REVISED AGENDA

City Council of Peachtree City
SPECIAL CALLED MEETING
July 31, 2006

7 a.m.

The Mayor and City Council of Peachtree City will hold a special called meeting on Monday, July 31, 7:00 a.m., at City Hall.

07-06-08 Public Hearing – Millage Rate for 2006

07-06-09 Consider Adoption of the 2006 Millage Rate

07-06-10 Consider Approval of Nextel Band Frequency Reconfiguration Agreement

Executive Session

This agenda is subject to change at any time up to 24-hours prior to the scheduled meeting.

Revised 7/25/06

CITY OF PEACHTREE CITY

INTEROFFICE MEMORANDUM

TO: **Mayor and City Council**

VIA: **City Manager**
Assistant City Manager

FROM: **Financial Services Director** P.S.

DATE: **July 28, 2006**

SUBJECT: **Public Hearing – Millage Rate/ Adoption of 2006 Millage Rate**

July 31, 2006 City Council Meeting

Recommendation:
Hold the final public hearing on the 2006 millage rate. After closing the public hearing, take action to adopt the proposed 2006 millage rate of 5.533 mills. Council should also specify that the 5.533 mills includes .02 mills dedicated to funding $35,000 of FY 2007 Development Authority operating expenses (currently included in the proposed FY 2007 Budget). The Mayor should also be authorized to sign the necessary forms for setting the millage rate (copies attached).

Discussion:
Council has already held two of the three public hearings required by state law for setting the 2006 millage rate. This will be the third and final public hearing on this matter. After the public hearing is called to a close, Council will then be able to take action to set the millage rate. As discussed, the current proposed budget for FY 2007 calls for a millage rate of 5.533 in order to meet estimated revenues for next fiscal year.

State law permits municipalities to levy up to 3 mills of property tax to fund the operations of a Development Authority. Since the proposed budget includes an appropriation of $35,000 to fund DAPC operations, .02 mills of the 2006 millage rate should be dedicated to fund this obligation.

Budgetary Impact:
Setting the millage rate at 5.533 mills will authorize the 2006 tax levy of $9,787,476. The .25 mill increase in the millage rate will generate approximately $442,232 of this amount.

Form PT-38 (Rev 12/05)
City Millage Rate Certification

Department of Revenue
Local Government Services Division
4245 International Parkway, Suite A
Hapeville, Georgia 30354-3918
Telephone: (404) 968-0720
FAX: (404) 968-0778
http://www.etax.dor.ga.gov/ptd/

CITY & INDEPENDENT SCHOOL MILLAGE RATE CERTIFICATION FOR TAX YEAR 2006

This form also provides the Local Government Service's Division with the millage rates for the distribution of Railroad Equipment Tax and the Homeowner Tax Relief Grant. ***Complete this form once the levy is determined, and if zero, report this information in Columns 1, 3 & 5. Mail a copy to the above address or fax to (404) 968-0778 and distribute a copy to your County Tax Commissioner and Clerk of Court.*** Should you have any questions, please contact us at the above number.

City Name: City of Peachtree City **P. O. Box Address:** ____

City Clerk: Jane S. Miller **Street Address:** 151 Willowbend Road

FEI No.: 58-1079955 **City, State, Zip:** Peachtree City, GA 30269
(FEI number must be provided for HTRG Credit)

Office Phone No.: 770-487-7657 **FAX No.:** 770-631-2505

Office Days / Hours: Mon.-Fri.;8:00am-5:00pm **Contact No. When Office Is Closed:** 404-798-0600
(City Clerk / Mayor)

Are taxes billed and collected by (check one): ☐ **City (if checked, list contact person, phone no. and vendor name**
Name: ____ **Phone No.:** ____
☒ **County Tax Commissioner** **Vendor Name:** ____

List below the amount & qualifications for each LOCAL homestead exemption granted by the City and Independent School System.

CITY			INDEPENDENT SCHOOL	
Exemption Amt.	**Qualifications**		**Exemption Amt.**	**Qualifications**
$5,000	Age 65 or older and federal			
	A.G.I. does not exceed $30,000			

If City and School assessment is other than 40%, enter percentage millage is based on ____%.
Please state in the spaces below the millage rate in terms of mills. Example: 7 mills is shown as 7.000

CITY				
Column 1 **Gross Millage for Maintenance & Operation**	**Column 2** ****Less Rollback for Local Option Sales Tax**	**Column 3** **Net Millage for Maintenance & Operation Purposes (Column 1 less Column 2)**	**Column 4** **Bond Millage (If Applicable)**	**Column 5** **Total Millage (Column 3 + Column 4)**
9.094	3.561	5.533	--	5.533

**** Local Option Sales Tax - Proceeds must be shown as a mill rate rollback if applicable to City.**

INDEPENDENT SCHOOL SYSTEM				
Column 1 **Gross Millage for Maintenance & Operation**	**Column 2** ****Less Rollback for Local Option Sales Tax**	**Column 3** **Net Millage for Maintenance & Operation Purposes (Column 1 less Column 2)**	**Column 4** **Bond Millage (If Applicable)**	**Column 5** **Total Millage (Column 3 + Column 4)**

**** Local Option Sales Tax - Proceeds must be shown as a mill rate rollback if applicable to Independent School.**

Name of County(s) in which your city is located: 1. Fayette **2.** ____ **3.** ____

I hereby certify that the tax rate indicated above is the official rate applicable to all property for tax year 2006.

Signature of Person Completing Form: ____ **Date:** ____

COMPUTATION OF MILLAGE RATE ROLLBACK AND PERCENTAGE INCREASE IN PROPERTY TAXES FOR YEAR 2006

COUNTY	FAYETTE	TAXING JURISDICTION	PEACHTREE CITY

INFORMATION FOR THE SHADED PORTIONS OF THIS SECTION MUST BE ENTERED

This information will be the actual values and millage rates certified to the Department of Revenue for the applicable tax years.

