EXHIBIT "C"

MEMORANDUM OF UNDERSTANDING BY AND AMONG THE SHELBY COUNTY 911 EMERGENCY COMMUNICATIONS BOARD; THE CITY OF MEMPHIS, TENNESSEE; SHELBY COUNTY, TENNESSEE; and THE SHELBY COUNTY SHERIFF FOR A COMBINED EMERGENCY COMMUNICATIONS FACILITY

THIS MEMORANDUM OF UNDERSTANDING is made and entered into as of this 19th day of May, 2004, by and among the Memphis and Shelby County 911 Emergency Communications Board ("911 Board"), the City of Memphis, Tennessee ("City"); Shelby County, Tennessee ("County"); and the Shelby County Sheriff ("Sheriff").

RECITALS:

1. The City, County, and Sheriff, through their police, fire and emergency medical services operate emergency, dispatch and response units out of many different locations throughout Shelby County.

2. Traditionally, the City, County, Sheriff and 911 Board have cooperated to share emergency communication resources in order to effectively coordinate public safety and emergency response communications.

3. Currently all "911" emergency aid requests for City police or fire services, County fire service, or the Sheriff are answered and dispatched by each party's own separate communications facility.

4. The parties have determined that the establishment and operation of a combined emergency communications facility would permit the elimination of duplicate facilities and communication equipment and systems while enhancing the quality of law enforcement, fire and emergency medical communications. Such results would improve the delivery of emergency aid and medical services in Shelby County and would thereby promote the health, safety and general welfare of the citizens of Shelby County.

5. The parties wish to set forth herein their intent to participate in the development of a combined emergency communications facility, and to set out herein their preliminary agreements as to the process they will adhere to for planning, designing, equipping and operating same.

6. The parties are acting pursuant to the authority contained in their respective charters and general ordinances; Sections 6-54-307 and 6-54-601 of the Tennessee Code Annotated; and the Emergency Communications District Law set forth at Section 7-86-101 *et seq.* of the Tennessee Code Annotated.

NOW THEREFORE, for and in consideration of the mutual promises and covenants made herein, and intending to be legally bound, the parties hereby agree as

AGREEMENTS:

SECTION 1. COOPERATION AGREEMENT.

1.01. The parties agree to cooperate, on the terms outlined herein, to plan, design, construct, equip, operate and maintain a combined emergency communications facility to serve all parties hereto as either a primary or back-up center for receiving and dispatching emergency communications with respect to each party's respective jurisdiction or scope of authority.

SECTION 2. DEVELOPMENT PARTICIPATION.

2.01. The 911 Board agrees to design and construct, at its sole expense subject to Section 2.03 hereof, a facility that shall serve as the primary emergency communications center for the parties hereto, and as the primary or back-up such facility for the Emergency Management Agency ("EMA") or other municipalities or emergency response agencies in Shelby County that desire to utilize space therein (the "Facility").

2.02. The parties agree that the Facility will be designed to provide sufficient space to accommodate the needs of all parties hereto, as well as the needs of other municipalities or emergency response agencies in Shelby County that desire to utilize space in the Facility.

2.03. The obligation of the 911 Board to design and construct the Facility is limited to a maximum cost of $35,057,000.00, with $3,000,000.00 of said amount to be allocated to design and other soft costs, and $30,000,000.00 allocable to construction.

2.04. The County shall provide up to 15 acres of County owned real property on which to construct the Facility, at a rental rate that shall be fixed at $1 per year for a term that is not less than the useful life of the Facility. The County further agrees to design and construct all roads necessary to access the said real property and the Facility.

2.05. The parties agree that the Facility shall be owned by the 911 Board, and that the parties will hereafter determine the most mutually appropriate and advantageous way to legally denote their respective possessory interests in the Facility and the equipment therein. The City shall provide all legal documentation necessary as a result of the parties said determination.

2.06. The parties agree to work cooperatively towards achieving a Facility activation date of November, 2007 in accordance with the scheduling dates set forth in Exhibit A attached hereto.

SECTION 3. PROJECT DEVELOPMENT.

3.01. Feasibility.

A. All feasibility studies that have been completed and paid for by the 911 Board shall be made available, free of charge, to all parties hereto for their use and benefit in efforts to design and construct the Facility.

3.02. Design.

A. The parties agree that the City shall, upon the written recommendation of the 911 Board, select an architect or engineer to design the Facility; shall let the contract for design of the Facility; and shall be responsible for administration of said contract.

B. The City agrees that any such contract for design of the Facility will provide for design approval by each party's designated authorized agent to execute such contract at each of those design stages as are usual and customary in the City's design procedure for public buildings.

3.03. Construction.

A. The parties agree that the City shall be responsible for contracting for the construction of the Facility, and that the 911 Board shall serve as the funding source for such construction as set forth in Section 2.03 herein. The City shall secure such contract in accordance with state and local laws regulating the purchase of goods or services by municipal or other governmental authorities. Any such contract(s) shall be subject to applicable bonding and insurance requirements of state law and the City's applicable laws and procedures for same.

B. The parties agree that the Facility will be constructed in accordance with the plans and designs developed pursuant to Section 3.02 hereof, and no material deviations from said plans and designs will be authorized or allowed by the City, except by change orders and/or construction changes approved by the 911 Board's designee. The County will be informed and consulted on major material deviations.

SECTION 4. PROJECT EQUIPMENT AND FURNISHINGS.

4.01. The parties will each provide, at each party's own expense, any and all furnishings, fixtures, and equipment, including primary equipment, that such parties deem necessary to maintain and operate each party's emergency communication services at the Facility. The parties further acknowledge that the 911 Board shall provide

controller equipment and call taker equipment that it currently provides to each dispatch center in Shelby County, and that this Agreement does not require the 911 Board to provide any other equipment.

SECTION 5. FUNDING.

5.01. The parties agree to cooperate to determine the most advantageous and economical method by which the 911 Board should issue any and all bonds necessary to fund the Facility expenses which are the obligation of the 911 Board. The City will consider issuing such bonds, provided that the 911 Board will be solely responsible for all debt service repayment thereon.

5.02. The parties agree to cooperate to determine the most advantageous and expedient procedure by which to flow funds from the 911 Board to the City to pay for construction of the Facility.

SECTION 6. BUILDING OPERATION AND FACILITY COSTS.

6.01. The parties agree to approve an administrative and management structure for operation of the Facility that facilitates licensure/support from the Federal Communications Commission and the Tennessee Division of Emergency Management and provides support to other county, municipal, and volunteer fire departments/agencies and the county-wide coordination of emergency communications.

6.02. Any administrative and management structure shall provide for a person or board or committee or other entity to be responsible for:

A. The day-to-day operations of the Facility, including but not limited to thermal controls, security activities, janitorial services and general maintenance and upkeep and staffing to attend to same.

B. Development of operational policies and implementation of same, and development and implementation of any necessary amendments thereto.

C. Approval of an annual budget for the Facility operation, and any amendments thereto.

D. Development of a dispute resolution procedures applicable to disputes among the parties hereto.

E. The long term maintenance and capital needs of the Facility.

F. Planning functions for the Facility, including but not limited to matters pertaining to funding, the delivery of services and standards of performance.

G. Such other functions and duties as the parties may deem necessary and appropriate.

6.03. The parties agree that the annual operating costs for the Facility shall be apportioned among the parties and any other users thereof with each user's share of such costs being equal to the percentage of total heated square footage that each such user occupies in the Facility. The parties further agree to cooperate in identifying any Facility operating costs that arise out of the activities of only one, or fewer than all, of the parties and other users, and to cooperate in developing a fair and equitable arrangement for funding such isolated costs. All common area charges shall be apportioned among the parties and other users based upon the same pro rata percentage as is applicable to annual operating costs.

6.04. The parties agree that they will each pay all costs arising out of their individual operations at the Facility, including but not limited to the costs of: (i) any communications or other equipment and furnishings that each such party installs at the Facility, (ii) maintenance on any such communications or other equipment or furnishings, (iii) staffing each party's operations at the Facility.

SECTION 7. TERM AND TERMINATION.

7.01. This Memorandum of Understanding shall become effective upon the date on which the last party hereto has executed same, pursuant to authorization duly given in accordance with all applicable laws.

