

## DANIEL BOONE REGIONAL LIBRARY CONTRACT

Pursuant to Sections 70.210 through 70.320, Revised Statutes of Missouri, this Daniel Boone Regional Library Contract is made and entered into this 13th day of June, 2013, by and between the Boone County Library Board, acting for and on behalf of the Boone County Library District; the Callaway County Library Board, acting for and on behalf of the Callaway County Library District; and the Columbia Library Board, acting for and on behalf of the city of Columbia Library District.

Now, therefore, for and in consideration of the mutual promises and covenants herein contained, the parties hereto mutually agree as follows:

1. It is hereby mutually agreed that this Contract shall supersede and replace the current Regional Library Contract entered into on May 12, 2005 by and among the contracting parties, and said prior May 12, 2005, Regional Library Contract shall be null and void and of no further legal effect upon the execution of this Contract by all parties hereto.
2. It is further expressly agreed and stipulated that the purpose of this Contract is to operate and provide a common library service for the benefit of all the residents of the respective library districts during any such time in which a contracting library district is a party to this agreement. Pursuant to that objective, the parties mutually agree that the residents of each library district party hereto shall have all rights and privileges of access during any such time in which a library district is an actual party to this agreement. It is further agreed the said library system shall continue to be known as the Daniel Boone Regional Library, the same constituting a separate legal entity with said entity having all of the powers set forth herein and in Section 70.260 and as otherwise provided or implied by law.
3. The Daniel Boone Regional Library shall be governed by a Board of Trustees, hereafter referred to as the Regional Board consisting of nineteen (19) members, with said board consisting of the five (5) members of the Boone County Library District Board, the five (5) members of the Callaway County Library District Board, and the nine (9) members of the Columbia Library District Board. Except as provided otherwise in this Contract, a majority of the total membership of the Regional Board, to include at least one member from each of the three (3) boards, shall constitute a quorum. A majority vote of those present constituting a quorum shall be binding on each party to this Contract except where other action for approval is required by other provisions of this Contract, or otherwise by law.
4. The Regional Board shall have those powers, authorities, privileges and responsibilities as are set forth and designated in Section 70.260, Revised Statutes of Missouri, as amended, and such other powers and authorities as are reasonably necessary or implied so as to enable the Regional Board to accomplish the lawful purposes of the library and to provide library services

for the benefit of the residents of each of the library district party hereto. The Regional Board shall have the power and authority to establish such bylaws, rules, and regulations as it deems appropriate and necessary, consistent with the laws of the State of Missouri and consistent with the powers and responsibilities placed upon said board through the provisions of this Contract.

5. Upon the execution of this Contract, as soon thereafter as possible, the bylaws of the Daniel Boone Regional Library shall be revised as necessary to conform to the terms of this Contract. All bylaws or any revisions thereof shall be effective as of the date of their adoption. Such bylaws shall be consistent with the purpose of providing the best possible library service for the benefit of the greatest possible number of residents of each of the contracting library districts.
6. The Regional Board shall elect such officers, with such duties and terms, as may be set forth in bylaws adopted by the Regional Board. Vacancies in any office shall be filled as provided in the bylaws adopted by the Regional Board. The Regional Board shall meet at such times as may be necessary to properly conduct its business. Notice of regular and special meetings shall be as set forth in the bylaws.
7. Committees of the Regional Board shall be described in the bylaws. The committees shall have such authority as is delegated to them in the bylaws or by the Regional Board.
8. The Regional Board shall employ and appoint a Library Director who shall be employed under such terms and conditions as are prescribed by the Regional Board. The term of the Director's Contract shall run from July 1 through June 30 of the following calendar year.
9. The parties agree this Contract shall be terminated at the end of the Daniel Boone Regional Library fiscal year in any year that the voters in any library district, party to this Contract, vote to lower or terminate the total library tax in such district. Otherwise, this Contract shall remain in full force and effect until terminated at the end of a fiscal year by mutual consent of the parties hereto, or by at least one party giving the other parties at least six (6) months written notice, prior to the end of the Daniel Boone Regional Library's fiscal year, of its intention to so terminate this Contract.
10. During the term of this Contract the Finance Committee shall develop an annual budget prior to the DBRL Board of Trustee's regular November board meeting. The Finance Committee shall consist of the presidents of the respective member boards, plus, preferably, the immediate past presidents of the respective member boards, or if the current president or immediate past president is unavailable a member designated by that district board. The warrant officer of the Regional Board shall serve as ex officio member and

chair of the committee and vote only in the event of a tie among the other committee members.

