

EMERGENCY COMMUNICATIONS SYSTEM FUNDING AGREEMENT

This Emergency Communications Funding System Agreement (the "Agreement"), dated as of July 1, 2012, is made and entered into by and between the **BOARD OF COUNTY COMMISSIONERS OF DOUGLAS COUNTY, KANSAS** (the "County"), and the **CITY OF LAWRENCE, KANSAS** (the "City").

RECITALS

1. The County and the City entered into an Interlocal Cooperation Agreement as of December 28, 1994 (the "Interlocal Agreement"), providing for the operation of a unified emergency communications system (the "System").

2. The System is in need of various capital improvements (the "Improvements"), and the County and the City wish to enter into this Agreement pursuant to K.S.A. 12-2908 and in furtherance of the Interlocal Agreement to provide for the making of the Improvements by the County and the joint funding by the County and the City of the cost of the Improvements.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises and covenants hereinafter contained and contained in the Interlocal Agreement, the parties agree as follows:

1. The Improvements must be made to the System supporting all County and City public safety functions in order that both the County and the City may meet new federal mandates to convert to a different set of frequencies and to replace equipment that is aging and obsolete. The total cost of this Improvements is estimated to be approximately \$6,600,000. The operation of a unified System pursuant to the Interlocal Agreement continues to be the most cost effective way to provide emergency communication services and that the operation of the Improvements will be governed by the Interlocal Agreement except to the extent modified by this Agreement.

2. The County will contract for the acquisition and construction of the Improvements, the Improvements will become the property of the County and the County will insure the Improvements.

3. The cost of the Improvements will be shared by the County and the City as provided in the Interlocal Agreement for the sharing of operating expenses of the System, with the County paying 34% of the cost of the Improvements and the City paying 66% of the cost of the Improvements; provided, however, the City will receive a credit towards the City's share of the cost of the Improvements in the amount of \$1,260,616 (representing the County's agreed-upon but previously unpaid share of the costs of the City's main fire station located at 19th and Iowa in the City), and thus the County will pay \$1,260,616 of the City's share of the cost of the Improvements. In addition the City will not share in any costs that the County may incur for the renovations at the Judicial Law Enforcement Center or any portion of the Improvements or related items that benefit the County only. Accordingly, the City's contribution shall not exceed \$3,095,384, and the County's contribution shall not exceed \$4,254,616 for the Improvements. If the costs of the Improvements exceed the parties' respective contributions as set forth in this Paragraph, the parties shall not proceed with the Improvements until they have reached an agreement for paying for the additional costs.

The City will pay for its share of the cost of the Improvements in three annual installments, the first installment being paid to the County upon the later to occur of (1) the County's signing of the contract for the acquisition of the Improvements or (2) the closing of the City's financing of the City's first installment in the Fall of 2012. The City's first two annual installment payments will be in the amount of \$1,000,000 each, and the third installment will be in an amount equal to the remaining unpaid balance of the City share of the cost of the Improvements.

4. The County and the City will each be solely responsible for arranging for the financing and funding of its respective share of the cost of the Improvements.

5. The County will give the City a credit against the City's share of the operating expenses of the System equal to 66% of any payment received by the County from the University of Kansas with respect to the Improvements.

6. Neither the County nor the City will take any action that would adversely affect the exemption from federal income taxation of the interest on any financing of the Improvements by the other party. The County and the City agree that the portion of Improvements constituting the communications tower to be located in the Globe area of Douglas County (the "Globe Tower") and the land development costs related to the construction of the Globe Tower will be paid for with cash or other funds other than the proceeds of a tax-exempt financing. The City will contribute \$95,000 of cash towards the construction of the Globe Tower and the County will pay for the remainder of such construction. Each party will receive a credit for the amount of the cash it pays for the Globe Tower against its respective share of the cost of the Improvements.

7. The duration of this Agreement shall be perpetual and shall remain in full force and effect unless terminated, amended or modified in writing by both the County and the City. Any termination will be conducted pursuant to section 7 of the Interlocal Agreement.

8. This Agreement constitutes the complete and final understanding of both the County and the City with respect to the making of the Improvements and the sharing of the cost thereof.

IN WITNESS WHEREOF, the County and the City have each caused this Agreement to be executed by its duly authorized officials.

**THE BOARD OF COUNTY COMMISSIONERS
OF DOUGLAS COUNTY, KANSAS**

By _____
Mike Gaughan, Chairperson

(SEAL)

ATTEST:

Jameson D. Shew, County Clerk

THE CITY OF LAWRENCE, KANSAS

By _____
Robert J. Schumm, Mayor

(SEAL)

ATTEST:

Jonathan M. Douglass, City Clerk