

CITY OF DAYTON, KENTUCKY

2014-2 R

AN ORDER AUTHORIZING THE MAYOR TO ENTER INTO A SECOND AMENDMENT OF THE INTERLOCAL AGREEMENT WITH THE CITY OF BELLEVUE FOR PROVISION OF FIRE PROTECTION AND EMERGENCY LIFE SUPPORT SERVICES.

WHEREAS, the City of Dayton, Kentucky and City of Bellevue, Kentucky have previously entered into an Interlocal Agreement creating the Fire Department of Bellevue and Dayton for the provisions of fire protection and emergency life support services; and

WHEREAS, certain changes in the operating agreement are found to be necessary to the order operation of said fire department,

BE IT ORDERED BY THE CITY OF DAYTON, CAMPBELL COUNTY, KENTUCKY

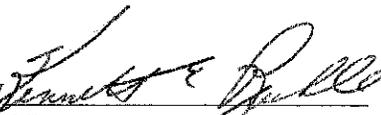
SECTION I The City of Dayton does hereby approve and adopt the amendment to the interlocal agreement and to execute the second amended operating agreement. A copy of same is attached hereto and made part hereof by reference.

SECTION TWO: The Mayor and any other necessary official is authorized to sign all documents necessary to effect the above provisions.

SECTION THREE: This order shall be signed by the Mayor, attested by the City Clerk, recorded, and shall be in effect at the earliest time provided by law.

PASSED by City Council of the City of Dayton, Campbell County, Kentucky assembled in regular session this 7th. day of January, 2014.

CITY OF DAYTON, KENTUCKY

by 
KENNETH E. RANKLE
its Mayor

ATTEST:


DONNA LEGER, its Clerk

FIRST AMENDED
OPERATING AGREEMENT
OF

BELLEVUE/DAYTON FIRE DEPARTMENT, L.L.C.

RECEIVED AND FILED
DATE 12.19.07

TREY GRAYSON
SECRETARY OF STATE
COMMONWEALTH OF KENTUCKY
BY L. TROOP

This Operating Agreement dated September 30, 2001, is by and between the CITIES OF BELLEVUE AND DAYTON in Campbell County, Kentucky, as members of the Bellevue/Dayton Fire Department, L.L.C., a Kentucky Limited Liability Company (hereinafter identified and referred to as the "Company"); and is pursuant to the authority of the Interlocal Cooperation Act at KRS 65.210 to 65.300.

Article 1.0 – Formation

- 1.1 **Organization** – The parties hereto hereby organize this limited liability Company pursuant to the provisions of the Kentucky Limited Liability Company Act at KRS Chapter 275 (hereinafter identified and referred to as the "Act").
- 1.2 **Intent** – It is the intent of the parties to this Operating Agreement that the company shall always be operated in a manner consistent with the authority of the Interlocal Cooperation Act at KRS 65.210 to 65.300 and all other applicable local, state and federal laws.
- 1.3 **Agreement** – For and in consideration of the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties executing this Agreement hereby agree to the terms and conditions of this Operating Agreement, as it may from time to time be amended according to its terms.
- 1.4 **Name of Company** – The name of the Company is the Fire Department of Bellevue-Dayton, L.L.C., and all business of the Company shall be conducted in that name. The Company shall be dissolved, and its affairs concluded, in accordance with the Act and this Operating Agreement on July 1, 2021, unless the period of the Company existence shall be extended by amendment to this Operating Agreement and the Articles of Organization, or unless the Company is dissolved and its affairs concluded in accordance with the Act or this Operating Agreement.

- 1.5 **Principal Executive Office** – The principal executive office of the Company shall be at 514 Sixth Avenue, Dayton, Kentucky 41074. It is understood, the City of Dayton holds title to the real-property located at 514 6th Avenue Dayton KY 41074 and more specific plat numbers 105-109 6th and 121-122 7th Avenue.
- 1.6 **Registered Agent and Office** – The registered agent for service of process and the registered office of the Company shall be the Fire Chief. The Members of the Company may, from time to time, change the registered agent or office of the Company through appropriate filings with the Secretary of State of the Commonwealth of Kentucky.
- 1.7 **Company Business** – The object and purpose of the Company and general nature of the business it proposes to transact shall be limited to providing Fire/EMS Services and other services deemed necessary by the partner members of the company for the Cities of Bellevue and Dayton, as the agent of the Cities of Bellevue and Dayton therefore. The Company may provide mutual aid with other communities and jointly cooperate on regional issues.
- 1.8 **Company Members** – The names and addresses of each of the members of this Company are as follows:

<u>Name</u>	<u>Address</u>
City of Bellevue	616 Poplar Avenue, Bellevue, KY 41073
City of Dayton	514 Sixth Avenue, Dayton, KY 41074

Article 2.0 – Company Management

- 2.1 **Management of the Company** - is hereby vested in the Fire Chief, who needs not be a member of the Company or a natural person, and is hereinafter identified and referred to as the “Fire Chief”.
- 2.2 **Fire Department of Bellevue-Dayton Company Board** – The Mayor of each member of the Company shall appoint from the city councils and residents in their respective cities an equal number of members to the Board. The Board shall be composed of six (6) members, four of whom shall be elected officials, two of whom shall be citizen volunteers. The Board will serve a one-year term beginning January 1 of each year, with no term limitations.
- 2.3 **Chair of Board** – The Chair of the Board must be an elected official from the company members. The Chair will serve a one-year term, beginning January 1

of each year, with no term limitations. The Board will determine the selection of the Chair. The Chair of the Board shall rotate each January between the elected officials from both cities. The Chair will have all rights as regular Board member. The Chair will call, organize, and conduct all regular and special meetings. The Chair will work in conjunction with the company manager to implement the policies and procedures adopted by the Board. The Chair will be responsible for overseeing and reporting the financial status of the company to the Board and company members.

2.4 Manager Appointment – The Fire Chief, and all contracts for the services thereof, shall be agreed upon by the Mayor of each member of the Company and a majority of the Board.

2.5 Manager's Authority – The Fire Chief, shall be responsible for the ordinary daily operations and decisions of the Company, and the Fire Chief shall have all of the authority necessary therefore, subject to the following limitations:

- A. No funds of the Company shall be disbursed otherwise than in conformity with an annual budget for the Company, which is developed and presented to the Board by the Manager and approved by a majority of the Board. No funds shall be disbursed until the members of the company approve their annual contributions.
- B. Without the approval of the Board the Company shall not enter into any written agreements and no property of the Company shall be conveyed, transferred or delivered to anybody else.
- C. The Board, and the member cities, if deemed necessary, shall develop and approve all operating policies and procedures for the company subject to review and recommendation by the city administrators of the member cities.
- D. The Board shall develop and approve a positions classification plan to include, but not limited to, positions available for hire, current approved salary for position and salary range for position.
- E. The City Administrators of the member Cities shall provide written staff support to the Board regarding official business before the Board for each regular and special meeting of the Board.
- F. The Fire Chief shall meet with the city administrators of the member cities to assist in the preparation of the annual budget and shall present a monthly budget report to the city administrators of the member cities.

- G. The Fire Chief shall attend staff meetings as required by the city administrators of the member cities.
 - H. The Fire Chief shall not discipline any employee without the approval and recommendation of the Board Chair and the city administrators of the member cities.
 - I. The Fire Chief shall submit a written report of fire department's monthly activities to the city administrator of the member cities by the first day of each month.
 - J. The Fire Chief shall not exceed a budget line item without written approval from the Board Chair and the city administrators of the member cities.
 - K. The Fire Chief shall be evaluated by the city administrators of the member cities no later than March 1st of each year. The evaluation shall be forwarded to the Board for review.
- 2.6 Removal of Manager** – The removal of the Fire Chief of the Company shall always be subject to the approval of a majority of the Board in accordance with the policies and procedures of the Company.
- 2.7 Limitation of Liability** – The liability of each member of the Company for debts and obligations for the Company shall be limited according to the provisions of KRS 275.150 and other applicable law. The Board is required to maintain proper liability insurance coverage on the Board, Employees, Equipment and the Company.
- 2.8 Priority and Return of Capital** – No member shall have priority over the other member with respect to the return of capital contributions or to profits, losses, or distributions, all of which shall be equally divided among the members.
- 2.9 Special Meetings** – Either member of the Company may schedule a special meeting of the members thereof, by causing a written notice thereof to be mailed to the other member by Certified Mail, Return Receipt Requested.