11. All expenses as defined in the Daniel Boone Regional Library's operating budget shall be shared among the parties through the total annual operating income. Total annual operating income shall include actual operating tax levy receipts, delinquent taxes, state aid, intangible tax, railroad tax, unrestricted gifts, and all miscellaneous receipts from each of the respective parties.
12. Title to all property currently owned or hereafter acquired by any of the contracting parties shall vest exclusively in the party owning or acquiring the same as the sole and separate property of such party, whether such property is acquired by purchase, eminent domain, devise or gift, but normal building maintenance and repair costs of any building owned by a member district of the regional library shall be budgeted out of joint operating funds. All property jointly acquired by the contracting parties in any manner shall be jointly owned by those parties. All property, real or personal, owned or acquired by each of the respective parties shall be subject to the joint use of the contracting parties in order to further the purposes of this Contract.
13. Each year's budget shall appropriate a portion of the savings in fund balance for future capital outlay and for future implementation of the Strategic Plan.
14. In the event of termination of this Contract, property jointly owned by the contracting parties shall be divided among those parties in proportion to the average pro rata operating tax income basis in effect during the five (5) years prior to termination of the Contract, as more fully described on Exhibit A, which is attached to this Contract and is incorporated into this Contract by reference. In the event disputes arise concerning the distribution of assets, then such disputes shall be submitted first to mediation, and if not resolved by such mediation, then by submission of such dispute to binding arbitration, in the manner described in paragraph J as it appears in such Exhibit A.
15. Any terms of this Contract that are in conflict with the laws of Missouri shall be superseded by the law. If any part of this Contract is invalid, the remaining parts will not be held invalid and shall continue in full force and effect.
16. The Regional Board hereof shall be deemed as carrying out the purposes of and acting on behalf of and pursuant to the obligation of providing the governmental purposes of each of the parties hereto, and the Regional Board and all members thereof shall be entitled to and shall enjoy the immunities of officers of political subdivisions, and shall be entitled to the privileges and immunities and charged with the responsibilities of and as enjoyed by appointed officials of the respective library districts from which the members are serving.
17. The parties hereto have, by duly adopted resolution, approved and adopted this Contract and have executed the same on the date hereof, causing the

same to be executed by a duly authorized officer of each respective party. Each party does acknowledge and agree that this Contract and the rights and responsibilities of each party hereto shall not be assigned by any party. This Contract shall be modified only if such modification shall be reduced to writing and if such modification shall have been approved by all parties hereto.

In witness whereof, the parties hereto have caused this Contract to be signed by the respective presidents and attested to by the respective secretaries thereof by and with the authority of their respective Library Boards the day and year first above written.

## EXHIBIT A

[Attach to "Daniel Boone Regional Library Contract," dated the 13th day of June 2013, and incorporated into paragraph 14 of such Contract by reference]  
This Exhibit A shall be incorporated into the said paragraph 14 as if fully set forth in the said paragraph 14 verbatim.

### ALLOCATION/DISTRIBUTION OF ASSETS IN THE EVENT OF TERMINATION OF CONTRACT/DISSOLUTION OF OR WITHDRAWAL FROM REGIONAL LIBRARY

In the event of a termination of the Contract, or a dissolution of the Regional Library District ("the Regional District" or "the Regional Library"), or in the event any of the libraries or the library boards ("the Parties") which is a Party to this Contract (each being referred to herein as a "Party"), withdraws from the Regional Library, then the following provisions shall be in effect:

A. Ownership of Physical Facilities. The physical facilities (meaning the land, buildings and other improvements on the land containing the buildings of each of the Library Facilities ("Library Facilities") operated by the District (together with all systems and components of such buildings and all fixtures attached to such buildings and constituting a part of such buildings) shall be and remain the property of the Party (or the property of the Regional Library, subject to paragraph I below, if it holds title to any Library Facility) in whose name the Facility is titled. For example, if a Library Facility shall be titled in the Regional District, then same shall be the property of the Regional District, with such property to be allocated in accordance with the following provisions of this Exhibit. As a further example, the Columbia Library building and land shall continue to be owned by the Columbia Library Board of Trustees ("Columbia"), in whose name it is titled, and the Callaway County Library shall continue to be owned by Callaway County Library Board ("Callaway County"), in whose name it is titled.

