

## PURCHASE OF SERVICE AGREEMENT

THIS PURCHASE OF SERVICE AGREEMENT, is made and entered into on the 30<sup>th</sup> day of August 2021, by and between the **LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT**, an urban county government of the Commonwealth of Kentucky pursuant to KRS chapter 67A (hereinafter Government) on behalf of its Department of Public Safety (hereinafter Sponsor), and **LEXINGTON-FAYETTE ANIMAL CARE AND CONTROL, LLC**, a Kentucky limited liability company (hereinafter Organization), with offices located at 1600 Old Frankfort Pike, Lexington, KY 40504;

### WITNESSETH:

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

1. Government hereby retains Organization for the period beginning on July 1, 2021, and continuing for a period of twelve (12) months from the date.
2. Government shall pay Organization the sum of One million Five Hundred Twenty Nine Thousand Four Hundred and Three Dollars (\$1,529,403) for the services required by this Agreement, said services being more particularly described in the Addendum attached hereto and incorporated herein by reference, one-twelfth (1/12) of which shall be payable on or before the fifteenth day of each month, July-June, inclusive.
3. Government shall lease thirteen (13) vehicles to Organization as further consideration for the services required by this Agreement. Said vehicles shall only be used for purposes of animal control, shall be leased to Organization for use during the term and for the purposes authorized by this Agreement and shall be subject to the additional terms of a lease agreement between the parties.
4. Organization shall perform all duties and services included in the Addendum attached hereto faithfully and satisfactorily at the time, place and for the duration prescribed herein.
5. Organization shall keep itself 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 defend, indemnify, and hold harmless Government, its officers, agents and employees against any liability arising from or based on violation or alleged violation of any such laws, ordinances or regulations.
6. Organization represents that it has filed federal, state and local income tax returns required by law in the legally prescribed time and manner. Upon request, Organization will provide copies of all executed originals of the aforementioned tax returns filed for Organization's most recent or current tax year.

7. Organization shall, at the end of each month and by no later than the fifteenth (15th) working day of the succeeding month, on such forms as the Sponsor shall provide, submit to Sponsor: a report containing, for each of the services enumerated in the Addendum attached hereto, which were provided in the preceding month, (a) a description of the services provided, including the quantity of services provided, and (b) any monies collected on behalf of the Urban County Government with an invoice requesting payment. Any and all provisions of the Agreement to the contrary notwithstanding, the compensation of the Organization for each month of the Agreement shall not be paid unless and until Organization submits the monthly report and invoice required hereunder.
8. Books of accounts related to this Agreement shall be kept by Organization and entries shall be made therein of all money, goods, effects, debts, sales, purchases, receipts, payments and any other transaction of Organization. The books of accounts, together with all bonds, notes, bills, letters and other writings belonging to Organization, shall be maintained at the principal place of business of Organization set forth in this Agreement. Government shall have free and complete access to the books, papers and affairs of Organization at all reasonable times and, if it desires, it may have the books and papers of Organization audited and examined by auditors, accountants or attorneys. Any examination shall be at the expense of the Government.
9. Government may designate such persons as may be necessary to monitor and evaluate the services rendered by Organization. Government should have reasonable 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.
10. 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, and shall promote equal opportunity in employment through a positive, continuing program of equal opportunity employment. This program of equal employment opportunity shall apply to every aspect of its employment policies and practices.
11. 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 that provides for a confidential investigation of all complaints. The policy shall be given to all employees and shall be posted at all locations where Organization conducts business. The policy shall be submitted to the Commissioner of the Department of Public Safety for review within thirty (30) days of the execution of this Agreement.
12. Unless either party, not less than ninety (90) days prior to June 30, 2022, gives the other party notice in writing that this Agreement shall not be extended, the Agreement shall

automatically be extended for successive periods of three (3) months each upon the expiration of each period, upon the same terms and conditions as are contained herein, unless either party shall, not less than ninety (90) days preceding the termination of any period, give the other party notice in writing that this Agreement shall not be so extended.

13. This instrument and the Addendum incorporated herein contain the entire agreement between the parties and no statement, promise or inducement 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 thereon.
14. The Organization agrees that all revenue and expenditures shall be audited 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. Such audit may be performed in conjunction with and as part of an audit of the Lexington Humane Society, or independently, in the discretion of the Organization. A copy of the audit shall be submitted to Government within ten (10) days of completion.
15. Organization agrees that it shall apply all funds received by it from 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 regulations and these Policies.
  - b. Investment Funds Managements—The governing board may elect to either:
    - i. Manage its investment through its president 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 president and the operating staff;
    - Or
    - ii. Utilize the professional investment management facilities of a local bank and 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.
    - i. Short-term liquidity funds shall be invested in “riskless” investments, i.e., deposits in KY 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.

