

**PURCHASE OF SERVICE AGREEMENT**

THIS PURCHASE OF SERVICE AGREEMENT, made and entered into on the 10<sup>th</sup> day of July 2020, by and between the **LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT**, an urban county government of the COMMONWEALTH OF KENTUCKY created pursuant to KRS Chapter 67A ("Government"), 200 East Main Street, Lexington, Kentucky 40507, on behalf of the Chief Development Officer ("CDO") and **EHI CONSULTANTS**, a Kentucky corporation, ("Organization") with offices located at 333 West Vine Street, Suite 300, Lexington, Kentucky 40507 and Urban League of Lexington of Lexington-Fayette County, a Kentucky corporation, ("Organization") with offices located at 148 DeWeese Street, Lexington, Kentucky 40507, with an effective date of July 1, 2020.

**WITNESSETH**

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

1. For the purposes of this Agreement, "Monthly Progress Report" shall mean the monthly summary of the Organization's performance of the services and activities required in Exhibit A and any other information required on the form attached hereto as Exhibit B incorporated herein by reference (or a similar form created and provided to Organization by the Government). "Year-End Report" shall mean the year-end summary of the Organization's performance of the services and activities required in Exhibit A and any other information required on the form attached hereto as Exhibit C, which is

incorporated herein by reference (or a similar form created and provided to Organization by the Government).

2. Government hereby retains Organization for the period beginning on July 1, 2020, and continuing for a period of twelve (12) months from 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. This agreement may be extended with the Organization for one additional period of twelve (12) months beginning July 1, 2021 if all performance requirements under this agreement have been met in the first twelve (12) months and funding has been appropriated. Extension of this agreement will be based on review of services provided for the previous twelve (12) months by the Lexington Economic Development Investment Board who will then make a recommendation to the Lexington-Fayette Urban County Council on extension of this agreement.

3. Government shall pay the Organization the total sum of Seventy-Seven Thousand Dollars (\$77,000.00) for services required by this Agreement, said services being more particularly described in Exhibit A attached hereto and incorporated herein by reference. The first installment, in the amount of Thirty-Eight Thousand Five Hundred Dollars (\$38,500.00), shall be made upon final execution of this agreement. The second installment, in the amount of Thirty-Eight Thousand Five Hundred Dollars (\$38,500.00), shall be made upon receipt and review by the Chief Development Officer, and acceptance

by the Lexington Economic Development Investment Board, of all reports required by this Agreement to the satisfaction of the Board and the Chief Development Officer. Total sum of each payment shall be payable within ten (10) days after receipt of required invoice as required in Paragraph 7 herein, July to June inclusive.

4. In the event of termination of this Agreement by Government as provided for in Paragraph 2 above, Organization shall be entitled to that portion of total compensation due under this Agreement, as the service rendered bears to the total service required hereunder.

5. Organization will support the economic development agenda and efforts of the Lexington-Fayette Urban County Government/Lexington Economic Partnership and shall perform all duties and services specified in Exhibit A faithfully and satisfactorily at the time, place, and for the duration prescribed herein. Organization shall keep itself fully informed of all national and state laws and all municipal ordinances and regulations in any manner affecting the work or performance of this Agreement, and shall at all times observe and comply with such laws, ordinances and regulations, whether or not such laws, ordinances or regulations are mentioned herein and shall indemnify Government, its officers, agents and employees against any claim or liability arising from and based on Organization's violation of any such laws, ordinances or regulations.

6. Organization represents that it has filed any federal, state or local income tax returns required by law in the legally prescribed time and manner. This Agreement shall not become effective unless and until copies of all of the executed originals of the

aforementioned tax returns filed for the Organization's most recent or current tax year are provided by the Organization to the CDO, and the Organization shall not be compensated unless and until such requirement has occurred.

7. The Organization shall, by no later than the 12:00pm (noon) on the last Tuesday of each month (July 28, 2020; August 25, 2020; September 29, 2020; October 27, 2020; November 24, 2020; December 29, 2020; January 26, 2021; February 23, 2021; March 30, 2021; April 27, 2021; and May 25, 2021), on such forms as the CDO shall provide, submit electronically to the CDO: a Monthly Progress Report containing, for each of the services enumerated in Exhibit A which were provided in the preceding month, (a) a description of the service provided, and (b) the additional information requested in and submitted on the form attached hereto as Exhibit B incorporated herein by reference (or a similar form created and provided to Organization by the Government). Organization shall attend Lexington Economic Development Investment Board meetings scheduled the first Tuesday of each month, and any special meetings, to answer any questions regarding the monthly report. Organization shall by May 31, 2021, provide a Year-End Report electronically to the CDO containing a year-end report for services enumerated in Exhibit C incorporated herein by reference (or a similar form created and provided to Organization by the Government); and an invoice requesting final compensation for the services provided in accordance with this agreement. Failure to electronically submit the reports and invoice described herein by the required date shall result in the payment to Organization being withheld until the next reporting period. In addition, Organization shall be required to present a progress report as

to its activities annually, or as additionally required, before the Lexington-Fayette Urban County Council's Budget, Finance & Economic Development Committee, Lexington Economic Development Investment Board or as otherwise instructed by the Government. Failure to make the requested presentation shall require funding to be withheld until presentation requirement is fulfilled.