DESCRIPTION	2005 DIGEST	REASSESSMENT OF EXISTING REAL PROP	OTHER CHANGES TO TAXABLE DIGEST	2006 DIGEST
REAL	1,436,090,736	79,581,558	30,188,631	1,545,860,925
PERSONAL	203,229,952		2,700,378	205,930,330
MOTOR VEHICLES	105,159,910		-3,297,170	101,862,740
MOBILE HOMES	0		0	0
TIMBER -100%	0		0	0
HEAVY DUTY EQUIP	60,183		14,187	74,370
GROSS DIGEST	1,744,540,781	79,581,558	29,606,026	1,853,728,365
EXEMPTIONS	74,032,989	686,476	10,081,423	84,800,888
NET DIGEST	1,670,507,792	78,895,082	19,524,603	1,768,927,477
	(PYD)	(RVA)	(NAG)	(CYD)
2005 MILLAGE RATE >>>	5.283	2006 PROPOSED MILLAGE RATE >>>		

THIS SECTION WILL CALCULATE AUTOMATICALLY UPON ENTRY OF INFORMATION ABOVE

DESCRIPTION	ABBREVIATION	AMOUNT	FORMULA
2005 Net Digest	PYD	1,670,507,792	
Net Value Added-Reassessment of Existing Real Property	RVA	78,895,082	
Other Net Changes to Taxable Digest	NAG	19,524,603	
2006 Net Digest	CYD	1,768,927,477	(PYD+RVA+NAG)
2005 Millage Rate	PYM	5.283	
Millage Equivalent of Reassessed Value Added	ME	0.236	(RVA/CYD) * PYM
Rollback Millage Rate for 2006	RR	5.047	PYM - ME

COMPUTATION OF PERCENTAGE INCREASE IN PROPERTY TAXES

If the 2006 Proposed Millage Rate for this Taxing Jurisdiction exceeds the Rollback Millage Rate	Rollback Millage Rate	5.047
computed above, this section will automatically calculate the amount of increase in property	2006 Millage Rate	5.533
taxes that is part of the notice required in O.C.G.A. Section 48-5-32.1(c) (2)	Percentage Increase	9.63%

CERTIFICATIONS

I hereby certify that the amount indicated above is an accurate accounting of the total net assessed value added by the reassessment of existing real property for the tax year for which this rollback millage rate is being computed.

Chairman, Board of Tax Assessors ____________ Date ____________

I hereby certify that the values shown above are an accurate representation of the digest values and exemption amounts for the applicable tax years.

Tax Collector or Tax Commissioner ____________ Date ____________

I hereby certify that the above is a true and correct computation of the rollback millage rate in accordance with O.C.G.A. Section 48-5-32.1 for the taxing jurisdiction for tax year 2006 and that the final millage rate set by the authority of this taxing jurisdiction for tax year 2006 is ________

CHECK THE APPROPRIATE PARAGRAPH BELOW THAT APPLIES TO THIS TAXING JURISDICTION

✓ If the final millage rate set by the authority of the taxing jurisdiction for tax year 2006 exceeds the rollback rate, I further certify that the required advertisements, notices, and public hearings have been conducted in accordance with O.C.G.A. Sections 48-5-32 and 48-5-32.1 as evidenced by the attached copies of the published five year history and current digest advertisement, the "Notice of Intent to Increase Taxes" showing the times and places when and where the required public hearings were held, and a copy of the press release provided to the local media.

____ If the final millage rate set by the authority of the taxing jurisdiction for tax year 2006 does not exceed the rollback rate, I further certify that the required five year history and current digest advertisement have been published in accordance with O.C.G.A. Section 48-5-32 as evidenced by the attached copy of such advertised report.

