

**ADDENDUM #2 TO AGREEMENT DATED JANUARY 20, 1984
BY AND AMONG THE COUNTY OF ALBEMARLE, VIRGINIA,
THE CITY OF CHARLOTTESVILLE, VIRGINIA, AND
THE RECTOR AND VISITORS OF THE UNIVERSITY OF VIRGINIA**

This Addendum #2, dated January 1, 2013, to the Agreement dated January 20, 1984, and first amended October 10, 2002, by and among the COUNTY OF ALBEMARLE, VIRGINIA, the CITY OF CHARLOTTESVILLE, VIRGINIA, and the RECTOR and VISITORS of THE UNIVERSITY OF VIRGINIA (collectively referred to as the "Participants").

The Participants agree to the following modifications to the Agreement:

1. Section IV ("Allocation of Costs") is deleted and replaced with the following paragraphs:

a. Operating Costs. Beginning with the fiscal year commencing July 1, 2013, the Management Board shall submit the annual budget request for the Center to each Participant by January 15th of each year in a format generally in accordance with the Uniform Financial Reporting System of the Auditor of Public Accounts for the Commonwealth of Virginia. Operating costs will be allocated among the Participants in direct proportion to their respective shares of the percentage of the numbers of calls for service received by the Center. In preparing for the budget for each year, the Management Board shall obtain the actual number of calls received by the Center for the immediately preceding 12 month period of October 1 through September 30. The Management Board shall use such actual call numbers to recompute the allocation formula for each next ensuing fiscal year. The recomputation shall be made as soon after January 1 as possible to make accurate figures available to the Participants for their annual budget. A hypothetical example of the Funding Formula calculated under this section if it had applied to fiscal year 2012-2013 is attached hereto as Exhibit A. The budget shares for the Participants under the formula calculated under this section are set forth on Exhibit B attached hereto.

b. Capital Improvements Costs. Non-recurring capital items for the Center shall be submitted to each Participant as part of its Capital Improvement Plan (CIP). Capital items include (i) land acquisition, and construction of new facilities; (ii) renovations or additions to existing facilities; (iii) major studies such as facility or systems assessments, engineering or feasibility studies related to facility or system needs; and (iv) equipment requirements. Funding for capital items shall be subject to approval by the Participants. The cost for capital items for the Center shall be allocated among the Participants according to their percentage of actual calls to the Center as determined in section IV(a) above for the fiscal year such capital items are approved by a Participant; provided, however, that each Participant's percentage of cost for a capital item shall not be recomputed each year, but shall remain constant for such capital item. By way of example, the Computer Aided Dispatch System (CADS) is a capital item. The cost allocation of the CADS project is based on the cost allocation among the Participants in effect at the time that project was approved by the Participants and shall remain constant throughout such project, notwithstanding the recalculation of allocations for operating costs pursuant to section IV(a) above.

c. 800 MHz System. Notwithstanding paragraphs a and b above, the capital and operational cost allocation of the 800 MHz Public Safety Project (the 800 MHz System) was established by an Agreement dated June 27, 2003 among the Participants, with the cost allocation based on the number of radios used in the 800 MHz System by the Participants and certain third party users. The capital cost allocation of the 800 MHz System shall remain fixed pursuant to the terms of the Agreement dated June 27, 2003. The operational cost of the 800 MHz System shall continue to be recomputed each year allocating the cost to the Participants equal to the percentage of the number of radios used by each Participant in the 800 MHz System. Unless otherwise agreed to, the capital and operational cost for any communications system

which replaces the 800 MHz System will also be allocated among the Participants equal to the percentage of the number of radios used by each Participant in such replacement system.

d. Fund Balance. The Center may retain a year-end fund balance not to exceed twenty-five percent (25%) of the Center's total annual operating budget. The Management Board will, after each fiscal year audit, return to each Participant its share of any carryover funds in excess of those amounts necessary to fund the reserve fund. The return of such funds to each Participant will be prorated using the allocation formula calculated pursuant to section IV(a) above for such fiscal year. In lieu of returning such funds, the Management Board may formally request alternative uses for such carryover funds, subject to the approval of the Participants.

2. Except as amended hereby, the Agreement remains in full force and effect and the Participants hereby ratify and confirm the provisions, terms and conditions set forth in the Agreement and any amendments or addenda thereto.

WITNESS the following signatures.

COUNTY OF ALBEMARLE

Thomas C. Foley
Thomas C. Foley, County Executive

2/21/13
Date

Approved as to form:

G. L. R.
County Attorney

CITY OF CHARLOTTESVILLE

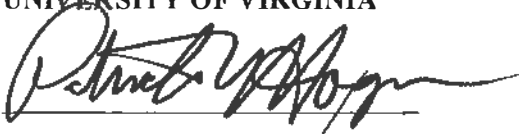
Maurice Jones
Maurice Jones, City Manager

2-20-13
Date

Approved as to form:

S. Craig Brown
City Attorney

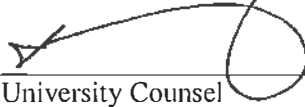
RECTOR AND VISITORS OF THE
UNIVERSITY OF VIRGINIA



02/27/13

Date

Approved as to form:



University Counsel