8. At no time shall the Organization require membership in the organization from any company, organization, or individual for services paid for in whole or in part with the assistance of funding from LFUCG.

9. 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 and any other transactions of the Organization. The books of accounts, together with all bonds, notes, bills, letters and other writings belonging to the Organization, shall be maintained at the principal place of business of the Organization as set forth in this Agreement. Government shall have free and complete access to the books, papers and affairs of the Organization relating to the LFUCG funds provided hereunder at all reasonable times, and if it desires, it may have said books and papers of the Organization audited and examined by auditors, accountants or attorneys. Any examination shall be at the expense of the Government.

10. Government may designate such persons as may be necessary to monitor and evaluate the services rendered hereunder by the Organization. The Government, its

agents and employees, shall, at all times, have unrestricted access to all places where or in which the services required hereunder are being carried on and conducted. Inspection and monitoring of the work by these authorities shall in no manner be presumed to relieve in any degree the responsibility or obligations of Organization, or to constitute Organization an agent of the Government.

11. Organization shall provide equal opportunity in employment for all qualified persons, shall prohibit discrimination in employment because of race, color, creed, national origin, sex, 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.

12. 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 CDO for review within thirty (30) days of the execution of this Agreement.

13. The Organization agrees that all revenue and expenditures shall be audited at least annually by independent certified public accountants 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. A copy of this audit shall be submitted to the CDO within 10 days of completion.

14. Organization agrees that it shall apply all funds received by it from the Urban County Government in accordance with the following investment policy guidelines:

A. Objectives-- Capital preservation with surety of income. Reasonable competitive income consistent with high investment quality and purpose of funds. All investments shall conform with state and local law and regulations and these Policies.

B. Investment Funds Management-- The governing board may elect to either:

(1) Manage its investments through its executive director where the size or complexity of funds to be managed is deemed by the board to be within the training, expertise and/or available time capacity of the executive director and the operating staff;

-or-

(2) Utilize the professional investment management facilities of a local bank trust department acting in a fiduciary capacity within the same approved investment policies and federal, state, local and trust laws and regulations. The trust department may utilize its regular short-term 100% U.S. Treasury Fund for daily funds investment. The election of option 1 or 2 should be made consistent with the relative cost incurred and in the case of option 2 the cost shall be competitive among local trust departments.

C. Investment Policies-- Safety and Prudence.

(1) Short-term liquidity funds shall be invested in "riskless" investments, i.e., deposits in Kentucky commercial banks or savings and loan associations that are fully federally insured or deposits collateralized by U.S. Treasury securities with a current market value of at least 100%, or in direct obligations of U.S. Treasury securities.

Investments shall be diversified according to maturity in order to meet projected cash flow needs.

Collateral pledged to secure uninsured deposits shall be held at a federal reserve bank with the receipt providing absolute control by the agency.

- (2) Retirement funds, endowment funds, long-term capital reserve funds and any other special funds may be held and invested by a local bank trust department under investment objectives and diversification in accordance with the individual nature of the funds and pursuant to the "prudent man" investment rule as well as general trust law.
  - (3) All investments shall be reviewed monthly by a finance or investment committee of the agency.
  - (4) Local brokerage firms may hold and invest funds provided that investments are located within Kentucky and are fully insured.
- D. Audit-- All investments shall be audited at least annually by independent certified public accountants who shall express an opinion as to whether or not investments during the year audited have conformed with state and local law and regulation and with the approved investment policies.

15. This instrument contains the entire agreement between the parties, and no statement, promises or inducements made by either party or agent of 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.