Signature of Responsible Party ____________ Title ____________ Date ____________

PEACHTREE CITY
PLAN TO STAY

Public Hearing

2006 Millage Rate

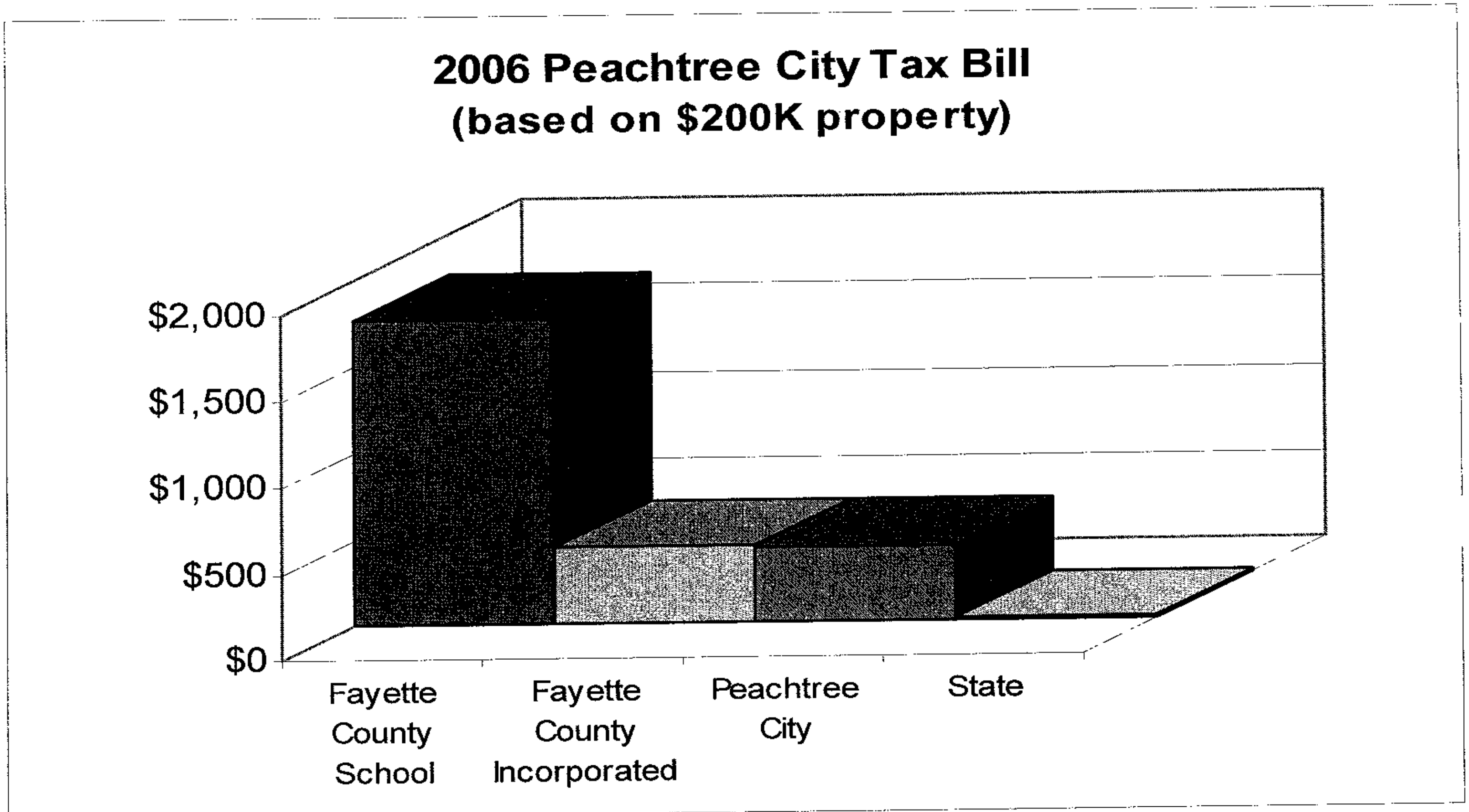
July 31, 2006

2006 Millage Rate

- Proposed millage rate for 2006 tax year is 5.533
- This represents a 0.25 mill tax rate increase over the current rate of 5.283- will generate approximately $442K
- The reason for the proposed rate increase is to fund additional Public Safety personnel in FY 2007 (includes 3 police officers, 3 firefighters, plus additional 6 firefighters if SAFER grant awarded)

2006 Millage Rate

- The rollback millage rate, that would cancel the tax revenue impact of reassessments, is 5.047 mills
- The difference between the proposed millage rate and the rollback rate is .486 mills ($859K)
- Adoption of the rollback rate would require the use of $1.3M of cash reserves in order to balance the proposed budget



Fayette County School	22.150	*	$1,772.00	66%
Fayette County Incorporated	5.692	*	$455.36	17%
Peachtree City	5.533	*	$442.64	16%
State	0.250		$20.00	1%
Total Tax Bill:	33.625		$2,690.00	100%
2005 Rate/Amount:	33.966		$2,717.28	
Increase (Decrease)	(0.341)		($27.28)	

* Proposed rates - not yet adopted

Public Hearing

- Comments from the Public will be heard at this time

DAVIS & MEEKER, L.L.C.
ATTORNEYS AT LAW
6631 WATSON STREET
UNION CITY, GEORGIA 30291

(770) 964-0228
FAX (770) 964-9730

THEODORE P. MEEKER, III
E-MAIL: tmeeker@fairburn.com

To: City Council

From: Theodore P. Meeker, III, City Attorney

Date: July 20, 2006

Re: Nextel Agreement for Band Reconfiguration

The Homeland Security obligations of the Nation's public safety agencies make it imperative that their communications systems are robust, highly reliable and free from harmful interference. To address harmful interference to public safety communication systems operating in the 800 MHz band, the Federal Communications Commission adopted a two-pronged plan. This plan is designed to protect the lives of first responders and other emergency personnel and fulfills the Commission's obligation to promote safety of life and property through the use of wire and radio communications.

Public safety radio systems (such as those used by police, firefighters and emergency medical technicians) operating at 806-824 MHz/851-869 MHz —conventionally known as "the 800 MHz band"—are experiencing increasing levels of interference from commercial wireless carriers, such as Nextel and the cellular carriers which operate in the same part of the spectrum or in adjacent spectrum bands. A number of private radio systems also operate in the 800 MHz band. For example, utility companies use the spectrum for internal communications; but it appears these private radio systems are not a significant source of interference to public safety radio systems.

Interference to 800 MHz public safety systems is primarily caused by the fact that public safety systems and commercial wireless systems operating in nearby spectrum use fundamentally different system architecture. Public safety systems traditionally use a single base station with a high antenna in a favorable location within the desired coverage area. The transmitted signal will be strongest near the base station and weaker in locations further away from it. Consequently, public safety systems use receivers that can receive relatively weak signals.

For many years, public safety radio systems operated in the 800 MHz band with only occasional harmful interference. The original band plan did not anticipate the development and accelerated growth of the commercial wireless carriers using 800 MHz cellular-type architecture systems.

On August 6, 2004, the Federal Communications Commission released a Report and Order in which it established a two-pronged solution to the interference problem. First, to more adequately address individual interference problems, the Commission adopted an objective technical standard for determining whether an 800 MHz public safety or other non-cellular licensee is entitled to interference protection in a given area. The Commission also established a set of procedures for expeditious resolution of interference.

The second prong of the solution, which is intended to address the identified root cause of the interference, involves a reconfiguration of the 800 MHz band, placing generally incompatible technologies in separate band segments. Under this band reconfiguration, many 800 MHz private land mobile (including public safety) and commercial mobile radio licensees will have to move to another part of the 800 MHz band. In general, Nextel will pay for all direct and indirect costs associated with the reconfiguration. The costs, however, must be reasonable, well documented and the minimum necessary to obtain comparable facilities for relocated incumbent licensees.

Attached is a proposed agreement between the City and Nextel for the Band Reconfiguration. Under the proposed agreement, the City will be retaining its' licenses, subject to a change in the frequencies. Nextel will be assisting the City in transferring the licenses to the new frequencies, and will also pay all costs associated with reconfiguring the City's public safety radio equipment, including all administrative and legal costs associated with this matter.

I have reviewed the agreement in conjunction with the Police Department. The revisions requested by the City have been incorporated into the agreement, and it is ready for the Council's consideration and approval.

The parties have to come to an agreement no later than August 15, 2006. In the event an agreement is not reached by that date, the City will have to participate in a costly legal process with the FCC so as to resolve any remaining issues the City has with Nextel.

Should you have any questions, please contact me.

TPM/cmc
cc: Chief James Murray

FREQUENCY RECONFIGURATION AGREEMENT

THIS FREQUENCY RECONFIGURATION AGREEMENT (this "Agreement") is made as of this ____ day of ________, 2006 ("Effective Date"), by and between **City of Peachtree City**, a municipality of the State of Georgia ("Incumbent"), **Nextel Partners Operating Corp.** ("Partners"), a wholly-owned subsidiary of Nextel Partners, Inc., a Delaware corporation, and **Nextel South Corp.** ("Nextel"), a wholly owned indirect subsidiary of Nextel Communications, Inc., a Delaware corporation (each is referred to in this Agreement as a "Party" and collectively as the "Parties").

RECITALS

A. On August 6, 2004, the Federal Communications Commission ("FCC") issued a report and order that modified its rules governing the 800 MHz band. The purpose of the order was to reconfigure the 800 MHz band to minimize harmful interference to public safety radio communications systems in the band ("Reconfiguration").

