

LEASE AGREEMENT

THIS LEASE AGREEMENT is made and entered into as of the 31 day of August, 2017, 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, 200 East Main Street, Lexington, Kentucky and **LEXINGTON-FAYETTE ANIMAL CARE AND CONTROL, LLC**, a Kentucky limited liability company (hereinafter "Organization"), with offices located at 1600 Old Frankfort Pike, Lexington, Kentucky;

WITNESSETH:

WHEREAS, Government and Organization have entered into a Purchase of Service Agreement dated 31 August, 2017, whereby Organization provides animal control services for Government; and

WHEREAS, the Purchase of Service Agreement between Government and Organization obligates Government to lease up to twelve (12) vehicles to Organization to be used for purposes of animal control; and

WHEREAS, one (1) of these vehicles is required for use by the Organization's animal cruelty investigator to perform a portion of the animal control services required by the Purchase of Service Agreement; and

WHEREAS, one (1) of these vehicles is required for use by the Organization's animal licensing employee to perform a portion of the animal control services required by the Purchase of Service Agreement;

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 up to twelve (12) 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 to 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 Twenty Eight Thousand One Hundred Forty Dollars (\$28,140.00) 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 the use, possession, or acquisition of the vehicles 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 \$500,000.00, 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 VEHICLES, 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 of 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 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 vehicles.

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 to be given as follows:

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

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

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

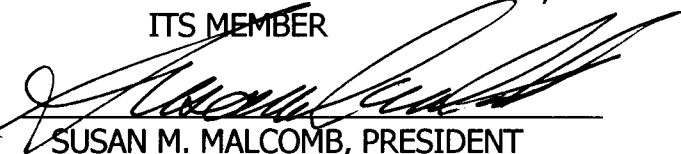
LEXINGTON-FAYETTE URBAN
COUNTY GOVERNMENT

BY: 

JIM GRAY, MAYOR

LEXINGTON-FAYETTE ANIMAL CARE
AND CONTROL, LLC

BY: LEXINGTON HUMANE SOCIETY,
ITS MEMBER

BY: 

SUSAN M. MALCOMB, PRESIDENT

BY: 

ANNE GORHAM, CHAIRPERSON
BOARD OF DIRECTORS

Lexington-Fayette ACC Vehicles
EXHIBIT "A"
(As of JUNE, 2017)

- (A) [REDACTED]: VIN #NMOLS7AN0DT165946
UNIT (9043) RECEIVED 11/7/2013 [REDACTED] 21696 PLATE #P9718
- (B) [REDACTED] VIN #2FTZA54267BA28018
UNIT (7393) RECEIVED 9/9/09 [REDACTED] 87257 PLATE#N1189
- (C) [REDACTED]
VIN #1FT7X2B67GED29203
UNIT (9173) RECIEVED 05-7-16 [REDACTED] 37 PLATE#N2525
- (D) [REDACTED] VIN
#FTSW31S2YEA48395 UNIT (1853) 8-3-09 [REDACTED] 81662 PLATE#J9874
- (E) [REDACTED] VIN # 2FAFP71W32X143049
UNIT (6132) 05-12-15 [REDACTED] 85498 PLATE#G2840
- (F) [REDACTED]
VIN #1FTYR14D19PA31564 UNIT (9038) 05-7-09 [REDACTED] 80756
PLATE # N8285
- (G) [REDACTED] VIN # 1GNGK46K69R163079 UNIT (7504)
RECEIVED 2-15-17 [REDACTED] 173827 PLATE# N7726
- (H) [REDACTED]
VIN # 1FT7X2A68DEB20162 UNIT (9041) 06-1-13 [REDACTED] 26825 PLATE#
P9085
- (I) [REDACTED] INTERCEPTOR VIN # 1FM5K8AR8HGA24525
UNIT (9172) [REDACTED] 34 RECEIVED 08/17/2016 PLATE# C7752
- (J) [REDACTED] FORD EXCAPE VIN# 1FMCU9G94GUC82183
[REDACTED] 183 RECEIVED 03/30/2016 PLATE # C6388

(K) O [REDACTED]
[REDACTED] VIN #1FTYR14DX9PA31563 UNIT (9039) 08-11-09 [REDACTED] 81575
PLATE#N8284

(L) [REDACTED]
[REDACTED] VIN #1FTYR14D39PA31565 UNIT (9040) 08-11-09 [REDACTED] 76730
PLATE #N8102
[REDACTED] ONE [REDACTED] VIN
#1FMNU41S9YED37505 3/13/2015 [REDACTED]