Article 3.0 – Contributions to Capital

- 3.1 Member Contributions** - Each member shall and hereby agrees to contribute all current equipment used in the delivery of Fire/EMS services in their respective cities and an initial sum of \$535,000 as a cash contribution to the

Company for operating cost of the Fire Department of Bellevue-Dayton, L.L.C. Each fiscal year the members agree to contribute a cash amount agreed upon by the members for operating purposes of the Company. The Fire Department of Bellevue/Dayton, L.L.C. budget cycle will be a fiscal year budget of July 1 – June 30. The Board shall approve an annual budget and present the budget and funding request to each member City Council by April 1 of each year. The Company members must notify the Company Board Chair by May 15 of their intent of funding. Funding: the first 3 months will be paid by each City in advance not later than July 1st and thereafter paid monthly by the 15th day of each month. If the members do not approve the proposed annual contribution by July 1 of the fiscal year the previous fiscal years contribution will be the legal contribution until the member City Councils approve a new yearly contribution.

- 3.2 Annual Audit** - The Board is required to have an annual audit completed by a Certified Public Accountant and reported to the members City Council by February 1 of each year.
- 3.3 Membership Interest** – Membership interest allocations shall be designated on attached exhibit “A” and shall be updated each fiscal year.

Article 4.0 – Allocations and Distributions

The company may maintain annual operating budget reserves up to, but not exceeding, an amount agreed upon by the Board and member cities.

Article 5.0 – Dissolution of the Company

- 5.1 Events of Dissolution** – The Company shall be dissolved and its affairs concluded upon the first occurrence of any of the following events:
- A. The expiration of the term of the Company indicated in the Articles of Organization thereof; or
 - B. The entry of a Decree of Judicial Dissolution pursuant to KRS 275.290; or
 - C. The filing of a Certificate of Dissolution by the Secretary of State pursuant to KRS 275.295; or
 - D. The approval thereof by municipal order of either legislative body of each of the members of the Company. A minimum notice of six (6)

months prior to the end of a fiscal year shall be given to the other Company member and must be given in writing by Certified Mail, Return Receipt Requested, as to their intent to dissolve the Company or remove themselves as a member of the Company effective on the end of the subsequent fiscal year.

E. Once notified of any of the above events of dissolution the company will continue to operate and provide service to all company members until the company is completely dissolved and the process of Winding Up is complete.

5.2 Continued Existence for Purposes of Winding Up – If any subsection of Section 5.1 of this Article is enacted the Company can continue solely for the purpose of winding up its affairs in accordance with the Act.

5.3 Procedure Upon Liquidation – Upon the dissolution of the Company, the members shall liquidate the assets of the Company and apply the proceeds of liquidation in the order of priority provided in Section 5.4 hereof.

A reasonable time shall be allowed for the orderly liquidation of the assets of the Company and the discharge of its liabilities to minimize losses that might otherwise occur in connection with the liquidation. Upon completion of the liquidation of the Company and distribution of the proceeds, the Members shall file articles of dissolution with the Secretary of State's Office in and for the Commonwealth of Kentucky.

5.4 Process of Liquidation – The proceeds from the liquidation of the assets of the Company, the proceeds from the collection of the receivable of the Company, and the assets distributed in kind shall all be distributed in the following order of priority.

- A. First, to payment of debts and liabilities of the Company which are properly due and owing;
- B. Second, to the settling up of reserves to disburse the reserves in payment of contingent liabilities or obligations of the Company, and, at the expiration of the reserve period, the balance of the reserves, if any, shall be distributed as liquidating proceeds received at the end of the reserve period; and

- C. Third, equally to the Members of the Company in respect to General Accepted Accounting Procedures.
- D. Notwithstanding the above, it is expressly understood that any and all real estate owned, prior to the effective date of this agreement, by a member city shall be returned and transferred back to that member city. The value of the real estate being returned to the member city will not be used in the calculation of determining equal asset distribution.

5.5 Winding Up and Certification of Dissolution – The winding up of the Company shall be completed when all debts, liabilities and obligations of the Company have been paid and discharged or reasonably adequate provision therefore has been made, and all of the remaining property and assets of the Company have been distributed to the members. Upon the completion of winding up of the Company, a certificate of dissolution shall be delivered to the Secretary of State for the Commonwealth of Kentucky for filing. The certificate of dissolution shall set forth the information required by KRS 275.315.