- ii. 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.
- iii. All investments shall be reviewed monthly by a finance or investment committee of the agency.
- iv. Local brokerage firms may hold and invest funds provided that investments are located within KY and are fully insured.

16. Any notice or consent required to be given by or on behalf of either party upon the other shall be given by hand delivery or U.S. Mail. If mailed, such notice shall be via certified mail, return receipt requested.

**Notice shall be sent to the Government at the following:**

Lexington-Fayette Urban County Government  
Attn: Commissioner of Public Safety  
200 East Main Street  
Lexington, KY 40507

**Notice shall be sent to the Organization at the following:**

Lexington-Fayette Animal Care and Control, LLC  
1600 Old Frankfort Pike  
Lexington, KY 40504

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

**[Signatures on next page]**

**LEXINGTON-FAYETTE URBAN  
COUNTY GOVERNMENT**

**BY:**

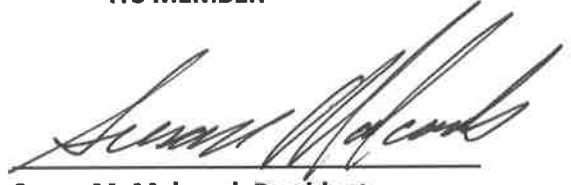


**Linda Gorton, Mayor**

**LEXINGTON-FAYETTE ANIMAL CARE  
AND CONTROL, LLC**

**BY: LEXINGTON HUMANE SOCIETY,  
ITS MEMBER**

**BY:**



**Susan M. Malcomb President**

**BY:**



**Rick Maynard, Chairperson  
Board of Directors**

## ADDENDUM

1. Organization shall operate the Urban County Government's animal care and control program.
2. Pursuant to Lexington-Fayette Urban County Government Code of Ordinances (the "Code") Section 4-22(a), Organization shall provide and maintain an animal shelter as the urban-county animal shelter and designated licensing facility for Government's use. The animal shelter and designated licensing facility shall comply with all applicable federal, state and local laws.
3. In compliance with all applicable federal, state and local laws, Organization shall employ and maintain a staff of animal control officers for the pick-up and handling of animals within Fayette County in accordance with Code Sections 4-2 through 4-10.1, 4-11.1 (to the extent facilities and qualified staff are available for enforcement of Section 4-11.1), 4-12.2, 4-12.3, 4-12.4, 4-12.5, 4-14, 4-16 through 4-22 (excluding the provisions in Section 4-21.1 and 4-21.2 related to the implementation of the Spay and Neuter Grant Program, but including the enforcement provisions thereof), and Article III of Chapter 4 as it relates to the mistreatment of horses. Organization will assist, to the best of its ability, with emergency situations involving natural disaster and other large-scale events as outlined in the MOU with Lexington-Fayette Urban County Government (LFUCG). The staff shall include a minimum of ten individuals with animal control authority at all times. Exceptions to the minimum staff requirement are authorized for reasonable periods to accommodate normal employee turnover.
4. Due to the nature of the duties involved and possibility of conflict between Organization's employees and the general public, Organization shall make every reasonable effort to train and counsel employees so that they are able to conduct themselves in a courteous and professional manner while carrying out their duties.
5. Organization shall employ sufficient personnel to respond to requests for services during regular business hours and after-hours in response to emergency calls. Emergency calls are defined as calls involving injured animals when the location and type of animal involved is provided, police or fire assistance with animals or animal bite cases when police or fire personnel remain on scene with the animal until the Organization responds, and livestock running at-large. Organization shall not be required to respond to citizen requests after 11:00pm on Monday through Saturday and after 6:00pm on Sunday.

6. Organization shall provide for response to emergency calls from the Government's Division of Police and Division of Fire and Emergency Services on a 24-hour daily basis, including weekends and holidays.
7. Organization shall maintain an office at least six hours per day, six days per week, exclusive of legally declared urban county government holidays, for the purpose of returning to owners animals picked up or received by Organization, collecting fees, and issuing licenses.
8. Under normal circumstances and when determined by Organization to be necessary and feasible, Organization shall provide for patrols to seek out and capture animals running at-large within the county. Organization shall establish the routes of said patrols in an effort to provide more frequent coverage of those areas that prove to be problem areas.
9. Organization shall make a reasonable effort to notify the owner of any properly tagged or microchipped animal that it picks up or receives prior to the transfer or euthanasia of the animal.
10. Organization shall, in addition to other duties enumerated herein, assist the public in capturing loose dogs, injured animals and animals that pose a threat to public safety; capture and impound, for the purpose of quarantining, any dog, cat or ferret which has bitten someone. Organization's duty to assist the public in capturing loose animals extends only to assistance serving a public purpose, not on private property. Accordingly, Organization is not required to assist the public in capturing wildlife (as defined by KRS 150.010(41), including animals such as ducks, geese, squirrels, skunks, raccoons or opossums) that is a private nuisance or inconvenience and does not pose a risk to public health or safety.
11. Organization shall collect and remit to the Urban County Government twenty-five dollars (\$25.00) of the pick-up fee for livestock and fowl set forth in Section 4-21 ( c ) of the code and shall maintain records indicating the number of and type of animal picked up, the disposition of said animals, and the amount received therefore.
12. Organization shall collect the redemption fee set forth in Section 4-21 (d) of the code for impounded dogs and cats, twenty-five dollars (\$25.00) of which shall be remitted to the Urban County Government and the balance of which shall be used for the Spay and Neuter Grant Program.
13. Organization shall act as Government's agent for the issuance of animal licenses and may retain six dollars (\$6) of the fee for each altered dog or cat license and ten

dollars (\$10) for each unaltered dog or cat license that it (or its agent) issues pursuant to Section 4-12.3(e) of the Code.



**LEASE AGREEMENT**

**THIS LEASE AGREEMENT** is made and entered into as of the 30<sup>th</sup> day of August, 2021, by and between the **LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT**, an urban county government of the Commonwealth of KY pursuant to KRS Chapter 67A (hereinafter "Government") on behalf of its Department of Public Safety, 200 East Main Street, Lexington, KY and **LEXINGTON-FAYETTE ANIMAL CARE AND CONTROL, LLC**, a KY limited liability company (hereinafter "Organization"), with offices located at 1600 Old Frankfort Pike, Lexington, KY;

**WITNESSETH**

**WHEREAS**, Government and Organization have entered into a Purchase of Service Agreement dated \_\_\_\_\_, 2021, whereby Organization provides animal control services for Government; and

**WHEREAS**, the Purchase of Service Agreement between Government and Organization obligates Government to lease thirteen (13) vehicles to Organization to be used for purposes of animal control; and

**NOW, THEREFORE**, for and in consideration of the mutual promises and covenants herein expressed and further contained in the Purchase of Service Agreement, Government and Organization agree as follows:

1. Lease of Equipment: Government hereby demises, leases and lets to Organization, and Organization rents, leases and hires from Government thirteen (13) vehicles more particularly described in Exhibit "A", attached hereto and incorporated herein by reference. The use of all vehicles provided to Organization by Government shall continue to be governed by the terms of this Lease Agreement.
2. Lease Term. This Lease shall commence on the date hereof and shall continue until the termination of the Purchase of Service Agreement between Government and Organization.
3. Rental. Government and Organization understand and intend that the obligation of Organization to provide animal control services for Government is and shall be sufficient consideration for the rent of the vehicles.
4. Title of the Equipment. Title to the vehicles, including any and all repairs and replacements thereof, but excluding any additions made thereto by Organization, shall at all times during the Lease Term be in Government.

5. Maintenance of Equipment. Organization agrees that at all times during the Lease Term it shall maintain, preserve, and keep the vehicles in good repair, working order, and condition and that Organization shall from time to time make or cause to be made all necessary and proper repairs, replacements, and renewals. Organization shall obtain regular and routine vehicle maintenance and repair services from Government's Division of Facilities and Fleet Management. At Organization's request, Government will provide such services for Organization, provided, however, that the cost to Government shall not exceed the sum of Thirty Eight Thousand Two Hundred and Twenty Dollars (\$38,220) and any cost in excess of this sum shall be borne by Organization. Government shall submit a statement to Organization for the actual parts, supplies and costs incurred by Government in providing these services to Organization, in excess of the not-to-exceed amount, and Organization will reimburse Government for such costs within thirty (30) days of receipt of the statement. Upon request, Government will provide Organization with an estimate of anticipated costs of repair and will inform Organization of the then current total cost incurred by Government in providing vehicle maintenance and repair services for Organization. Organization shall use its best efforts to fully comply with all applicable Division of Facilities and Fleet management policies and procedures.
  
6. Taxes and Charges. In the event that use, possession, or acquisition of any vehicle is found to be subject to taxation in any form, Organization will pay during the Lease Term all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the vehicles, and any vehicle or other property acquired in substitution for or as a replacement of the vehicles, as well as all other charges incurred in the operation, maintenance, use, and upkeep of the vehicles.
  
7. Insurance. Organization shall, at its own expense, cause casualty and property damage insurance coverage to be carried and maintained with respect to the vehicles, in an amount not less than \$500,000, which coverage shall be sufficient to protect the Full Insurable Value of the vehicles and to protect Government and Organization from liability in all events. All insurance proceeds from casualty losses shall be payable to Government and Organization as their interest in vehicles, and additions thereto, may appear.
  
8. Disclaimer of Warranties. GOVERNMENT MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, CONDITION, MERCHANTABILITY, OR FITNESS FOR PARTICULAR PURPOSE OR FITNESS FOR USE OF THE VEHICLE, OR ANY WARRANTY WITH RESPECT THERETO. In no event shall Government be liable for any incidental, indirect, special or consequential damage in connection with, or arising out of, this Lease Agreement.

9. Use of Equipment. Organization will not install, use, operate, or maintain the vehicles improperly, carelessly, in violation of any applicable law, or in a manner contrary to that contemplated by the Purchase of Service Agreement between Government and Organization. Organization shall obtain and maintain all permits and licenses, if any, necessary for use and operation of the vehicles. In addition, Organization shall comply in all respects with all laws of the jurisdiction in which it operates any of the vehicles.
10. Assignment of Lease. This Lease and the interest of the Organization in the vehicles may not be assigned or encumbered in whole or part by Organization for any reason without the prior written consent of Government.
11. Indemnification. Organization shall indemnify, protect and hold harmless Government from and against any and all liabilities, obligations, losses, claims and damages whatsoever, regardless of the cause thereof, and expenses in connection therewith, arising out of, or as the result of entering into this Lease Agreement and the use of any of the vehicles.
12. Default. Organization's failure to comply with any of the terms of the Purchase Service Agreement or this Lease Agreement shall constitute an event of default. Upon the occurrence of any event of default, Government shall be entitled immediately to re-take possession of the vehicles and to take any other action which may appear necessary or desirable to enforce its rights as owner of the vehicle.
13. Prior Agreements. All prior lease agreements between the parties are terminated by mutual agreement.
14. Notice. All notices and other communications given or required to be given under this Agreement shall be in writing and shall be deemed given at the time it is deposited in the United States mail, postage pre-paid, certified or registered mail, return receipt requested, addressed to the party to whom it is given as follows:

Organization: Lexington Fayette Animal Care and Control  
1600 Old Frankfort Pike  
Lexington, KY 40504  
Attn: President

Government: Lexington-Fayette Urban County Government  
Department of Public Safety  
200 East Main Street  
Lexington, KY 40507  
Attn: Commissioner

**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the date first herein written.

**LEXINGTON-FAYETTE URBAN  
COUNTY GOVERNMENT**

BY:   
Linda Gorton, Mayor

**LEXINGTON-FAYETTE ANIMAL CARE  
AND CONTROL, LLC**

**BY: LEXINGTON HUMANE SOCIETY,  
ITS MEMBER**

BY:   
Susan M. Malcomb President

BY:   
Rick Maynard, Chairperson  
Board of Directors

**LEXINGTON-FAYETTE ANIMAL CARE AND CONTROL VEHICLE  
EXHIBIT A**

<b>UNIT #</b>	<b>VIN</b>	<b>PLATE</b>	<b>MAKE/MODEL</b>	<b>DATE RECEIVED</b>	<b>MILEAGE as of 7/6/2021</b>	<b>STATUS</b>	
1	9043	NMOLS7AN0DT165946	P9718	2013 FORD TRANSIT CONNECT	11/7/2013	99,914	IN USE
2	9173	1FT7X2B67GED29203	N2525	2016 F-250 SUPER DUTY 4X4	5/7/2016	101,928	IN USE
3	7558	1GNFK130X9R201538	N8280	2007 CHEVY TAHOE 4X4	3/1/2019	163,947	IN USE
4	7470	1GCHK23K98F220767	KY1284	2008 CHEVY SILVERADO 2500 4x4	11/18/2020	133,023	IN USE
5	9041	1FT7X2A68DEB20162	P9085	2013 F-250	6/1/2013	136,197	IN USE
6	9172	1FM5K8AR8HGA24525	C7752	2017 FORD INTERCEPTOR SUV	8/17/2016	36,229	IN USE
7	9174	1FMCU9G94GUC82183	C6388	2016 FORD ESCAPE	3/30/2016	51,228	IN USE
8	9039	1FTYR14DX9PA31563	N8284	2009 FORD RANGER	8/11/2009	160,700	IN USE
9	9040	1FTYR14D39PA31565	N8102	2009 FORD RANGER	8/11/2009	153,350	IN USE
10	7412	3GNGK26K47G220767	N1319	2007 CHEVY SUBURBAN 4X4	3/13/2015	91,074	IN USE
11	7973	1GCWGAFP9M1199811	KY1272	CHEVY EXPRESS CARGO VAN 3500	4/29/2021	1,081	IN USE
12	7939	1GB4YSE74LF234174	E0482	2020 CHEVY 3500HD 4X4	10/22/2020	8,094	IN USE
13	6820	2FABP7BV6AX137877	G2136	2010 Crown Victoria	2019	137,972	LONER