B. On December 22, 2004, the FCC issued a Supplemental Order and Order on Reconsideration. The August 6, 2004 and December 22, 2004 FCC orders, any binding actions issued by the Transition Administrator pursuant to its delegated authority under the orders ("Actions"), and any supplemental FCC orders in the Reconfiguration proceeding or subsequent Actions after the date of this Agreement, are collectively referred to as the "Order."

C. Pursuant to the Order, Incumbent, Partners and Nextel are licensed on frequency allocations subject to Reconfiguration.

D. Pursuant to the Order, Nextel will pay Incumbent an amount to effect a Reconfiguration of Incumbent's affected frequency allocations ("Reconfiguration Cost"). Incumbent will certify to the transition administrator appointed pursuant to the Order (the "Transition Administrator") that the Reconfiguration Cost is the minimum amount necessary to provide comparable facilities.

FOR GOOD AND VALUABLE CONSIDERATION, THE RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED, THE PARTIES AGREE AS FOLLOWS:

AGREEMENT

1. **Frequencies to be Reconfigured**: Incumbent is the licensee under the license(s) granted by the FCC identified in Schedule A (the "Incumbent Licenses") for the operation of certain 800 MHz frequencies at the locations identified on Schedule A (the "Incumbent Frequencies"). Partners and Nextel, including their subsidiaries or affiliates, are the licensees under license(s) granted by the FCC (the "Nextel and Partners Licenses") for the operation of Specialized Mobile Radio ("SMR") systems on the frequencies and at the locations identified in Schedule B (the "Replacement Frequencies"). Pursuant to the Order, Incumbent must relinquish the Incumbent Frequencies and relocate its system to the Replacement Frequencies.

2. **Frequency Reconfiguration Process:**

(a) On or before the Closing Date (as defined below) (i) Nextel or Incumbent will cause the modification of the Incumbent Licenses to add the Replacement Frequencies or Nextel will cause the creation of a new FCC license for Incumbent that includes the Replacement Frequencies; (ii) Incumbent will cause the assignment of the Incumbent Frequencies to Nextel and/or Partners or will cause the deletion of the Incumbent Frequencies from the Incumbent Licenses following Reconfiguration of Incumbent's system; and (iii) Nextel and/or Partners will cause the modification and/or cancellation of the FCC licenses they hold for the operation of 800 MHz frequencies that are co-channels of the Replacement Frequencies, to the extent required to meet the technical short-spacing requirements of Section 90.621(b) of the FCC's Rules, 47 C.F.R. § 90.621(b), as such rule may be amended from time to time by the FCC.

(b) The FCC applications for the Replacement Frequencies and Incumbent Frequencies will be filed with the FCC within ten (10) business days of the Effective Date.

3. **Reconfiguration Costs:**

(a) Acknowledgement of Obligations. Incumbent agrees that:

(i) the cost estimate set forth in Schedule C (the "Cost Estimate") sets forth all of the work required to reconfigure Incumbent's existing facilities to comparable facilities that will operate on the Replacement Frequencies; and

(ii) after all of the work contemplated by the Cost Estimate has been performed in accordance with this Agreement, as evidenced by the Incumbent having approved, in writing, such work as being satisfactory pursuant to Section 10(c) of this Agreement, and Nextel has paid all amounts required by this Agreement, the Incumbent's reconfigured system shall be deemed for all purposes of the Order to be "comparable" to Incumbent's existing system prior to Reconfiguration, and Nextel shall be deemed to have satisfied its obligations under the Order to pay the cost of relocating Incumbent's system from the Incumbent Frequencies to the Replacement Frequencies.

(b) Payment Terms. In order to facilitate the Incumbent's transition to the Replacement Frequencies, Nextel will pay the costs incurred to reconfigure Incumbent's system in an amount not to exceed the Cost Estimate. Nextel will make payments in accordance with the payment terms identified on Schedule C for both payments made directly to Incumbent and payments made on behalf of Incumbent directly to each third party service vendor identified on the Cost Estimate ("Vendor").

(i) Prior to the Closing Date, Incumbent will submit to Nextel documentation (including without limitation invoices, receipts, and timesheets or equivalent documentation) demonstrating the actual costs that Incumbent reasonably incurred or paid to other entities to reconfigure Incumbent's system ("Actual Costs"). Upon receipt by Nextel of documentation of the Actual Costs, Nextel and Incumbent will reconcile the Actual Costs against the payments made by Nextel to Incumbent and the Parties will agree upon the amount of any additional payments (subject to Section 8) due to Incumbent or any refunds due to Nextel. (The effective date of agreement on reconciliation and signing of the Closing documents is the "Reconciliation Date".)

(ii) Any additional payments due to Incumbent from Nextel will be disbursed to Incumbent within thirty (30) days of the Reconciliation Date, provided the additional payments do not result from Actual Costs that exceed the Cost Estimate (in which case the provisions of Section 3(b)(iii) of this Agreement will apply). Any refunds due from the Incumbent to Nextel will be made within thirty (30) days of the Reconciliation Date.

(iii) In the event Incumbent's Actual Costs exceed the Cost Estimate, Incumbent must submit a Change Notice pursuant to Section 8 of this Agreement describing the change in scope of work that resulted in Incumbent's Actual Costs exceeding the Cost Estimate. Approval of any Change Notice will not be automatic but will be processed in accordance with Section 8 of this Agreement. Additional payments due to Incumbent, which result from an excess of Actual Costs over the Cost Estimate, as agreed on the Reconciliation Date, will be disbursed to Incumbent within thirty (30) days of the Transition Administrator's approval of a Change Notice.

(iv) Prior to the Closing Date, Nextel will pay on behalf of itself and Incumbent, both Parties' applicable sales and transfer taxes, if any, and all FCC fees in connection with the preparation and filing of the necessary FCC applications for the assignment(s) described in Section 2 of this Agreement.

4. **Reconfiguration Equipment:** If needed in order to facilitate the Incumbent's transition to the Replacement Frequencies, Nextel will loan any equipment identified in Schedule D as "Loaned Reconfiguration Equipment". Nextel will deliver any Loaned Reconfiguration Equipment to Incumbent in accordance with Schedule D. Any Loaned Reconfiguration Equipment will be returned to Nextel by Incumbent prior to the Closing Date.

5. **Retuning Cooperation:** Nextel and Partners will ensure that, the Replacement Frequencies will be cleared of all users no later than thirty (30) days following the earlier of (a) the grant by the FCC to Incumbent of a special temporary authority to operate on the Replacement Frequencies or; (b) the grant of a modification to add the Replacement Frequencies to the Incumbent Licenses or grant by the FCC of a new FCC license for Incumbent that includes the Replacement Frequencies. Nextel will notify Incumbent of the decommissioning of the Replacement Frequencies within five (5) days following completion of the decommissioning. Incumbent will then have thirty (30) days following receipt of notice of the decommissioning of the Replacement Frequencies to clear all users from the Incumbent Frequencies. Incumbent will notify Nextel and Partners that Incumbent has cleared the Incumbent Frequencies of users within five (5) days following the clearing.

6. **Representations and Warranties:** Each Party represents and warrants to the others as follows:

(i) it is duly organized, validly existing and in good standing under the laws of the state of its incorporation;

(ii) this Agreement has been duly authorized and approved by all required organizational action of the Party;

(iii) neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated by this Agreement will conflict with, or result in any material violation or default under, any term of its articles of incorporation, by-laws or other organizational documents or any agreement, mortgage, indenture, license, permit, lease, encumbrance or other instrument, judgment, decree, order, law or regulation by which it is bound;

(iv) it is the lawful and exclusive FCC licensee of its respective license(s) described in this Agreement, such licenses are valid and in good standing with the FCC, and it has the authority to request the FCC to assign, modify or cancel such licenses;

(v) there is no pending or threatened action or claim that would have the possible effect of enjoining or preventing the consummation of this Agreement or awarding a third party damages on account of this Agreement; and

(vi) to the best of its knowledge, all information provided to the other Parties concerning the transactions contemplated by this Agreement is true and complete.

All representations and warranties made in this Agreement shall survive the Closing (defined below) for two (2) years.

7. **Covenants:** From the Effective Date until the Closing Date (defined below), each Party will promptly notify the other Parties of any pending or threatened action by the FCC or any other governmental entity or third party to suspend, revoke, terminate or challenge any license described in this Agreement or to investigate the construction, operation or loading of any system authorized under such licenses. From the Effective Date until the Closing Date, Incumbent will not enter into any agreement resulting in, or otherwise cause, the encumbrance of any license for the Incumbent Frequencies, and neither Nextel nor Partners will enter any agreement resulting in, or otherwise cause, the encumbrance of any of the Replacement Frequencies.

8. **Changes:** The Parties acknowledge that as the Reconfiguration of Incumbent's facilities proceeds in accordance with the work contemplated by the Cost Estimate, the need for changes to the scope of such work may arise. The Parties agree that their review of any such needed changes must be performed expeditiously to keep the work on schedule and that they will provide sufficient staff to manage changes. If any Party believes that a change to the work contemplated by the Cost Estimate is required (including changes by Vendors), such Party will promptly notify the other Parties in writing. Such written notice (the "Change Notice") shall set forth (i) a description of the scope of the change to the work contemplated by the Cost Estimate believed to be necessary and (ii) an estimate of any increase or decrease in the Cost Estimate and in the time required to reconfigure Incumbent's existing facilities to operate on the Replacement Frequencies. A Party receiving a Change Notice shall immediately perform its own analysis of the need for and scope of the change and its impact on the Cost Estimate and schedule and negotiate the change in good faith with the other Parties. After the Parties have agreed upon a change to this Agreement, they shall prepare a proposed amendment to this Agreement pursuant to Section 25 and submit to the Transition Administrator a copy of the proposed amendment together with a written request for its approval. Such request shall be accompanied by reasonable documentation supporting the need for and scope of the change and any proposed increase or decrease in the Cost Estimate and in the time required to reconfigure Incumbent's existing facilities to operate on the Replacement Frequencies. Incumbent is responsible for all unauthorized changes necessary as it relates to work performed by a Vendor on behalf of Incumbent. No change to the Cost Estimate, the work contemplated by the Cost Estimate or the time required to reconfigure Incumbent's existing facilities to operate on the Replacement Frequencies shall become effective until the Transition Administrator has approved the change in writing and the Parties have signed an amendment incorporating such approved change into this Agreement pursuant to Section 25.

9. **Closing:** The closing ("Closing") of the transactions contemplated by this Agreement will take place after (i) FCC approval of the assignment of the Incumbent Frequencies to Nextel and/or Partners and/or deletion of the Incumbent Frequencies from the Incumbent Licenses, (ii) FCC approval of the modification to add the Replacement Frequencies to the Incumbent Licenses or the creation of a new license for Incumbent that includes the Replacement Frequencies, (iii) the earlier of notification by Incumbent to Nextel and Partners that the Incumbent Licenses are clear of all users and thirty-five (35) days following the date Nextel notifies Incumbent that the Replacement Frequencies have been decommissioned, (iv) delivery by Incumbent of all receipts, invoices and other documentation required to substantiate the Actual Cost, (v) FCC approval of the modification and/or cancellation of the FCC licenses Nextel and/or Partners holds for the operation of 800 MHz frequencies that are co-channels of the Replacement Frequencies, to the extent required to meet the technical short-spacing requirements of Section 90.621(b) of the FCC's Rules, 47 C.F.R. § 90.621(b), as such rule may be amended from time to time by the FCC, (vi) the refund to Nextel or payment to Incumbent as described in Section 3(b)(ii), (if

applicable) and (vii) the satisfaction of all other conditions specified in this Agreement (the "Closing Date").

10. **Closing Conditions**: Performance of each Party's Closing obligations is subject to satisfaction of the following conditions (except to the extent expressly waived in writing by the other Parties):

(a) the continued truth and accuracy of the other Parties' representations and warranties set forth in this Agreement;

(b) all of the covenants of the other Parties described in this Agreement are performed in all material respects; and

(c) execution and delivery by the other Parties of Closing documents as well as any other Closing instruments and documents another Party or its counsel may reasonably request. Incumbent will execute and deliver to Nextel a closing certification required by the Transition Administrator.

(d) The Parties will cooperate in good faith and exercise their reasonable best efforts to finalize and execute these instruments and documents on or prior to the Closing Date in order to effect the Reconfiguration contemplated.

11. **Review Rights:** In order to enable the Transition Administrator to comply with its audit obligations under the Order, Incumbent agrees to maintain records and other supporting evidence related to the costs that Incumbent has expended in connection with the Reconfiguration contemplated by this Agreement and that Nextel has paid or will pay to Incumbent pursuant to this Agreement. Incumbent agrees to maintain such records and make them reasonably available to the Transition Administrator for review or reproduction until eighteen (18) months after the date of Incumbent's executed Completion Certification required by this Agreement or for a longer period if Incumbent, for its own purposes, retains such records for a longer period of time. As used in this provision, "records" includes books, documents, accounting procedures and practices and other data regardless of type and regardless of whether such items are in written form, in the form of computer data or in any other form.

12. **Excluded Assets; No Assumption of Liabilities:** Nothing in this Agreement should be construed as a transfer or assignment from one Party to another Party of any assets (including FCC licenses) except as expressly set forth in this Agreement. Other than as expressly provided in this Agreement, no Party is obligated to assign and transfer to another Party any asset, tangible or intangible, nor is a Party entitled to assume any asset, tangible or intangible. No Party is assuming, nor is any Party responsible for, any liabilities or obligations of another Party arising out of or in connection with another Party's licenses (or related systems and facilities) that are the subject of this Agreement.

13. **Confidentiality**: The terms of this Agreement and any proprietary, non-public information regarding the Incumbent Frequencies, Replacement Frequencies, Nextel's business, Partners' business and Incumbent's business must be kept confidential by the Parties and their employees, shareholders, agents, attorneys and accountants (collectively, "Agents"), which confidentiality will survive the Closing or termination of this Agreement for a period of two (2) years. The Parties may make disclosures as required by law and to the Transition Administrator as required to perform obligations under this Agreement, provided, however, that each Party will cause all of its Agents to honor the provisions of this Section.

14. **Cooperation**: The Parties will cooperate with each other and the Transition Administrator with respect to the Reconfiguration work contemplated by this Agreement. Without limiting the

foregoing obligations, the Parties agree to cooperate in the preparation of any applications required to be filed with the FCC, and Incumbent agrees to provide reasonable access to its facilities so that the Transition Administrator may comply with any audit obligations and so any Reconfiguration work contemplated by this Agreement may be performed in accordance with the Cost Estimate and performance schedule. If a Party is subject to a denial of FCC benefits for delinquent non-tax debts owed to the FCC that would prevent or delay the timely processing of any FCC applications, such Party shall cure such delinquency in an expeditious manner and at its sole expense.

15. **Indemnification:** From and after the Closing Date, and to the extent permitted by Georgia law, each Party (the "Indemnifying Party") will indemnify and defend the other Parties, its officers, directors, employees and agents (collectively, the "Indemnified Party"), from and against all demands, claims, actions, losses, damages, liabilities, costs and expenses, including, without limitation, reasonable attorneys' fees and expenses (collectively, "Costs"), asserted against, imposed upon or incurred by the Indemnified Party arising from or related to: (i) any breach of any covenant, agreement, representation or warranty of the Indemnifying Party contained in, or made pursuant to, this Agreement; or (ii) any and all liabilities (including successor liabilities) or obligations relating to periods prior to the Closing Date resulting from the Indemnifying Party's operation of the system operated pursuant to the Incumbent Licenses or the Nextel and Partners Licenses, as applicable, or the ownership or use of those licenses or from the Indemnifying Party's employment, or termination of employment, of its employees. The obligations under this Section survive the Closing for a period of three (3) years.

16. **Disputes:** The Parties agree that any dispute related to the Replacement Frequencies, Nextel's obligation to pay any cost of the Reconfiguration of Incumbent's system contemplated by this Agreement, or the comparability of Incumbent's reconfigured system to Incumbent's existing system prior to Reconfiguration, which is not resolved by mutual agreement, shall be resolved in accordance with the dispute resolution provisions of the Order, as it may be amended from time to time.

17. **No Gratuities**: No gift, gratuity, credit, thing of value or compensation of any kind shall be offered or provided by Incumbent, directly or indirectly, to any officer, employee or official of Nextel or Partners for the purpose of improperly obtaining or rewarding favorable treatment under this Agreement.

18. **Liens**: If any liens or security interests attach to any of Incumbent's facilities in favor of any vendor or service provider that is performing any Reconfiguration work contemplated by this Agreement as a result of Nextel's breach of any obligation to make direct payment (not in dispute) to such vendor or services provider, Nextel upon receipt of Notice from Incumbent will cooperate to remove any Liens.

19. **Vendor Performance Issues**: Incumbent will select and contract directly with any vendor or service provider performing work required to reconfigure the Incumbent's existing facilities to operate on the Replacement Frequencies. Neither the Transition Administrator, Nextel nor Partners will be responsible for, or assume the risk of any failure of that Vendor to perform its obligations under any contract entered into between Incumbent and such Vendor in connection with the Reconfiguration contemplated by this Agreement.

20. **Title to Replaced Equipment**: If the work required to reconfigure the Incumbent's existing facilities to operate on the Replacement Frequencies involves the replacement of any of Incumbent's existing equipment ("Replaced Equipment") with equipment the cost of which is being paid by Nextel pursuant to this Agreement ("Replacement Equipment") as listed in Schedule D, then (i) title to Replaced Equipment shall pass to Nextel at Closing free and clear of liens and any other encumbrances, and (ii) Incumbent shall execute such documentation as Nextel may reasonably request to transfer title to Nextel

and shall deliver the Replaced Equipment to Nextel at Nextel's costs and pursuant to Nextel's instructions. Title to Replacement Equipment provided by Nextel will pass to Incumbent at Closing.

21. **Termination**: This Agreement may be terminated and the transactions contemplated by this Agreement abandoned: (i) by mutual consent of the Parties provided in writing; (ii) for cause by any Party upon material breach of another Party, following a thirty (30) day period for cure by the breaching Party following written notice of the breach or (iii) by Nextel in the event of any Adverse Decision by any governmental entity of competent jurisdiction affecting the Order. For purposes of this Agreement, an "Adverse Decision" means an order, decree, opinion, report or any other form of decision by a governmental entity of competent jurisdiction that results, in whole or part, in a stay, remand, or reversal of the Order, or otherwise in any revision to the Order that Nextel determines, in its sole discretion, to be adverse to its interests. In the event of termination, the Parties shall take all necessary action (including preparing and filing FCC documents) to return the *status quo ante* on the date of this Agreement. In the event of termination, Nextel shall pay all costs associated with the return to the *status quo ante* except if such termination was due to an uncured material breach by Incumbent.

22. **Attorney's Fees**: In any legal proceeding by a Party to enforce its rights under this Agreement against the other Party, the Party prevailing in such proceeding will be entitled to recover its reasonable attorney's fees and costs from the other Party.