Article 6.0 – Additional Provisions

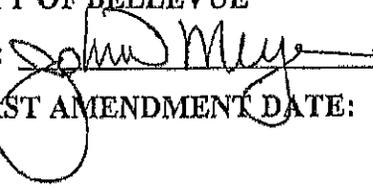
- 6.1 Complete Agreement** – This Operating Agreement and the Articles of Organization of the Company constitute the complete and exclusive statement of agreement among the Members with respect to the subject matter hereof. This Operating Agreement and the Articles of Organization supersede all prior written and oral statements or agreements and no representation, statement or condition or warranty not contained in this Operating Agreement or the Articles of Organization shall be binding on the Members or have any force or effect whatsoever.
- 6.2 Governing Law** – This Agreement and the rights of the parties hereunder will be governed by, interpreted, and enforced in accordance with the laws of the Commonwealth of Kentucky.
- 6.3 Terms** – Common nouns and pronouns will be deemed to refer to the masculine, feminine, neuter, singular and plural, as the identify of the person or persons, firm, or corporation may in the context require. Any reference to the Code or other statutes or laws will include all provisions concerned.

- 6.4 **Headings** – All headings herein are inserted only for convenience and ease of reference and are not to be considered in the construction or interpretation of any provision of this Operating Agreement.
- 6.5 **Severability** – Every provision of this Operating Agreement is intended to be severable. If any term or provision is illegal or invalid for any reason whatsoever, the illegality or invalidity shall not affect the validity of the remainder of this Operating Agreement.
- 6.6 **Amendments** – This Agreement shall be amended or modified from time to time only by a written instrument adopted; approved and executed by both of the members of the Company.
- 6.7 **Heirs, Successors and Assigns** – Each and all of the covenants, terms, provisions, and agreements herein shall be binding upon and inure to the benefit of the parties hereto and, the extent permitted by this Agreement, their legal representatives, successors, and assigns.
- 6.8 **Execution of Additional Instruments** – Each member hereby agrees to execute such other and further statements of interest and holdings, designations, powers of attorney and other instruments necessary to comply with any laws, rules, or regulations.
- 6.9 **Waiver** – The failure of any party to seek redress for violation of or to insist upon the strict performance of any covenant or condition of this Operating Agreement shall not prevent a subsequent act, which would have originally constituted a violation, from having the effect of any original violation.
- 6.10 **Mediation** – If any claim, dispute or other matter arises regarding the relations or transactions between company members they agree to submit the issues to mediation. The mediation fee, if any, shall be shared equally.
- 6.11 **Rights and Remedies Cumulative** – The rights and remedies provided by this Operating Agreement are cumulative and the use of any one right or remedy by any party shall not preclude or waive the right to use any or all other remedies. Said rights and remedies are given in addition to any of the rights the parties may have by law, state, ordinance, to otherwise.

6.12 Creditors – None of the provisions of this Operating Agreement shall be for the benefit of or enforceable by any creditors of the Company. No member of the company shall be liable by reason of being a member of the company, and KRS 275.150 shall control any attempt to impose such liability.

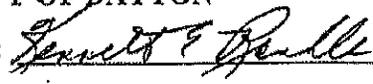
IN WITNESS WHEREOF, this Operating Agreement has been signed on behalf of the Cities of Bellevue and Dayton, by their respective Mayors, pursuant to the authorization of their respective legislative bodies.

CITY OF BELLEVUE

BY: , MAYOR

FIRST AMENDMENT DATE:

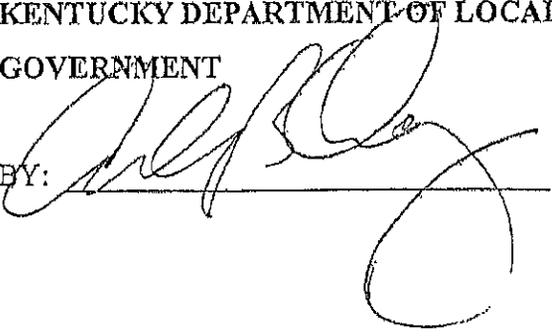
CITY OF DAYTON

BY: , MAYOR

FIRST AMENDMENT DATE:

Pursuant to the requirements of KRS 65.270, this Agreement between the Cities of Bellevue and Dayton, in Campbell County, Kentucky, is hereby approved.