B. Annual Operating Contributions. The reference in paragraph 14 of the Contract to the division among the Parties "in proportion to the average pro rata operating tax income basis" shall be deemed to mean and to refer to an allocation of all of the assets of the Regional Library, which are not allocated pursuant to paragraph A above, in accordance with the relative "Annual Operating Income Contributions" made by each of the Parties to the Regional District during the last five (5) complete calendar years which expired prior to the effective date of the termination of the Contract or the dissolution of the Library District or withdrawal by one of the Parties from the Regional District, whatever the case may be. "Annual Operating Income Contribution" of a Party shall mean all funds contributed, on an annual basis (a calendar year basis) by such Party to the Annual Operating Income of the Regional Library pursuant to paragraph 11 of the Contract. The total Annual Operating Income of the Regional District shall constitute the total Operating Income of each and all of the Parties (which shall be contributed by each of the Parties to the Regional Library's annual operating budget) as follows:

- a. Actual operating tax levy receipts;
- b. Receipts of delinquent taxes;
- c. Receipts of state aid;
- d. Intangible tax receipts;
- e. Railroad tax receipts;
- f. Unrestricted gifts; and

g. All miscellaneous receipts.

C. Average of Annual Operating Fund Contributions of Parties for Previous Five Calendar Years. If the Regional Library is dissolved, or the Contract is terminated in accordance with its provisions, or a Party withdraws from the Regional Library, then the Annual Operating Contributions made by each of the Parties to the Regional Library's operating budget for each of the last five (5) calendar years which expired prior to the effective date of the termination of this Contract or the dissolution of the Regional Library, or withdrawal (including, as the last such year, that year which ends on the effective date of the termination of this Contract, or the effective date of such withdrawal or dissolution if the effective date is the last day of a calendar year), shall be determined, and such total amount of such Annual Contributions for each Party for such five (5) years shall be divided by the numeral "5", thereby obtaining the average of the Annual Operating Contributions made by each of the Parties to the Regional Library's operating budget over such five (5) year period. The resulting amounts determined by such five (5) year averaging shall be totaled for all Parties, meaning that the five (5) year average Annual Operating Contributions of all Parties shall be totaled. Each individual Party's "pro rata share" shall then be determined by dividing such Party's five (5) year Average Operating Contribution by the total of the five (5) year averages of the Operating Contributions of all of the Parties. For example, if Columbia's five year average Annual Operating Contribution is \$500,000 and the total of the five year Average Operating Contributions by all of the Parties is \$5,000,000, Columbia's "pro rata share" would be 10%.

D. Tangible Personal Property. Each of the Parties shall receive and retain all of the furniture, furnishings, books, other written materials and all materials and tangible personal property located within the building of a Library Facility, which is allocated to such Party pursuant to paragraph A above or paragraph I below, and such Party shall retain same as such Party's sole and separate property. However, all such property shall be "valued" in the manner hereinafter described in this Exhibit.

E. Valuation of All Tangible Personal Property. All tangible personal property owned by the Regional Library, including, by way of example, motor vehicles, furniture, equipment, furnishings and materials shall also be valued in the manner hereinafter described in this Exhibit.

F. Total Value. The value of all and each item of the tangible personal property (meaning furniture, furnishings, movable equipment, books, other written materials, computers, data processing equipment and all other movable tangible personal property) owned by the Regional Library or used in connection with the operation of all the Library Facilities shall be based on historical book values. That is to say that the value of each item shall be deemed to be that value initially reflected on the books and records of the Regional Library at the time when the item was acquired (meaning the cost of the item). All tangible personal property shall continue to be valued at historical costs, meaning its cost of acquisition, without depreciation or amortization.