23. **Notices**: All notices and other communications under this Agreement must be in writing and will be deemed given (i) the same day if delivered personally or sent by facsimile; (ii) the next business day if sent by overnight delivery via a reliable express delivery service; or (iii) after five (5) business days if sent by certified mail, return receipt requested, postage prepaid. All notices are to be delivered to the Parties at the following addresses:

If to Incumbent, to: City of Peachtree City 350 South Hwy 74 Peachtree City, GA 30269 Attn: Chief of Police Phone: (770) 631-2561	If to Nextel, to: Nextel South Corp. c/o Nextel Communications, Inc. 2000 Edmund Halley Drive Reston, VA 20191 Attn: Heather P. Brown, Esq. Phone: (703) 433-4000 Fax: (703) 433-4483	If to Partners, to: Nextel Partners Operating Corp. C/o Nextel Partners, Inc. 4500 Carillon Point Kirkland, WA 98033 Attn: Don Manning, Esq. Phone: (425) 576-3600 Fax: (425) 576-3650
With a copy to: City Manager, City of Peachtree City 151 Willowbend Road Peachtree City, GA 30269	With a copy that shall not constitute Notice to: Nextel Communications, Inc. 6575 The Corners Parkway Norcross, GA 30092 Attn: Julian H. Edwards, VP Spectrum Resources Phone: (678) 405-8442 Fax: (678) 405-8252	With a copy to: Nextel Partners Operating Corp. C/o Nextel Partners, Inc. 2002 Edmund Halley Drive Suite C-6115 Reston, VA 20191 Attn: Todd B. Lantor, Esq. Phone: (703) 592-7185 Fax: (952) 828-0331

24. **Assignment**: This Agreement is binding upon and inures to the benefit of the Parties and their respective successors and permitted assigns. Any Party may assign this Agreement to any direct or indirect subsidiary or affiliate of the Party, upon delivery of written notice to the other Parties.

25. **Amendments:** This Agreement, including without limitation the scope of work contemplated hereby and the Estimated Cost thereof to be paid by Nextel, may be amended or modified only by a written instrument signed by authorized representatives of the Parties, provided, however, no amendment or modification to this Agreement shall become effective until approved by the Transition Administrator.

26. **Benefits:** This Agreement is for the benefit of the Parties and their successors and permitted assigns, and nothing in this Agreement gives or should be construed to give any legal or equitable rights under this Agreement to any person or entity, other than (i) the successors and assigns of the Parties, and (ii) the Transition Administrator as specifically provided for in Sections 3(b), 8, 11, 14, 19, and 25.

27. **Miscellaneous**: If any provision(s) of this Agreement is held in whole or part, to be invalid, void or unlawful by any administrative agency or court of competent jurisdiction, then such provision(s) will be deemed severable from the remainder of this Agreement, will in no way affect, impair or invalidate any other provision contained in the Agreement and the Parties will use their commercially reasonable efforts to amend this Agreement to make the unlawful provision compliant with applicable law so as to preserve the rights and obligations of the Parties. No action taken pursuant to this Agreement should be deemed to constitute a waiver of compliance with any representation, warranty, covenant or agreement contained in this Agreement and will not operate or be construed as a waiver of any subsequent breach, whether of a similar or dissimilar nature. This Agreement, together with the Schedules, constitutes the entire understanding and agreement between the Parties concerning the subject matter of this Agreement, and supersedes all prior oral or written agreements or understandings. This Agreement is governed by the laws of the State of Georgia without regard to conflicts of law principles thereof. This Agreement may be executed in one or more counterparts, including by facsimile, which will be effective as original agreements of the Parties executing the counterpart.

In consideration of the mutual consideration set forth herein, this Agreement is effective as a legally binding agreement between the Parties upon execution by the Parties.

INCUMBENT:	**NEXTEL:**	**PARTNERS:**
City of Peachtree City	Nextel South Corp.	Nextel Partners Operating Corp.
By:__________________	By:__________________	By: __________________
Name:	Name:	Name:
Title:	Title:	Title:

SCHEDULE A

Incumbent Frequencies

Incumbent's Name: City of Peachtree City

Incumbent Assigns to Nextel and/or Partners or Incumbent will Cause the Deletion of:

CALLSIGN	Frequencies	Licensee	Location	# of Frequencies	Issue Date	Lat (N)	Long (W)	Nextel/ Partners or Delete
KNJU809	851.2375	PEACHTREE CITY, CITY OF	PEACHTREE CITY, GA	1	04/29/2003	33-24-1.4	84-34-48.7	Delete
KNJU809	851.2625	PEACHTREE CITY, CITY OF	PEACHTREE CITY, GA	1	04/29/2003	33-24-1.4	84-34-48.7	Nextel
KNJU809	851.4625	PEACHTREE CITY, CITY OF	PEACHTREE CITY, GA	1	04/29/2003	33-24-1.4	84-34-48.7	Nextel

SCHEDULE B

Replacement Frequencies

Incumbent's Name: City of Peachtree City

Nextel and/or Partners Assigns to Incumbent:

Replacement Frequencies	Lat (N)	Long (W)	ERP (W)	Gnd Elev (ft)	Ant. Height (ft)	New Licensee	Location
854.4625	33-24-1.4	84-34-48.7	500	797	308	PEACHTREE CITY, CITY OF	PEACHTREE CITY, GA
856.0375	33-24-1.4	84-34-48.7	500	797	308	PEACHTREE CITY, CITY OF	PEACHTREE CITY, GA
856.5625	33-24-1.4	84-34-48.7	500	797	308	PEACHTREE CITY, CITY OF	PEACHTREE CITY, GA

SCHEDULE C

800 MHZ RECONFIGURATION

COST ESTIMATE – CERTIFIED REQUEST

Incumbent's Name: Peachtree City

Request for Reconfiguration Funding

Pursuant to the Order, Incumbent is required to reconfigure its existing facilities and requests Nextel to fund the following estimated reconfiguration costs:

Incumbent Payment Terms: Nextel will pay Incumbent an amount not to exceed the Estimated Cost(s) for Incumbent with respect to each category of work, as set forth below. Nextel will pay Incumbent $628.45 within 15 days (30 days if Incumbent elects to be paid by check rather than electronic funds transfer) after receipt by Nextel of the fully executed Agreement and fully completed Incumbent Information Form (as set forth on Exhibit A). Nextel will pay any outstanding balance of the Actual Costs due to Incumbent within 30 days after the Reconciliation Date (as "Actual Costs" and "Reconciliation Date" are defined in Section 3(b)(i)).

Vendor Payment Terms: Nextel will pay each Vendor an amount not to exceed the Estimated Cost(s) for that Vendor with respect to each category of work, as set forth below. Nextel will pay each Vendor within 30 days after receipt by Nextel of (A) an invoice from the Vendor and (B) Incumbent's approval of receipt of goods and services and approval of associated costs included on the Vendor invoice.

Description of Work To Be Performed	Payee (separately identify Incumbent and each Vendor being paid for work performed)	Estimated Cost(s) for Incumbent and each Vendor (Not to exceed listed amount)
Equipment Retune Costs 70 Mobile Radios retuned @ $48 each 145 Portable Radios retuned @ $48 each 3 Repeaters retuned @ $570 each 1 Combiners retuned - cost included in repeater retune cost 9 Remote Receivers retuned (crystal) @ $285 each	(vendor) Diversified Electronics 309-C Agnew Drive Forest Park, GA 30297 Attn: Dennis Ingram o) 404-361-4840 f) 404-675-8991	$14,595.00

Equipment Retune Costs 5 portable radios retuned @ $35 each 1 service call @ $35 each	(vendor) Loudoun Communications, Inc. 585 Factory Shoals Road Austell, GA 30168 Attn: Mike Lee 770-948-9566	$210.00
Legal Fees Cost to provide legal advice and review Frequency Reconfiguration Agreement 10 hours @ $110.00 per hour	(vendor) Davis & Meeker 6631 Watson Street Union City, GA 30291 770-964-0228 Attn: Theodore Meeker	$1,100.00
Other Costs (provide detailed description of nature of cost) Program Oversight and Administration 10 hours @ $30.41 per hour Project Management 30 hours @ $31.76 per hour	(incumbent) Peachtree City Peachtree City Police Dept. 350 South Hwy 74 Peachtree City, GA 30269 Attn: Cpl. J. S. (Steve) McCook 770-631-2561, ext. 1353	$1,256.90
Total Estimated Costs		$17,161.90

Certification

Pursuant to the Order, Incumbent hereby certifies to the Transition Administrator appointed pursuant to the Order that the funds requested above are the minimum necessary to provide Incumbent reconfigured facilities comparable to those presently in use. Incumbent further certifies, to the best of Incumbent's knowledge, that any vendor costs listed on Schedule C are comparable to costs that vendor previously charged Incumbent for similar work.

Signature: ____________________
Print Name: ____________________
Title: ____________________
Phone Number: ____________________
E-mail ____________________
Date: ____________________

SCHEDULE D

1) Replacement Equipment

Quantity	Description	New/Used
3	ICOMs for GE MASTR II Repeater Transmitters	Used
3	ICOMs for GE MASTR II Repeater Receivers	Used
9	ICOMs for GE MASTR II Voted Receivers	Used

2) Replaced Equipment

Quantity	Description	New/Used
3	ICOMs for GE MASTR II Repeater Transmitters	Used
3	ICOMs for GE MASTR II Repeater Receivers	Used
9	ICOMs for GE MASTR II Voted Receivers	Used

Notes:
1) Replacement equipment to be shipped within 60 days of contract execution.
2) Replaced equipment to be delivered to Nextel within 30 days of completion of retune and prior to closing.

Exhibit A

Incumbent Information

The following questions are required for processing Electronic Funds Transfers and if Incumbent wants Nextel to complete the FCC filings on its behalf. All information contained herein shall be kept strictly confidential and will be used only in completion of the Frequency Reconfiguration transaction.

I. INCUMBENT INFORMATION

Please provide the following information:

Company/Name: ______________________________

Contact: ______________________ Title: ____________________

Address: ______________________________

City/State/Zip: ______________________________

Phone: ______________________

Fax: ______________________

If not identified in the contract, please provide the following:

If Incumbent is a Partnership, please provide name, address and phone numbers of all other partners:

Name: ______________________

Address: ______________________

____

City/State/Zip: ______________________

Phone: ______________________

Name: ______________________

Address: ______________________

____

City/State/Zip: ______________________

Phone: ______________________

II. BANK ACCOUNT INFORMATION (Required for payment via electronic funds transfer.)

Name of Bank: ______________________________

Address of Bank: ______________________________

City/State/Zip: ______________________________

Bank Phone #: ______________________________

ABA (Routing #): ______________________________

Account #: ______________________________

Name on Account: ______________________________

Federal, State or Individual SS #: ______________________________

Name of Brokerage Firm (if applicable): ______________________________

Brokerage Account # (if applicable): ______________________________

In the event Incumbent will not provide information for electronic funds transfer, Incumbent acknowledges that all payments made by check will be mailed within thirty (30) days of the date of performance required by Incumbent (for each payment) as stipulated in the Agreement.

Acknowledged by Incumbent: ______________________________ ***(signature required only if Incumbent does not want an electronic funds transfer)***

III. TAX INFORMATION

The Internal Revenue Service and state tax authorities require Nextel to report all transactions, even if the transaction is exempt from taxation (if so, it will be reported to the IRS as a like-kind exchange). Therefore, it is necessary for Nextel to collect the information below. If you have specific questions about your tax implications in this transaction, you should consult your own accountant or financial advisor.

Incumbent's Federal, State or Individual Tax ID #, FEIN (Federal) or SSN (individuals): ______________________

State(s) – sales tax license, resale permit, employment, etc.): ______________________

Local (if applicable): ______________________

Current State and County location for your principal executive office: ______________________

If there has been more than one location for the principal executive office within the past five (5) years, list each such City/County/State location: ______________________

____

IV. REGULATORY INFORMATION

Would you like Nextel's Regulatory department to prepare and file all necessary FCC paperwork on your behalf? Yes / No

If yes, please provide the following **Universal Licensing System ("ULS")** information for your licenses:

FRN (FCC Registration Number): ______________

ULS PASSWORD: ______________

Contact Representative for any FCC related issues:

Name: ______________________

Phone Number: ______________________

If no, please provide the following information regarding who will take care of the preparation and filing of all necessary FCC paperwork on your behalf:

Contact Name: ______________________

Organization: ______________________

Address: ______________________

City: ______________________

State/Zip: ______________________

Phone Number: ______________________

Email Address: ______________________

I hereby acknowledge that all of the information provided herein is true and correct as of the date signed below.

Incumbent Signature:______________________________

Print Name: ______________________________

Title: ______________________________

Date: ______________________________