KENTUCKY DEPARTMENT OF LOCAL
GOVERNMENT

BY: 

RECEIVED AND FILED

DATE

2/27/2014

ALISON LUNDERGAN GRIMES
SECRETARY OF STATE
COMMONWEALTH OF KENTUCKY
BY: 

SECOND AMENDED
OPERATING AGREEMENT

OF

FIRE DEPARTMENT OF BELLEVUE-DAYTON, LLC

This Operating Agreement dated January 7, 2014, is by and between the Cities of Bellevue and Dayton in Campbell County, Kentucky, as members of the Fire Department of Bellevue-Dayton LLC, a Kentucky Limited Liability Company (hereinafter identified and referred to as "Company"), and is pursuant to the authority of the Interlocal Cooperation Act under KRS 65.210 to 65.300.

ARTICLE 1.0 – FORMATION

- 1.1 **Organization.** The parties hereto organize this Limited Liability Company pursuant to the provisions of the Kentucky Limited Liability Company Act under KRS Chapter 275 (hereinafter identified and referred to as the "Act").
- 1.2 **Intent.** It is the Intent of the parties to this Operating Agreement that Company shall always be operated in a manner consistent with the authority of the Interlocal Cooperation Act at KRS 65.210 to 65.300, and all other applicable local, state and federal laws.
- 1.3 **Agreement.** For and in consideration of the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties executing this Agreement hereby agree to the terms and conditions of this Operating Agreement, as it may from time to time be amended according to its terms.
- 1.4 **Name of Company.** The name of the Company is the Fire Department of Bellevue-Dayton LLC, and all business of the Company shall be conducted in that name. The Company shall be dissolved, and its affairs concluded, in accordance with the Act and this Operating Agreement on July 1, 2021, unless the period of the Company existence shall be extended by agreement to this Operating Agreement and the Articles of Incorporation, or unless the Company is dissolved and its affairs concluded in accordance with the Act or this Operating Agreement.
- 1.5 **Principal Executive Office.** The principal executive office of the Company shall be at 514 Sixth Avenue, Dayton, Kentucky 41074. It is understood that the City of Dayton holds title to the real property located at 514 Sixth Avenue, Dayton, Kentucky 41074, and more specific plat numbers 105-109 Sixth Avenue and plat numbers 121-122 Seventh Avenue.

- 1.6 **Registered Agent and Office.** The registered agent for service of process and the registered office of the Company shall be the Fire Chief. The Members of the Company may, from time to time, change the registered agent or office of the Company through appropriate filings with the Secretary of State of the Commonwealth of Kentucky.
- 1.7 **Company Business.** The object and purpose of the Company and general nature of the business it proposes to transact shall be limited to providing Fire and Emergency Medical Services (EMS) and other services deemed necessary by the partner members of the Fire Department of Bellevue-Dayton. The Company may provide mutual aid with other communities and jointly cooperate on regional issues.
- 1.8 **Company Members.** The names and addresses of each of the members of this Company are as follows:

<u>Name</u>	<u>Address</u>
City of Bellevue	616 Poplar Avenue, Bellevue, KY 41073
City of Dayton	514 Sixth Avenue, Dayton, KY 41074

ARTICLE 2.0 – COMPANY MANAGEMENT

- 2.1 **Company Management.** The management of the Company is hereby vested in the Fire Chief, who need not be a member of the Company or a named person, and is hereafter identified and referred to as "Fire Chief."
- 2.2 **Fire Board.** The Mayor of each of the Member Cities shall appoint, from the City Councils and residents in their respective cities, an equal number of members to the Fire Board to oversee and govern the Company. The Board shall be composed of six (6) members, four of whom shall be two elected officials from each City's Council and two of whom shall be one citizen volunteer from each city. The Board will serve a one-year term beginning January 1 of each year, with no term limitations. The Fire Chief shall answer directly to the Fire Board.
- 2.3 **Fire Board Chairperson.** The Chairperson of the Fire Board must be an elected official from the Company Members. The Chairperson shall serve a one-year term beginning January 1 of each year, with no term limitations. The Fire Board shall determine the selection of the Chairperson. The Chairperson of the Fire Board shall rotate each January between the elected officials from both Member Cities. The Chairperson will have all rights as a regular Board Member. The Chairperson will call, organize and conduct all regular and special meetings, and will work in conjunction with the Fire Chief to implement the policies and procedures adopted by the Fire

Board. The Chairperson shall be responsible for overseeing and reporting the financial status of the Company to the Board and Company Members.

2.4 **Appointment of Company Manager.** The Fire Chief, and all contracts for the services thereof, shall be agreed upon by the Mayor of each Member City and a majority of the Fire Board.

2.5 **Manager's Authority.** The Fire Chief shall be responsible for the ordinary daily operations and decisions of the Company. The Fire Chief shall have all of the authority necessary therefore, subject to the following limitations:

- A. No funds of the Company shall be disbursed otherwise than in conformity with an annual budget for the Company, which is developed and presented to the Fire Board by the Fire Chief and approved by a majority of the Fire Board Members. No funds shall be disbursed until the Members of the Company approve their annual contributions.
- B. Without the approval of the Fire Board, the Company shall not enter into any written agreements, and no property of the Company shall be conveyed, transferred or delivered to anybody else.
- C. The Fire Board shall develop and approve all operating policies and procedures for the Company.
- D. The Board shall develop and approve a Positions Classification Plan to include, but not be limited to, positions available for hire, current approved salaries for positions, and salary ranges for positions.
- E. The City Administrators of both Member Cities shall provide written staff support to the Fire Board regarding official business before the Board for each regular and special meeting of the Fire Board.
- F. The Fire Chief shall assist in the preparation of the annual budget. The third party finance individual shall present a monthly budget report to the City Administrators of the Member Cities.
- G. The Fire Chief shall attend staff meetings as required by the City Administrators of the Member Cities.
- H. The Fire Chief shall have the authority to discipline an employee without the immediate approval of the Board Chair and/or Personnel Committee if the Chief determines that said disciplinary action requires immediate attention. If immediate disciplinary action is required, the Fire Chief shall ensure that discipline is provided in accordance with the Company's Personnel Policies and Procedures Handbook, and that the Board Chair and Personnel Committee are notified within 24 hours of when the discipline occurred. In

discipline matters that do not require immediate action, the Fire Chief will seek approval from the Board Chair and Personnel Committee before an employee is disciplined.

- I. The Fire Chief, or the third party finance person, shall submit a written report of the Fire Department's monthly activities to the City Administrators of the Member Cities by the first day of each month, or as soon as possible thereafter.
 - J. The Fire Chief shall not exceed a budget line item without first having written approval from the Chairperson of the Fire Board and the City Administrator of each Member City.
 - K. The Fire Chief shall receive an annual employee evaluation by the Fire Board Chair, Co-Chair and Personnel Committee no later than March 1 of each year. Said evaluation shall be forwarded to the Fire Board for review.
- 2.6 Removal of the Manager.** The removal of the Fire Chief of the Company shall always be subject to the approval of a majority of the Fire Board in accordance with the policies and procedures of the Company.
- 2.7 Limitation of Liability.** The liability of each member of the Company for debts and obligations for the Company shall be limited according to the provisions of KRS 275.150 and other applicable law. The Fire Board is required to maintain proper liability insurance coverage on the Fire Board, employees, equipment, and the Company.
- 2.8 Priority and Return of Capital.** No Member of the Company shall have priority over the other Member with respect to the return of capital contributions, or to profits, losses or distributions, all of which shall be equally divided among the Members.
- 2.9 Special Meetings.** Either Member of the Company may schedule a special meeting of the Members thereof, by causing a written notice thereof to be mailed to the other Member by Certified U.S. Mail, Return Receipt Requested.

ARTICLE 3.0 – CONTRIBUTIONS TO CAPITAL

- 3.1 Company Member Contributions.** Each Member shall and hereby agrees to contribute all current equipment used in the delivery of Fire/EMS services in their respective cities and an initial sum of \$535,000 as a cash contribution to the Company for the operating cost of the Fire Department of Bellevue-Dayton LLC. Each fiscal year the Members of the Company agree to contribute a cash amount agreed upon by the Members for operating purposes of the Company. The Fire Department of Bellevue-Dayton's budget cycle will be a fiscal year budget of July 1 through June 30. The Fire Board shall approve an annual budget and present the budget and funding request to Members' City Councils by April 1 each year. The Company Members must

notify the Fire Board Chairperson by May 15 each year of their intent of funding. For purposes of funding, the first three (3) months will be paid by each Member City in advance not later than July 1, and thereafter paid monthly by the 15th day of each month. If the Member Cities do not approve of the proposed annual contribution by July 1 of the fiscal year, the previous fiscal year's contribution will be the legal contribution until the Members' City Councils approve a new yearly contribution.