G. Allocations Among Parties. Each Party shall be entitled to receive, at the time of the dissolution of the Regional Library or the effective date of the termination of the Contract or withdrawal, tangible personal property of the Regional Library which has a value equal to the total of the value of all tangible personal property owned by the Regional Library multiplied by such Party's "pro rata share" as hereinabove described in this Exhibit. If a Party, by receiving and retaining as its property, the tangible personal property located within and used in connection with the operations of the Library Facilities retained by it pursuant to paragraph A above or paragraph I below, receives tangible personal property which has a value more than its pro rata share of the entire value of all tangible personal property owned by the Regional Library, then it shall immediately compensate the Regional Library for the difference, by a cash payment or delivery of tangible

property, in a value of the sum of the excess, which such sum shall be allocated among all of the Parties in accordance with their pro rata shares as described in this Exhibit. If a Party receives tangible personal property having an aggregate value less than its pro rata share of the aggregate value of all tangible personal property owned by the Regional Library, then it shall be compensated by the Regional Library for the difference (either in cash or tangible personal property), with each of the Parties being assessed for their respective pro rata shares of such deficiency.

H. Intention. The intention is that each of the Parties will retain the tangible personal property located within and used in connection with each Library Facility, the building and land for which is owned by it, and that each of the Parties shall receive, in value, their respective pro rata shares of all of the tangible personal property owned by the Regional Library, with any excesses or deficiencies being made up in cash or tangible personal property, so that all Parties will receive tangible personal property and/or funds equal to and only to their respective pro rata shares of the total value of the Regional Library's tangible personal property, with all such tangible personal property being valued on an historical cost basis as hereinabove described in this Exhibit.

I. Allocation of Any Real Estate Owned by Regional Library. If, hereafter, the Regional Library shall acquire, in its name, any land and building of a Library Facility, then such land and Facility shall be allocated to that Party to this Contract, within the geographic boundaries of which such Library Facility is located. Such Party shall be deemed to have received property having a "value" equal to the difference between the "value" of the land and building and improvements of the Library Facility, and any indebtedness which is collateralized or secured by a lien or encumbrance on the Facility. Such lien or encumbrance shall be assumed by the Party to which the Facility is allocated, which such Party shall also assume the indebtedness, and shall pay and perform all duties and obligations with respect to the indebtedness, and shall indemnify, defend, save and hold harmless the Regional Library and each of the other Parties from all suits, actions and causes of action arising out of such indebtedness or any failure of timely payment of any payment required by such indebtedness. The Facility shall be valued at historical costs, meaning its cost of acquisition, without depreciation or amortization, in the same manner in which tangible personal property is to be valued pursuant to paragraph F of this Exhibit. The Facility shall otherwise be treated as if it is tangible personal property (even though it is real estate), and shall, as if it were tangible personal property, be included in the allocation and provisions set forth in paragraphs D through H of this Exhibit.

J. Resolution of Disputes and Disagreements by Mediation and Arbitration. If there are disputes or disagreements concerning the dissolution of the Regional Library, or the termination of the Contract, or the allocation of the land or buildings of, or the Library Facilities of the Regional Library, or the tangible personal property of the Regional Library, then all such disputes must be resolved by a process of mediation and arbitration, and not by judicial litigation. The processes of mediation and arbitration shall be compulsory and not optional. All such disputes shall be first submitted to mediation, and only if such mediation is unsuccessful in resolving the dispute shall then the dispute be submitted (and must then be submitted) to binding arbitration. The disputing Parties must select a disinterested mediator, by mutual agreement, but if they are unable to agree upon the identity of such a mediator, then such a mediator shall be selected by the head or director of the Alternative Dispute Resolution Service or Alternative Dispute Resolution Section of the School of Law of the University of Missouri at Columbia. If mediation fails to achieve an agreement on the resolution of the disputes, then the disputes must be submitted to binding arbitration before an arbitrator agreed to by the disputing Parties and in the absence of such agreement, then to an arbitrator selected by the American Arbitration Association, acting through its office which has jurisdiction over Columbia, Missouri. Such arbitration shall be conducted under the auspices of the American Arbitration Association pursuant to the then effective rules of the American Arbitration Association for resolution of commercial disputes.