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

For Organization:

EHI Consultants



333 West Vine Street  
Suite 300  
Lexington, Kentucky 40507

Att: Ed Holmes, President, EHI Consultants  
(or as otherwise designated in writing by Organization)

For Government:

Lexington-Fayette Urban County Government  
200 East Main Street  
Lexington, Kentucky 40507  
Att: Kevin Atkins, Chief Development Officer

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:

  
Abigail Allan, Clerk of the Urban County Council

EHI Consultants

BY:   
ED HOLMES, PRESIDENT

ATTEST: [Signature]  
WITNESS: Annisia M. Franklin  
DATE: 06.30.2020

URBAN LEAGUE OF LEXINGTON-  
FAYETTE COUNTY

BY: [Signature]  
KERRY CREECH, CHAIRPERSON

ATTEST: [Signature]  
WITNESS: Annisia M. Franklin  
DATE: 06.30.2020

[Faint signature]

## EXHIBIT "A"

Lexington/Fayette Urban County Government  
Addendum for Services  
EHI Consultants/Urban League of Lexington-Fayette County

### SCOPE OF WORK – LEXINGTON OPPORTUNITY ZONE

#### Local Contribution:

During Lexington-Fayette Urban County Government Fiscal Year 2021 (July 1, 2020 through June 30, 2021) EHI Consultants and Urban League of Lexington-Fayette County will use these funds from Lexington-Fayette Urban County Government to:

EHI Consultants and Urban League of Lexington-Fayette County will serve as Lexington-Fayette Urban County Government resource for economic development services and referrals for the Lexington Opportunity Zone. These services will include:

- Assisting in the promotion, coordination and management of the Lexington Opportunity Zone program by:
  1. Developing a plan to market the federally designated Opportunity Zone and work with the neighborhoods, businesses and developers to promote the area.
  2. Encourage the use of Community Benefit Agreements ([www.forworkingfamilies.org/cblc/cba](http://www.forworkingfamilies.org/cblc/cba)) that details the projects contribution to the Lexington Opportunity Zone
- Working with the Lexington Neighborhoods in Transition Task Force to make sure the development of the Opportunity Zone area is in coordination with the plans and efforts of the Task Force
- Working on economic development initiatives within the Lexington Opportunity Zone to create jobs within the zone.
  1. Encourage investors to hire current Lexington residents of the Opportunity Zone;
  2. Engage the residential and business community within the Lexington Opportunity Zone to identify economic development needs with the zone; and
  3. Prepare recommendations for Lexington-Fayette Urban County government to consider regarding specific tools that could be used to promote development within the zone in accordance with information gathered from residential and business community members within the zone.

- Will serve as a resource for the Lexington-Fayette Urban County Government and the Lexington business community related to the Lexington Opportunity Zone and Neighborhoods in Transition Task Force.
- Will support the economic development initiatives of the Lexington-Fayette Urban County Government with the Lexington Opportunity Zone
- EHI will represent and support businesses before the Kentucky Cabinet for Economic Development and Kentucky Economic Development Finance Authority (KEDFA) in any items related to the Lexington Opportunity Zone.

**EXHIBIT "B"**

Lexington/Fayette Urban County Government  
Addendum for Services  
EHI Consultants/Urban League of Lexington-Fayette County

**MONTHLY REPORT QUESTIONNAIRE**

**Listing of member/staff actively working on Lexington Economic Partnership Efforts:**

Name                                      Race                                      Years of Experience in Economic Development

**Diversity numbers for entire company/organization:**

**Promotion, coordination and management of the Lexington Opportunity Zone Program**

1. Efforts to market the Lexington Opportunity Zone in the most recent month:
2. Work with the neighborhoods, business and development to promote the Lexington Opportunity Zone during the most recent month:
3. Meetings with developers interested in the Lexington Opportunity Zone during the most recent month including type of project (business, residential, etc.):
4. Meetings with companies/employers interested in the Lexington Opportunity Zone during the most recent month:

**Work with Lexington Neighborhoods in Transition Task Force**

1. Meetings with Neighborhoods in Transition Task Force related to development of the Lexington Opportunity Zone area:
2. Coordination efforts to make sure Lexington Opportunity Zone is developed in coordination with plans of the Neighborhoods in Transition Task Force:

## **EXHIBIT “C”**

Lexington/Fayette Urban County Government  
Addendum for Services  
EHI Consultants/Urban League of Lexington-Fayette County

### **YEAR-END REPORT QUESTIONNAIRE**

#### **Lexington Opportunity Zone**

1. Summary of projects discussed with developers or businesses interested in the Lexington Opportunity Zone during the previous year:
2. Businesses or developments announced or located within the zone during the previous year including number of employees or development units:
3. Identified economic development needs within the Lexington Opportunity Zone:
4. Recommendation on specific tools that could be used to promote development with the Lexington Opportunity Zone:

#### **Neighborhoods in Transition**

1. Summary of recommendations for LFUCG to consider regarding specific tools that could be used to promote the area compiled with input from the Neighborhoods in Transition Task Force and neighborhood residents:
2. Summary of recommendations to promote economic development or jobs creation by/for residents in the area of the Neighborhoods in Transition Task Force area of focus: