



PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT made as of July 27, 2026 between the LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT ("OWNER") and Machinex Technologies, Inc. ("PROFESSIONAL"). OWNER intends to proceed with the Project as described in the attached Request for Proposal document. The services are to include professional design, installation, testing and training services for the city as contemplated in the OWNER'S Request for Proposal. The services are hereinafter referred to as the Project.

OWNER and PROFESSIONAL in consideration of their mutual covenants herein agree in respect of the performance of professional planning and analysis services by PROFESSIONAL and the payment for those services by OWNER as set forth below.

PROFESSIONAL was selected by OWNER based upon its response to the Request for Proposal.

SECTION 1 - BASIC SERVICES OF PROFESSIONAL

1.1 General

PROFESSIONAL shall perform professional services as hereinafter stated in accordance with the incorporated documents as exhibits.

1.2 Incorporated Documents

The following documents are incorporated by reference herein as if fully stated and are attached hereto as exhibits:

- EXHIBIT A - PROFESSIONAL's revised Proposal No. 3425015-1
- EXHIBIT B - RFP No. 7-2025 Optical Sorter and Robotics Sorting Equipment for Materials Recovery Facility
- EXHIBIT C - Certificate of Insurance and Evidence of Insurability

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 the terms and provisions of Exhibit "A", "B", and "C" in that order.

This Agreement (consisting of all pages inclusive), together with the Exhibits identified above constitutes the entire Agreement between OWNER and PROFESSIONAL and supersedes all prior written and oral understandings. This Agreement and said schedules and Exhibits may only be amended, supplemented, modified, or canceled by a duly executed written instrument.

The General Condition provisions of the RFP are incorporated herein by reference as if fully stated.

Construction and Progress Monitoring. As part of this Agreement, PROFESSIONAL acknowledges that the general design of the MRF and the specifications of the Design Build Container Line Upgrade are sufficient to enable the PROFESSIONAL to satisfactorily meet its responsibilities under this Agreement. The OWNER intends to purchase and install the equipment for the Design Build Container Line Upgrade.

Coordination of Efforts. The PROFESSIONAL, as project manager for the Design Build Container Line Upgrade per Exhibit B, and the OWNER acknowledge the need for close coordination of activities and responsibilities pertaining to the transition of the existing facility to the new equipment. The PROFESSIONAL will develop a path, with deadline dates and responsibilities, outlining the installation schedule of new equipment. The PROFESSIONAL shall provide to the OWNER, for approval, a project plan including a project schedule with major milestones showing equipment installation, testing, and start up dates. The project plan shall be provided to the OWNER at least sixty (60) days prior to commencement of the Design Build Container Line Upgrade work.

1.3 Project Phase

After written authorization to proceed with the Project, PROFESSIONAL shall:



- Notify the OWNER in writing of its authorized representative who shall act as Project Manager and liaison representative between the PROFESSIONAL and the OWNER.
- On the basis of "Selected Proposer Requirements" in the "Request for Proposal", attached in Exhibit "A", submit final design, update project schedule timeline, obtain all on site work documentation, and prepare/perform all required deliverables for complete listing of all deliverables.

SECTION 2 - ADDITIONAL SERVICES BY PROFESSIONAL

2.1 The OWNER may desire to have the PROFESSIONAL perform work or render services in connection with this Project other than provided by Exhibit A of this Agreement, subject to a change order, supplemental to this Agreement, setting forth the character and scope thereof and the compensation therefore. Such work shall be considered as "Additional Services," subject to a change order. Work under such change order shall not proceed until the OWNER gives written authorization. Should the OWNER find it desirable to have previously satisfactorily completed and accepted plans or parts thereof revised, the PROFESSIONAL shall make such revisions as directed, in writing, by the OWNER. This work shall be considered as "Additional Services" and shall be paid as suggested in the payment terms.

2.2 All "Additional Services" are subject to prior written authorization of OWNER and necessary appropriations made by the Urban County Council.

SECTION 3 - OWNER'S RESPONSIBILITIES

OWNER shall:

3.1 Provide criteria and information as to OWNER'S requirements for the Project, including design objectives and constraints, space, capacity and performance requirements, flexibility and expandability, and any budgetary limitations.

3.2 Assist PROFESSIONAL by placing at his disposal available information pertinent to the Project.

3.3 Examine all studies, reports, sketches, drawings, specifications, proposals and other documents presented by PROFESSIONAL, and render in writing decisions pertaining thereto within a reasonable time so as not to delay the services of PROFESSIONAL.

3.4 Designate in writing a person to act as OWNER'S representative with respect to the services to be rendered under this Agreement. Such person shall have complete authority to transmit instructions, receive information, interpret and define OWNER'S policies and decisions with respect to materials, equipment, elements and systems pertinent to PROFESSIONAL'S services.

3.5 Give written notice to PROFESSIONAL whenever OWNER observes or otherwise becomes aware of any development that affects the scope or timing of PROFESSIONAL'S services, or any defect in the work of Contractor(s).

3.6 Furnish or direct PROFESSIONAL to provide necessary Additional Services as stipulated in Section Two (2) of this Agreement or other services as required.

SECTION 4 - PERIOD OF SERVICES

4.1 Time is of the essence. See Exhibit "B" (attached) for the project schedule.

4.2 The provisions of this Section Four (4) and the various rates of compensation for PROFESSIONAL'S services provided for elsewhere in this Agreement have been agreed to in anticipation of the orderly and continuous progress of the Project through completion.

If delays result by reason of acts of the OWNER or approving agencies or other causes beyond the control of the PROFESSIONAL, an extension of time for such delay will be considered. If delays occur, the PROFESSIONAL shall notify OWNER in writing within 30 days from the date of the delay, and if approved, the Project schedule shall be revised to reflect the extension. Such extension of time to the completion date shall in no way be construed to operate as a waiver on the part of the OWNER of any of its rights in the



Agreement. Section 6.5, under DISPUTES, of this Agreement shall apply in the event the parties cannot mutually agree upon an extension of time.

In the event that the overall delay resulting from the above described causes is sufficient to prevent complete performance of the Agreement within six (6) months of the time specified therein, the Agreement fee or fees shall be subject to reconsideration and possible adjustment. Section 6.5 of this Agreement shall apply in the event the parties cannot mutually agree upon an adjustment of fee.

SECTION 5 - PAYMENTS TO PROFESSIONAL

5.1 Methods of Payment for Services of PROFESSIONAL

5.1.1 For Basic Services. All Lump Sum Pricing shall include all direct labor and supervision necessary to complete the item in a manner that meets or exceeds the customer's satisfaction. It shall also include the labor payroll costs, overhead costs, such as unemployment taxes, general liability insurance, rent, utilities, phones, administrative salaries, F.I.C.A. sick and vacations, etc. disposal fees tool allowance, equipment, supplies, materials, profit and all other costs used on the job. The negotiated cost of services is represented below.

Cost (Total Cost of Services Below) \$1,939,674.00

Milestones

- 10% With Order - (\$193,967.40)
- 35% At General Layout Approval - (\$678,885.90)
- 10% Prior to Shipment - (\$193,967.40)
- 25% Upon Last Equipment Arrival on Site - (\$484,918.50)
- 15% Upon Substantial Completion of Installation - (\$290,951.10)
- 5% Upon Customer Approval - (\$96,983.70)

5.2 Times of Payment

5.2.1 PROFESSIONAL shall submit to OWNER invoices at milestone completions. The invoices will be based upon milestones actually completed at the time of billing and are subject to approval by the OWNER. OWNER shall pay PROFESSIONAL'S invoice within thirty (30) days of receipt.

5.3 Other Provisions Concerning Payments

5.3.1 In the event the Agreement is terminated by the OWNER without fault on the part of the PROFESSIONAL, the PROFESSIONAL shall be paid for the work performed or services rendered an amount bearing the same ratio to the total Agreement fee as the amount of work completed or partially completed and delivered to the OWNER is to the total amount of work provided for herein, as determined by mutual agreement between the OWNER and the PROFESSIONAL.

5.3.2 In the event the services of the PROFESSIONAL are terminated by the PROFESSIONAL for fault on the part of the OWNER, the PROFESSIONAL shall be paid reasonable value of the work performed or services rendered and delivered.

SECTION 6 - ADDITIONAL GENERAL CONSIDERATIONS

6.1 Termination

A handwritten signature in black ink, appearing to be 'CH' or similar, located in the bottom right corner of the page.



6.1.1 The obligation to provide further services under this Agreement may be terminated by either party upon ten (10) days written notice in the event of substantial failure by the other party to perform in accordance with the terms hereof through no fault of the terminating party, provided the non terminating party fails to cure such default within the thirty (30) day period.

6.2 Ownership and Reuse of Documents

All documents, including Drawings and Specifications, prepared by the PROFESSIONAL pursuant to this Agreement shall be delivered to and become the property of the OWNER. The PROFESSIONAL shall have the right to reuse same without restriction or limitation, but without liability or legal exposure to PROFESSIONAL.

6.3 Legal Responsibilities and Legal Relations

6.3.1 The PROFESSIONAL shall familiarize himself with and shall at all times comply with all federal, state and local laws, ordinances, and regulations which in any manner affect the services of this Agreement.

6.3.2 In performing the services hereunder, the PROFESSIONAL and its PROFESSIONALS, employees, agents and representatives shall not be deemed or construed to be employees of OWNER in any manner whatsoever. Except as otherwise provided in this Agreement, the PROFESSIONAL shall be acting as an independent contractor. The PROFESSIONAL shall not hold itself out as, be an officer or employee of OWNER by reason hereof and shall not make any claim, demand or application to or for any right or privilege applicable to an officer or employee of OWNER. The PROFESSIONAL shall be solely responsible for any claims for wages or compensation by PROFESSIONAL'S employees, agents and representatives, including PROFESSIONALS, and shall save and hold OWNER harmless therefrom.

