

Procedure 15-01

JOINT BOARD
ORGANIZED UNDER THE
INTERLOCAL COOPERATION AGREEMENT BETWEEN
THE CITY OF WEST LAFAYETTE AND
THE TRUSTEES OF PURDUE UNIVERSITY
DATED AS OF MARCH 12, 2014

**Procedures for Incurring and Documenting
Pre-Development Expenses for the
State Street Redevelopment Project**

1.0 Background and Purpose.

- 1.1 Pursuant to the February 2015 Memorandum of Understanding approved by the Common Council of the City of West Lafayette and the Trustees of Purdue University (the “MOU”), a joint management team was formed to cooperate and collaborate on all activities associated with the procurement of the State Street Redevelopment Project (the “Project”). Section 4(a) of the MOU provided a mechanism for incurring and paying project development expenses under the direction of the joint management team, the principal tenets of which contemplated: (a) that either party could serve as the engaging party for an external resource, (b) that the costs would be borne by the City and the University (for the benefit of the Project) on a 50/50 basis; and (c) that the parties would provide the Secretary/Treasurer of the Joint Board with documentation of the expenses incurred.
- 1.2 The subsequent Project Development Agreement among the City, the University, the West Lafayette Redevelopment Commission, the Purdue Research Foundation and the Joint Board, which was approved by the governing bodies of such parties and executed in May, 2015 (the “PDA”), modified the MOU protocol by substituting the formality of a quarterly inter-party invoice with an acknowledgement that information about “Pre-Development Expenses” and “Project Indirect Costs” would be tracked and shared between the parties and provided not only to the Secretary/Treasurer of the Joint Board but also to the Disbursing Officer described in the PDA. Terms used but not otherwise defined in these procedures have the meaning ascribed to them in the PDA.
- 1.3 Since the PDA was entered into, the joint management team (which was granted broad delegated powers under the PDA to advance the Project) has generally followed the invoice approval protocol described in this document. In order to formalize this protocol, and in accordance with the PDA and prudent measures for the oversight of public funds, the Joint Board hereby adopts these procedures.

2.0 Procedures.

2.1 Engagement of External Resources.

- 2.1.1 Before a vendor or service provider is engaged, the joint management team will first agree upon (a) who the engaging party will be, (b) the scope of work will be under the engagement, (c) the overall budget for the engagement, and (d) the form and content of the engagement agreement.
- 2.1.2 Each engaging party will identify its point of contact with the service provider and notify the other party and the Secretary/Treasurer of the Joint Board accordingly.
- 2.1.3 For external legal counsel to be engaged to represent the Joint Board, the points of contact will be each of the City's Corporate Counsel and the University's Legal Counsel.
- 2.1.4 All engagement agreements will be maintained by the engaging party in accordance with the Indiana Access to Public Records Act and, once approved by the joint management team, will be submitted to the Joint Board for ratification and forwarded to the Disbursing Officer.

2.2 Review, Routing and Approval of Invoices.

- 2.2.1 Upon receiving an invoice from a service provider, the engaging party's point of contact will (a) forward the invoice to the non-engaging party, (b) review the invoice and request the non-engaging party's concurrent review, (c) seek the non-engaging party's approval, and (d) obtain any additional necessary approvals under the engaging party's internal controls in order to pay the invoice.
- 2.2.2 Once the invoice is paid, the engaging party's point of contact will complete an invoice tracking sheet generally in the form attached hereto as Exhibit A.
- 2.2.3 Upon completing the information required by the invoice tracking sheet (which will be numbered sequentially with an internal invoice number for the Joint Board's record-keeping purposes), the engaging party's point of contact will route the invoice, together with the tracking sheet, to the Secretary/Treasurer of the Joint Board, who will provide a copy of these materials to the Disbursing Officer.
- 2.2.4 At each Joint Board meeting, the Secretary/Treasurer will present the claims evidenced and/or paid under such invoices to the Joint Board for ratification.

2.2.5 The Secretary/Treasurer will maintain each invoice and reflect the amount thereof on the books and records of the Project as a credit to the engaging party, as contemplated by the MOU and the PDA, until such time as the amounts evidenced by such invoices are reimbursed to the engaging party by (a) the Joint Board through funds drawn on the TIF Support Facility, and/or (b) the Developer through its financing provided at Financial Close.

2.3 Pre-Development Expenses for Right-of-Way Covered by the City

2.3.1 The City's point of contact on the joint management team will maintain information on the costs of right-of-way acquisition associated with the State Street Property.

2.3.2 The City's point of contact will periodically update this cost information and provide it to the University's point of contact on the joint management team and to the Secretary/Treasurer of the Joint Board for purposes of maintaining it, for informational purposes only, on the books and records of the Project.

3.0 Ratified and approved: December 7, 2015