

## **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 **Lawrence – Douglas County Bioscience Authority, Inc.** (hereafter the "Independent Agency"), on this 28 day of Dec 2009, 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 2010, 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 develop a wet-lab incubator facility, together with associated professional talent, specialized equipment and capital.
    - (b) To provide business development and commercialization programming and incentives for incubator facility companies.
    - (c) To develop long-term destination facilities in Lawrence & Douglas County for incubator facility bioscience companies.
- 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, 2010 and second half of funds will not be disbursed before October 1, 2010.**

- 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, 2010**;
    - (b) A request for the remaining fifty percent (50%) of the Independent Agency's total allocation shall be submitted **on or after September 1, 2010**.
  - 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, 2010.**

- 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) A six-month progress report shall be due no later than **July 15, 2010** that provides in a narrative form, a description of the progress made towards meeting the goals and outcomes described in the Independent Agency's Application for Funding.
- B) The following documents shall be due to the City no later than **August 1, 2011**:
  - 1) IRS Form 990 (i.e. copy of Federal Tax Return for 2010) as well as a copy of the corporate annual report filed with the Kansas Secretary of State – FORM NP (not-for-profit) filing.
  - 2) A copy of the agency's review or compilation by an independent accounting firm.
  - 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.

#### V) Access to Financial Records

In addition, the Independent Agency shall provide the City with reasonable access to financial records concerning the expenditure of City Funds.

#### 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 LAWRENCE-DOUGLAS COUNTY BIOSCEINCE AUTHORITY, 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: *E. L. Epp*  
Print Name and Title: E. L. Epp, President

STATE OF KANSAS )  
COUNTY OF DOUGLAS )

The foregoing Agreement was acknowledged before me this 28<sup>th</sup> day of December, 2009 by E. L. Epp, representing LDCBA

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.

*Kerri L. Johnson*  
Notary Public

My commission expires: 09/17/2011



**THE UNDERSIGNED FOR THE CITY OF LAWRENCE, KANSAS:**

Signature: *Casey Toomay*  
Print Name and Title: Casey Toomay, Budget Manager

STATE OF KANSAS )  
COUNTY OF DOUGLAS )

The foregoing Agreement was acknowledged before me this 35<sup>th</sup> day of November 2009 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.

*Bobbie Walthall*  
Notary Public

My commission expires: 03/21/12