- 3.2 Annual Audit.** The Fire Board is required to have an annual audit completed by a Certified Public Accountant. The audit is to be provided to each of the Members' City Councils by February 1 of each year.
- 3.3 Membership Interest.** Membership interest allocations shall be designated on an attached Exhibit "A" and shall be updated each fiscal year.

ARTICLE 4.0 – ALLOCATIONS AND DISTRIBUTIONS

- 4.1** The Company may maintain annual operating budget reserves up to, but not exceeding, an amount agreed upon by the Fire Board and Members of the Company.

ARTICLE 5.0 – DISSOLUTION OF THE COMPANY

- 5.1 Events of Dissolution.** The Company shall be dissolved and its affairs concluded upon the first occurrence of any of the following events:
- A. The expiration of the term of the Company indicated in the Articles of Organization thereof; or
 - B. The entry of a Decree of Judicial Dissolution pursuant to KRS 275.290; or
 - C. The filing of a Certificate of Dissolution by the Secretary of State, pursuant to KRS 275.295; or
 - D. The approval thereof by municipal order of either legislative body of each of the Members of the Company. A minimum notice of six (6) months prior to the end of a fiscal year shall be given to the other Company member and must be given in writing by Certified Mail, Return Receipt Requested, as to the intent to dissolve the Company or remove themselves as a Member of the Company effective on the end of the subsequent fiscal year.
 - E. Once notified of any of the above events of dissolution, the Company will continue to operate and provide services to all Company Members until the Company is completely dissolved and the process of winding up is completed.

- 5.2 Continued Existence for Purposes of Winding Up.** If any submission of Section 5.1 of this Article is enacted, the Company can continue solely for the purpose of winding up its affairs in accordance with the Act.
- 5.3 Procedure upon Liquidation.** Upon the dissolution of the Company, the Members shall liquidate the assets of the Company and apply the proceeds of the liquidation in the order of priority provided in Section 5.4 hereof.
- A reasonable time shall be allowed for the orderly liquidation of the assets of the Company and the discharge of its liabilities to minimize losses that might otherwise occur in connection with the liquidation. Upon completion of the liquidation of the Company and distribution of the proceeds, the Members shall file Articles of Dissolution with the Secretary of State Office in and for the Commonwealth of Kentucky.
- 5.4 Process of Liquidation.** The proceeds from the liquidation of the assets of the Company, the proceeds from the collection of the receivables of the Company and the assets distributed in kind shall all be distributed in the following order of priority:
- A. First, to payment of debts and liabilities of the Company which are due and owing;
 - B. Second, to the settling up of reserves to disburse the reserves in payment of contingent liabilities or obligations of the Company and, at the expiration of the reserve period, the balance of the reserves, if any, shall be distributed as liquidating proceeds received at the end of the reserve period;
 - C. Third, equally to the Members of the Company in respect to Generally Accepted Accounting Procedures; and
 - D. Notwithstanding the above, it is expressly understood that any and all real estate owned prior to the effective date of this Agreement by a Member City shall be returned and transferred back to that Member City. The value of the real estate being returned to the Member City will not be used in the calculation of determining equal asset distribution.
- 5.5 Winding Up and Certificate of Dissolution.** The winding up of the Company shall be completed when all debts, liabilities and obligations of the Company have been paid and discharged or reasonably adequate provision therefore have been made, and all of the remaining property and assets of the Company have been distributed of the City Members. Upon the completion of the winding up of the Company, a Certificate of Dissolution shall be delivered to the Secretary of State for the Commonwealth of Kentucky for filing. The Certificate of Dissolution shall set forth the information required under KRS 275.315.

