

AGREEMENT FOR THE USE OF CITY GENERAL FUNDS

This Agreement is entered into between **the City of Lawrence, Kansas**, a municipal corporation (hereafter "City") and **Bioscience and Technology Business Center, Inc.** (hereafter the "Independent Agency"), on this 14th day of January, 2016, for the purpose of establishing certain conditions on the receipt, expenditure and use of City funds received by the Independent Agency.

I.) Use of City Funds

As a condition of the receipt of City funds totaling **\$275,000** during City budget year 2016, the Independent Agency hereby agrees to use and expend all such funds as follows:

- A) Two hundred thousand dollars (**\$200,000**) from the City's General Fund will be used pursuant to:
 - 1. All applicable federal, state, and local laws; and
 - 2. The Independent Agency's by-laws, as approved and amended by the City Commission, which state the funds will be used:
 - a) To recruit and create companies to the BTBC main facility to increase occupancy to the 2016 fiscal year projection of 75%;
 - b) Actively pursue an anchor tenant for Phase III development project and continue to plan for the Innovation and Technology Park of KU's West Campus;
 - c) Increase the economic impact by increasing the number of companies, jobs, and annual payroll from companies in the BTBC system by 8-10% in 2016.
- B) Seventy-five thousand dollars (**\$75,000**) from the City's General Fund will be used to develop the Lawrence Life Science Incubator along with associated professional talent, specialized equipment and capital.

II.) Independent Contractor

The Independent Agency further agrees that it is an independent contractor of the City, and that the employees, agents, and vendors of the Independent Agency are not employees of the City.

III.) Disbursement of Funds

First half of funds will not be disbursed before April 1, 2016 and second half of funds will not be disbursed before October 1, 2016.

- A) The Independent Agency shall request disbursement of funds as follows:
 - 1. Requests for disbursements shall be made by the Independent Agency in writing, on the official letterhead of the agency;
 - 2. Unless otherwise agreed to in writing, requests shall be submitted no more than twice each year:
 - a) A request for fifty percent (50%) of the Independent Agency's total allocation shall be submitted **on or after March 1, 2016**;
 - b) A request for the remaining fifty percent (50%) of the Independent Agency's total allocation shall be submitted **on or after September 1, 2016**.

3. The City retains the right to withhold the second disbursement of funds for failure to submit a six-month progress report by July 15, 2016.

- B) The City retains the right to unilaterally adjust the amount of any disbursement if the City Commission determines that insufficient public funds exist to fully fund the agency at the level indicated in this agreement.

IV.) Reporting Requirements

The Independent Agency shall provide written reports to the City as follows:

- A) Two progress reports that describe the progress made towards meeting the goals and outcomes described in the Independent Agency's Application for Funding shall be due as follows:
1. A report for activities from January through June shall be **due July 15, 2016;**
 2. A cumulative report for activities from January through December shall be **due February 15, 2017.**
- B) The following documents shall be on file with the City **within nine months of the end of the agency's last fiscal year:**
1. The agency's current IRS Form 990 (i.e. copy of Federal Tax Return) as well as a copy of the current corporate annual report filed with the Kansas Secretary of State – FORM NP (not-for-profit) filing.
 2. A copy of the agency's current financial audit. It is suggested that the agency adopt SFAS No. 117. This standard has been adopted by the Financial Accounting Standards Board as a preferred accounting method for non-profit corporations.
 3. A copy of the Agency's Annual Report that includes a summary of how the funds were used, to include an assessment of the agency's annual accomplishments and outcomes.
- C) The Independent Agency agrees to comply with K.S.A. 45-240, which requires not-for-profit entities receiving public funds to document and make available the receipt and expenditures of such funds. The requirements outlined in Section 4B are not meant to satisfy the terms of K.S.A. 45-240.

V.) Retention and Access to Records

The Independent Agency will give the City, the City Auditor, or any authorized representatives of the City access to and the right to examine all records related to the expenditure of City funds.

The Agency shall keep financial records and all other records pertaining to this project being funded for a minimum of three (3) years. The City may, at its sole option, conduct an audit related to this funding agreement. The Independent Agency shall, upon City's request, make its records, employees, and property available promptly.

VI.) Withholding of Payment

The City shall retain the authority to withhold any and all payments to the Independent Agency if, in the sole judgment of the City, the proposed or continued

use of the funds violates the terms of this Agreement, any applicable law, or is contrary to the appropriate use of public funds.

THE UNDERSIGNED, DULY REPRESENTING BIOSCIENCE AND TECHNOLOGY BUSINESS CENTER, INC. THE INDEPENDENT AGENCY OF THIS AGREEMENT, HEREBY AGREES TO THE CONDITIONS OF THIS AGREEMENT FOR THE RECEIPT, EXPENDITURE AND USE OF CITY FUNDS:

Signature: 

Print Name and Title: Adam Courtney VP Finance

STATE OF KANSAS)
COUNTY OF DOUGLAS)

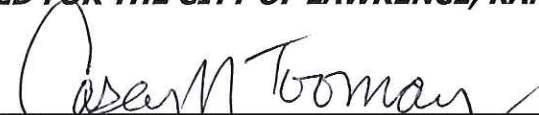
The foregoing Agreement was acknowledged before me this 14th day of February, 2016 by Adam Courtney, representing The Bioscience & Technology Bus. Center as the Independent Agency of this Agreement. In testimony whereof, I have hereunto set my hand and affixed my official seal on the day and year last above written.


Notary Public

My commission expires: 09/17/19

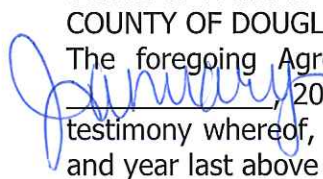


THE UNDERSIGNED FOR THE CITY OF LAWRENCE, KANSAS:

Signature: 

Print Name and Title: Casey Toomay, Assistant City Manager

STATE OF KANSAS)
COUNTY OF DOUGLAS)

 The foregoing Agreement was acknowledged before me this 5th day of January, 2016 by Casey Toomay, representing the City of Lawrence, Kansas. In testimony whereof, I have hereunto set my hand and affixed my official seal on the day and year last above written.


Notary Public

My commission expires:

