. The Organization shall submit an annual report no later than March 1 of each year to the Mayor and Urban County Council, which report shall contain a summary of its activities for the preceding year.

9. Organization shall provide equal opportunity in employment for all qualified persons, shall prohibit discrimination in employment because of race, color, creed, national origin, sex or age, sexual orientation or gender identity, or handicap, shall promote equal employment through a positive, continuing program of equal employment, and shall cause each of its subcontracting agencies to do so. This program of equal employment opportunity shall apply to every aspect of its employment policies and practices.


10. Organization shall adopt 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 submitted to the Department of Law for review within thirty (30) days of the execution of this Agreement.

11. The Organization agrees that the financial statements shall be reviewed, in the form of a Compilation, at least annually by independent certified public accountants. The Organization also understands that a compilation is not probed by the independent auditor unless an error or incompleteness is identified. A copy of this compilation shall be submitted to the Government within 10 days of completion.

12. This instrument contains the entire agreement between the parties, and no statement, promises or inducements made by either party that is not contained in this written agreement shall be valid and binding; and this Agreement may not be enlarged, modified, or altered except in writing signed by the parties and endorsed hereon.

IN WITNESS WHEREOF, the parties have executed this Agreement at Lexington, Kentucky, the day and year first above written.

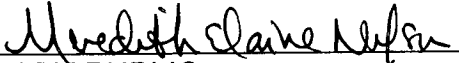
**LEXINGTON-FAYETTE URBAN
COUNTY GOVERNMENT**

By: 
Jim Gray, Mayor

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF FAYETTE)

Subscribed, sworn to and acknowledged before me this 16th day of July, 2013, by Jim Gray, Mayor of the Lexington-Fayette Urban County Government, on behalf of the Government.

My commission expires: November 10, 2016

 #476523
NOTARY PUBLIC

BLUEGRASS STATE GAMES, INC.

By: [Signature]

Its: Executive Director

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF FAYETTE)

Subscribed, sworn to and acknowledged before me this 28th day of June,
2013, by Terry Johnson of Bluegrass State Games, Inc., on behalf of the
Organization.

My commission expires: November 10, 2016

[Signature] # 476523
NOTARY PUBLIC

00397317