PURCHASE OF SERVICE AGREEMENT

THIS PURCHASE OF SERVICE AGREEMENT, is made and entered into on the ___ day of _____, 2026, 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, Kentucky 40504;

W I T N E S S E T H:

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

1. **EFFECTIVE DATE; TERM.** Government hereby retains Organization for the period beginning on July 1, 2026, and continuing for a period of twelve (12) months from that date. The Agreement is automatically renewable for up to three (3) additional months, unless the Agreement is terminated as provided in Section 11 herein.

2. **PAYMENT.** Government shall pay Organization the sum of Two Million Five Hundred Twelve Thousand, Five Hundred Forty-Five Dollars ($2,512,545.00) 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 to June, inclusive. 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.

   a. Government shall make payment under this Agreement upon timely submission of a monthly invoice from Organization, accompanied by data satisfactory to Government to document entitlement to payment for the Services. Government shall have thirty (30) days from the date of receipt of the invoice to pay the invoice amount. If Organization does not timely provide the aforesaid deliverables, or if it is determined by Government that the Services performed or the deliverables provided are inadequate or defective, Government shall have the option to grant an extension, refuse payment, and/or to demand repayment.

   b. If this Agreement is automatically renewed for an additional three (3) months, then the amount of funds provided in any additional term shall be based upon the amount which is approved by the Urban County Council as part of the Lexington-Fayette Urban County Government's Annual Budget, and those Funds will be payable in the same manner as provided herein.

3. **INSURANCE; INDEMNITY**.
   a. At all times relevant to the performance of this Agreement, Organization shall maintain insurance coverages in at least the following amounts, which shall be

properly filed and approved by the Kentucky Department of Insurance. Evidence of such coverage shall be made available to LFUCG upon request. General Liability ($1 million per occurrence, $2 million aggregate or $2 million combined single limit); Commercial Automobile Liability (combined single, $1 million per occurrence), only if Organization utilizes automobiles in the performance of this Agreement; (if applicable) Professional Liability ($1 million per occurrence, $2 million aggregate); Worker's Compensation (Statutory); and Employer's Liability ($1 million).

b. Organization shall indemnify, defend and hold harmless LFUCG and its elected and appointed officials, employees, agents, volunteers, and successors in interest, from and against any and all liability, damages, and losses, including but not limited to: demands, claims, liens, suits, notices of violation from governmental agencies, obligations, causes of action, judgments, penalties, fines, liens, costs, expenses, interest, defense costs and reasonable attorney's fees that are in any way incidental to or connected with, or that arise or are alleged to have arisen, directly or indirectly, from or by Organization's performance of, or breach of this Agreement and/or the provision of goods or services, provided that (a) it is attributable to personal injury, bodily injury, sickness, or death, or to injury to or destruction of property (including the loss of use resulting therefrom), or to or from the negligent acts, errors or omissions or willful misconduct of Organization or its officials, employees, or agents; and (b) not caused solely by willful misconduct of LFUCG.

c. Organization understands and agrees that its obligation to defend LFUCG includes the obligation to investigate, handle, respond to, resist, provide a defense for, and defend claims, at Organization's expense, using attorneys approved in writing by the LFUCG, which approval shall not be unreasonably withheld.

d. Organization further understands and agrees that its obligation to indemnify includes, but is not limited to: attorney fees and expenses, costs of litigation, court and administrative costs, expert witness fees and expenses, judgments, fines, penalties, interest, all environmental cleanups and remediation costs of whatever kind, and any liability arising from death, injury, or damage of any kind, to any person, including employees and agents of Organization and LFUCG, and damage to, or destruction of, any property, including the property of LFUCG.

e. This provision shall in no way be limited by any financial responsibility or insurance requirements, and shall survive the termination of this Agreement.

f. Organization understands that LFUCG is a political subdivision of the Commonwealth of Kentucky and acknowledges and agrees that LFUCG is unable to provide indemnity or otherwise save, hold harmless, or defend the Organization in any manner.

4. **VEHICLES**. Government shall lease up to 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.

5. **COMPLIANCE.** 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, including but not limited to the Americans with Disabilities Act, 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 claim or liability arising from or based on violation or alleged violation of any such laws, ordinances or regulations. 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 of the executed originals of the aforementioned tax returns filed for Organization's most recent or current tax year.

6. **REPORTING.** Organization shall, at the end of each month and by no later than the fifteenth (15th) working day of the succeeding month, make available to Sponsor: a report containing, for each of the services enumerated in the Addendum attached hereto, which were provided in the preceding month, a description of the services provided, including the quantity of the services provided, and any monies collected on behalf of the Urban County Government.

7. **RECORDS.** 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 transactions 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. Organization understands and agrees that this Agreement and any related documents may be subject to disclosure under the Kentucky Open Records Act and will comply with any reasonable request by Government to provide assistance with such request.

8. **MONITORING.** Government may designate such persons as may be necessary to monitor and evaluate the services rendered by Organization. Government shall 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.

9. **EQUAL OPPORTUNITY; FAIRNESS ORDINANCE.** 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. Organization agrees to comply with Government's Fairness Ordinance (Ordinance No. 201-99) and all sources of applicable law, including those specified in any document attached to this Agreement and incorporated herein by reference.

10. **SEXUAL HARASSMENT.** 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 made available to the Commissioner of the Department of Public Safety within thirty (30) days of the execution of this Agreement.

11. **TERMINATION.** Unless either party, not less than ninety (90) days prior to June 30, 2027, 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 next preceding the termination of any period, give the other party notice in writing that this Agreement shall not be so extended.

12. **ENTIRE AGREEMENT.** 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.

13. **AUDIT.** Organization shall comply with the audit requirements of 200 CFR Part 200 Subpart F, if applicable. Government shall have the option to request an audit of all revenue and expenditures related to this Agreement. If such an audit is requested by Government, it may be performed in conjunction with and as part of an audit of the Lexington Humane Society, or independently, in the discretion of Organization. If an audit is requested, the audit shall be conducted by independent certified public accountants at Organization's expense, 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. For any audit performed, including a 200 CFR Part 200 audit, if applicable, a copy of the audit or clean audit opinion letter from an

independent certified public accountant, shall be submitted to Government upon request.

14. **INVESTMENT.** 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 and regulations and these Policies.

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

(1) 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-

(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.

15. **NOTICE.** Any notice or consent required to be given by or on behalf of either party upon the other shall be in writing and 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

16. **NO ASSIGNMENT**. Organization may not assign any of its rights and duties under this Agreement without the prior written consent of the Government.

17. **NO THIRD-PARTY RIGHTS**. This Agreement does not create a contractual relationship with or right of action in favor of any third party against either Organization or Government.

18. **KENTUCKY LAW AND VENUE**. This Agreement shall be governed in all respects by the laws of the Commonwealth of Kentucky and venue for all actions shall lie in the Circuit Court of Fayette County, Kentucky.

19. **AMENDMENTS**. By mutual agreement, the parties to this Agreement may, from time to time, make written changes to any provision hereof. Organization acknowledges that Government may make such changes only upon approval of its legislative authority, the Lexington-Fayette Urban County Council, and the signature of the Mayor.

20. **WAIVER**. The waiver by either party of any breach of any provision of this Agreement shall not constitute a continuing waiver or waiver of any subsequent breach by either party of either the same or another provision.

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

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT

BY: _____
LINDA GORTON, MAYOR

LEXINGTON-FAYETTE ANIMAL CARE AND CONTROL, LLC

BY: LEXINGTON HUMANE SOCIETY, ITS MEMBER

BY: _____
SUMMER JACKSON, PRESIDENT

BY: _____
JEMMA KALUSKI, CHAIRPERSON
BOARD OF DIRECTORS

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