

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 Chamber of Commerce, Inc.** (hereafter the "Independent Agency"), on this _____ day of _____ 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 amounting to **\$185,500** during City budget year 2010, the Independent Agency hereby agrees to use and expend all such funds pursuant to:

- A) All applicable federal, state, and local laws; and
- B) The application for funds, as approved and amended by the City Commission, which states:
 - 1. The funds will be used as follows:
 - a) Twenty thousand dollars (**\$20,000**) for the KU Small Business Development Center, to be paid directly to the Center; and
 - b) One Hundred sixty-five thousand five hundred dollars (**\$165,500**) for the Douglas County Economic Development Program.
 - 2. The funds will be used to achieve the following goals and objectives:
 - a) Complete 33 business visits, an increase of 10%, in conjunction with the City of Lawrence and Douglas County.
 - b) Participate in six networking/trade show events with the Kansas Department of Commerce or Kansas City Area Development Council and receive 10 direct leads from attendance and meeting with site location consultants.
 - c) Develop new ED Marketing materials based on the availability of the bioscience incubator and touting the new bioscience developments in Lawrence.

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

- 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 as follows:
 - a) A request for twenty-five percent (25%) of the Independent Agency's total allocation shall be submitted **no later than January 31, 2010**;

- b) A request for twenty-five percent (25%) of the Independent Agency's total allocation shall be submitted **no later than April 30, 2010**;
- c) A request for twenty-five percent (25%) of the Independent Agency's total allocation shall be submitted in conjunction with the six month progress report, **no later than July 15, 2010**;
- d) A request for the remaining twenty-five percent (25%) of the Independent Agency's total allocation shall be submitted **no later than October 31, 2010**;

3. The City retains the right to withhold the 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 by **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 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.

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 CHAMBER OF COMMERCE, 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: Beth A. Johnson

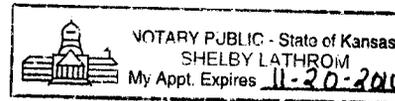
Print Name and Title: Vice President, Beth A. Johnson

STATE OF KANSAS)
COUNTY OF DOUGLAS)

The foregoing Agreement was acknowledged before me this 30 day of December, 2009 by Beth A. Johnson, representing Lawrence Chamber of Commerce 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.

Shelby Lathrom
Notary Public

My commission expires: 11-20-2010



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 25th 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