7.02. The Memorandum of Understanding shall continue in full force and effect until superceded by subsequent agreement by and among the parties. Any party wishing to withdraw from the covenants and obligations hereunder may do so upon the giving of sixty (60) days prior written notice to each of the other parties hereto. In the event of such a withdrawal by the 911 Board, this Agreement shall be of no further force and effect and the parties shall have no further obligations hereunder. In the event of such a withdrawal by either the City or the County or the Sheriff, the remaining of these three parties shall determine whether to continue under the terms and conditions set forth herein, or to alter and amend such terms and conditions, or to abandon and extinguish same. In the event of any such abandonment, these three parties shall reimburse the 911 Board the total cost actually incurred by the 911 Board in designing, engineering and constructing the Facility as of the date of such withdrawal and abandonment ("Reimbursement Amount"), with each party's share of the Reimbursement Amount being the same as the percentage of total heated square footage in the Facility that such party occupies. If, at the time of such abandonment, bonds have been issued by the 911 Board, as issuer, and are outstanding, then the Reimbursement Amount shall also include all principal and interest associated with such outstanding bond issue. In addition, on the same pro rata basis as the Reimbursement Amount is to be reimbursed, the parties shall reimburse the County a just and equitable price for any road and other improvements which it has provided as of the date of such termination and abandonment. In lieu of such pro rata payments, the City, at its sole discretion, but with proper notice to the

County and the Sheriff, may opt to take title to the Facility and complete thereof and use it as the City's own communications facility by tenderin Board, the Reimbursement Amount, and to the County said just and equ any road and other improvements which it has provided as of the date o and exercise of such option by the city.

SECTION 8. NOTIFICATION.

8.01. All notices, requests, acceptances or approvals required hereunder shall be given in writing and shall be delivered by U.S. certif receipt requested, by a nationally recognized overnight delivery service delivery, and shall be deemed to have been received when either deposi States Postal Service mailbox or personally delivered with signed proof following addresses or such other addresses as any of the parties shall g time to time during the term hereof:

The 911 Board:	Raymond Chiozza 6470 Haley Road Memphis, TN 38134
The City:	Mel Scheuerman 125 North Main, Room 554 Memphis, TN 38103
	With a copy to: City Attorney 125 N. Main, Room 314 Memphis, TN 38103
The County:	Ted Fox 160 North Main, Suite 801 Memphis, TN 38103
The Sheriff:	Wink Downen 201 Poplar, Suite 718 Memphis, TN 38103

SECTION 9. MISCELLANEOUS GENERAL PROVISIONS.

9.01. Access to Records and Further Assurances. During all phases of the project development contemplated hereunder, the parties agree to designate one of themselves to maintain all books, documents, papers, accounting records, and other evidence pertaining to the deliberations taken hereunder and any agreements made in furtherance of same; and to keep such materials available at their offices at all reasonabl times during the term hereof for inspection and/or copying.

9.02. Further Assurances. The parties hereby agree to do all things necessary and proper, including but not limited to, executing all documents, agreements and paper in order to further discuss and develop and implement the understandings set forth herei

9.03. Entire Agreement. This Memorandum of Understanding contains the entire agreement of the parties hereto and there are no other promises or conditions in a other agreements whether oral or written. This Memorandum of Understanding supersedes any prior written or oral agreements between the parties pertaining to the subject matter hereof.

9.04. Third Party Beneficiaries. This Memorandum of Understanding does no create any relationship with, or any rights in favor of, any third party.

9.05. Assignment. No party shall assign or transfer an interest in this Memorandum of Understanding without prior written consent of the other parties.

9.06. Amendment. This Memorandum of Understanding may be modified or amended only by a document in writing that is signed by all of the parties hereto.

IN WITNESS WHEREOF, the parties, by and through their duly authorized representatives, have executed this Agreement.

R. Roy Good

Memphis and Shelby County 911 Emergency Communications Board

By: Raymond Chiyzer

Title: Director

Date: 2-16-04

Shelby County Sheriff

By: _____
Mark H. Luttrell, Jr., Sheriff

Date: 2/25/04

Shelby County, Tennessee

Approved as to Form:

_____
County Attorney

By: _____
A C Wharton, Jr., Mayor

Date: 2/29/04

City of Memphis, Tennessee

Approved as to Form:

_____
City Attorney 8/4/04

By: _____
W.W. Herenton, Mayor

Date: 5-18-04

Attested:

_____
Comptroller / Deputy

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