6.3.3 The parties hereto agree that causes of actions between the parties to this Agreement shall be governed by applicable provisions of the Kentucky Revised Statutes.

6.4 Successors and Assigns

6.4.1 The PROFESSIONAL shall not subcontract more than fifty percent (50%) of the work, based upon dollar value, to be provided under this Agreement. PROFESSIONAL shall obtain written approval prior to subletting or assigning any services contained in this Agreement, and consent to sublet or assign any part of this Agreement shall not be construed to relieve the PROFESSIONAL of responsibility for compliance with the provisions of this Agreement.

6.4.2 Nothing herein shall be construed to give any rights or benefits hereunder to anyone other than OWNER and PROFESSIONAL.

6.4.3 PROFESSIONAL binds itself and his partners, successors, executors, administrators, assigns and legal representatives to all covenants, agreements and obligations of this Agreement in respect to all Owner and PROFESSIONAL. PROFESSIONAL shall not assign any interest, obligation or benefit in this Agreement or transfer any interest in the same, whether by assignment or novation, without prior written consent of OWNER.

6.5 Disputes

Except as otherwise provided in this Agreement, any dispute concerning the amount of payment due the PROFESSIONAL or any dispute concerning any question of fact to be performed under this Agreement, which is not disposed of by agreement between the parties, shall be submitted to the Commissioner, Lexington Fayette Urban County Government for review. The decision of the Commissioner as to the determination of such dispute shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, capricious, arbitrary or so grossly erroneous as necessarily to imply bad faith. Pending a final decision of a dispute hereunder, the PROFESSIONAL shall proceed diligently with the performance of the Agreement in accordance with the directions of the OWNER.

6.6 PROFESSIONAL'S Performance



PROFESSIONAL shall use those efforts which a skilled, competent, experienced, and prudent person or organization would use to perform and complete the requirements of this Contract in a timely and professional manner conforming to the standards and quality generally recognized and accepted within the profession throughout the United States. PROFESSIONAL shall furnish all necessary labor, tools, equipment, and supplies to perform the required services.

The OWNER will have thirty (30) days from that time to correct any specific instance of unsatisfactory performance. In the event the unsatisfactory performance is not corrected within the time specified above, the OWNER shall have the immediate right to cover the cost from any balances due to the PROFESSIONAL. Repeated incidences of unsatisfactory performance may result in cancellation of the Contract for default.

The PROFESSIONAL shall be responsible for the accuracy of all work and shall make any necessary revisions or corrections resulting from errors and/or omissions on the part of the PROFESSIONAL, without additional compensation.

6.7 Security Clause

The PROFESSIONAL certifies that he shall not at any time release or divulge any information concerning the services covered by this Agreement to any person or any public or private organization except upon prior approval of the OWNER.

6.8 Access to Records

The PROFESSIONAL and his sub-PROFESSIONALS shall maintain all books, documents, papers, and accounting records available at their respective offices at all reasonable times during the contract period and for three (3) years from the date of final payment thereof shall be furnished if requested.

6.9 Required Risk Management Provisions

The Risk Management Provisions of the RFP are incorporated herein by reference as if fully stated. Copies of the required Certificates of Insurance shall be provided to OWNER as required therein.

SECTION 7 - EQUAL EMPLOYMENT OPPORTUNITY

During the performance of this service agreement, the PROFESSIONAL agrees as follows:

7.1 The PROFESSIONAL will not discriminate against any employee or application for employment because of race, color, religion, national origin, sex, age or handicap. The PROFESSIONAL will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, national origin, sex, age or handicap; employment upgrading, demotion or transfer, recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeships. PROFESSIONAL agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this non discrimination clause.

7.2 The PROFESSIONAL will, in all solicitations or advertisements for employees placed by or on behalf of the PROFESSIONAL, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, national origin, sex, age (between forty and seventy), or handicap.

SECTION 8 - SPECIAL PROVISIONS

This Agreement is subject to the following provisions.

8.1 Pursuant to subparagraph 3.4 of this Agreement, OWNER has assigned the appropriate LFUCG employee (the "OWNER'S Agent"), to monitor, direct and review the performance of work of the PROFESSIONAL. Documents, data, reports and all matters associated with carrying out this Agreement shall be addressed to the OWNER'S Agent or their designee. Questions and requirements under this Agreement shall be addressed to the OWNER'S Agent regarding interpretations of the terms. OWNER'S Agent or their



designee's direction shall be binding upon PROFESSIONAL; no other direction shall respond to written requests by PROFESSIONAL within thirty (30) days.

IN WITNESS WHEREOF, the parties hereto have made and executed this Agreement as of the day and year first above written.

OWNER (LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT):

Signature: *Linda Horton* Linda Horton, Mayor

Date: 8/4/20

ATTEST: *MacKenzie Stock* ^{deputy} Council Clerk

PROFESSIONAL (Machinex Technologies, Inc.):

Signature: *Chris Hawn*

Printed Name: Chris Hawn

Position: CEO

Date: 7/27/2024