ARTICLE 6.0 – ADDITIONAL PROVISIONS

- 6.1 **Complete Agreement.** This Operating Agreement and the Articles of Organization of the Company constitute the complete and exclusive statement of agreement among the Members of the Company with respect to the subject matter hereof. This Operating Agreement and the Articles of Organization supersedes all prior written and oral statements and agreements, and no representation, statement, condition, or warranty not contained in this Operating Agreement or Articles of Organization shall be binding on the Members of the Company or have any force or effect whatsoever.
- 6.2 **Governing Law.** This Agreement and the rights of the parties hereunder will be governed by, interpreted and enforced in accordance with the laws of the Commonwealth of Kentucky.
- 6.3 **Terms.** Common nouns and pronouns will be deemed to refer to the masculine, feminine, neuter, singular, and plural as the identity of the person or persons, firm or corporation may in the context require. Any reference to the Code or other statutes or laws will include all provisions concerned.
- 6.4 **Headings.** All headings herein are inserted only for convenience and ease of reference, and are not to be considered in the construction or interpretation of any provision of this Operating Agreement.
- 6.5 **Severability.** Every provision of this Operating Agreement is intended to be severable. If any term or provision is illegal or invalid for any reason whatsoever, the illegality or invalidity shall not affect the validity of the remainder of this Operating Agreement.
- 6.6 **Amendments.** This Operating Agreement shall be amended or modified from time to time only by a written instrument adopted, approved and executed by both of the Members of the Company.
- 6.7 **Heirs, Successors and Assigns.** Each and all of the covenants, terms, provisions and agreements herein shall be binding upon and inure to the benefit of the parties hereto and, to the extent permitted by this Agreement, their legal representatives, successors and assigns.
- 6.8 **Execution of Additional Instruments.** Each Member of the Company agrees to execute such other and further statements of interests and holdings, designations, powers of attorney, and other instruments necessary to comply with any laws, rules or regulations.
- 6.9 **Waiver.** The failure of any party to seek redress for violation of or to insist upon the strict performance of any covenant or condition of this Operating Agreement shall not prevent a subsequent act, which would have originally constituted a violation, from having the effect of any original violation.

- 6.10 **Mediation.** If any claim, dispute or other matter arises regarding the relations or transactions between the Company Members, they agree to submit the issues to mediation. The mediation fee, if any, shall be shared equally.
- 6.11 **Rights and Remedies Cumulative.** The rights and remedies provided by this Operating Agreement are cumulative, and the use of any one right or remedy by any party shall not preclude or waive the right to use any or all other remedies. Said rights and remedies are given in addition to any of the rights the parties may have by law, state, ordinance, or otherwise.
- 6.12 **Creditors.** None of the provisions of this Operating Agreement shall be for the benefit of or enforceable by any creditors of the Company. No Member of the Company shall be liable by reason of being a Member of the Company, and KRS 275.150 shall control any attempt to impose such liability.

IN WITNESS WHEREOF, this Operating Agreement has been signed on behalf of the Cities of Bellevue and Dayton, Kentucky, by their respective Mayors, pursuant to the authorization of their respective legislative bodies.

CITY OF BELLEVUE, KENTUCKY

By: Edward M Riehl
Ed Riehl, Mayor

Dated: 1-16-14

CITY OF DAYTON, KENTUCKY

By: Kenneth Rankle
Kenneth Rankle, Mayor

Dated: 1-17-14

PURSUANT TO THE REQUIREMENTS OF KRS 65.270, THIS AGREEMENT BETWEEN THE CITIES OF BELLEVUE AND DAYTON, IN CAMPBELL COUNTY, KENTUCKY, IS HEREBY APPROVED.

COMMONWEALTH OF KENTUCKY - DEPARTMENT OF LOCAL GOVERNMENT

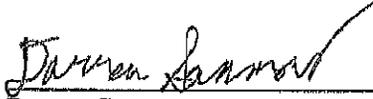
By: [Signature]

Dated: 2/19/14

INTERLOCAL COOPERATION AGREEMENT

ICA 14-007: City of Bellevue and City of Dayton; Fire Protection Services

Reviewed as to compliance with KRS 65.210 to 65.300
and recommended for approval:



Darren Sammons
Staff Attorney
Department for Local Government

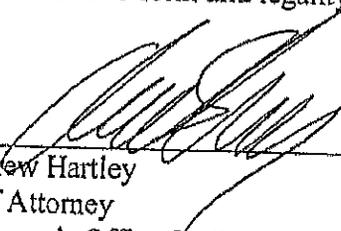


Date

INTERLOCAL COOPERATION AGREEMENT

Belleme/Dayton Fire Dept.

Reviewed as to form and legality only:



Andrew Hartley
Staff Attorney
Governor's Office for Local Development

12-12-07
Date