

**Agreement to Terminate
Build, Own, Operate & Maintain
Public Safety Communications System Agreement**

Motorola Solutions, Inc. ("Motorola") and the Bay Area Regional Interoperable Communications System Authority, a joint powers authority formed under California Government Code Sections 6500 et seq. (the "Authority"), enter into this Agreement to Terminate (this "Agreement") that certain Build, Own, Operate, and Maintain Public Safety Communications System Agreement entered into by Motorola and the Authority effective January 30, 2012 (the "BOOM Agreement"). Motorola and the Authority may be referred to individually as a "Party" and collectively as the "Parties." Capitalized terms as used in this Agreement shall have the same meaning as defined in the BOOM Agreement.

The Parties enter into this Agreement with reference to the following factual recitals:

A. Section 12.4 of the BOOM Agreement indicates that (1) the Parties may terminate the BOOM Agreement by mutual agreement; (2) the performance obligations of Motorola under the BOOM Agreement during the Deployment Stage are contingent upon the continuing approval of the NTIA; (3) if, during the Deployment Stage, the BTOP Grant is terminated for any reason, either Party shall have the right to terminate this Agreement by giving written notice of termination to the other party; and (4) before exercising this termination right, the Parties will meet and confer to discuss the Grant termination and whether there are any reasonable financing alternatives.

B. On February 22, 2012, the Middle Class Tax Relief and Job Creation Act of 2012 (the "Act") was enacted.

C. On or about May 11, 2012, the NTIA notified Motorola that it was partially suspending the project funded by the BTOP Grant "in order to address the potential effect of Title VI of the Middle Class Tax Relief and Job Creation Act of 2012 (the "Act") on your award." This notice, a copy of which is attached to this Agreement as Exhibit 1, indicated the NTIA understood that although Motorola has "made every effort to comply with the terms and conditions of your award, Congress has enacted subsequent legislation [i.e., the Act] that will prevent you from remaining in compliance with certain terms and conditions of your award." In the section of this notice letter entitled "Reason for Partial Suspension", the NTIA made clear that as a result of the Act but "through no fault of your own", Motorola would be unable to comply with the BTOP Grant requirements. Although not specifically addressed, nothing in the NTIA's notice letter suggests that the partial suspension was due to the fault of the Authority.

C. This partial suspension remains effective. Due in large part to that delay, Motorola applied to the Department of Commerce Grants Department and received an extension to the grant period; the BTOP Grant now expires December 31, 2013.

D. As a result of the Act, FirstNet was created to functionally replace the Public Safety Spectrum Trust concerning the role of leasing to the Authority the Licensed Frequencies that were contemplated and necessary for this project. Around February 12, 2013, FirstNet contacted the Authority and Motorola to negotiate a Spectrum Management Lease Agreement (the "SMLA"). The Authority and Motorola, in good faith, each invested significant time and resources negotiating a proposed SMLA with FirstNet; despite those efforts, the negotiations were not successful and no longer continue. At FirstNet's direction, negotiations of the SMLA were discontinued on November 15, 2013. On December 17, 2013, FirstNet announced it was not able to reach agreement with the Bay Area Regional Interoperable Communications Systems Authority (BayRICS)/Motorola Solutions, Inc.

E. Motorola and the Authority each believe the above mentioned partial suspension of the BTOP Grant and the impasse concerning the SMLA are Force Majeure events which prevent the successful completion of the project as contemplated in the BOOM Agreement. Therefore, after meeting and conferring as required by the BOOM Agreement, the Parties wish and intend by this Agreement to accomplish the following: (1) terminate by mutual agreement the BOOM Agreement; (2) mutually release each other for all known and unknown claims arising from the BOOM Agreement; (3) jointly communicate this termination event to all relevant constituencies, including parties to Site Access and Use Agreements, and facilitate the termination of each Site Access and Use Agreement; and (4) perform all other acts as may be reasonable under the circumstances to wind up the project as efficiently and amicably as possible.

THEREFORE, the Parties hereby agree as follows:

1. The BOOM Agreement is terminated by mutual agreement effective as of January 9, 2014 (the "Termination Date"). Section 16.11 of the BOOM Agreement indicates those provisions which survive termination of the BOOM Agreement.

2. Each Party, on behalf of itself, its officers, employees, directors, members, shareholders, agents, representatives, successors, and assigns, hereby fully and forever releases and discharges generally and specifically the other Party and its officers, employees, directors, members, shareholders, consultants, subcontractors, agents, representatives, successors and assigns, from all claims, demands, liabilities, duties, obligations, acts or omissions, controversies, damages, losses, costs and expenses, actions, and suits of any kind or theory of liability, whether known or unknown as of the Termination Date, that arise under the BOOM Agreement ("Mutual Release"). Notwithstanding the preceding sentence, this Mutual Release is not intended to release (i) either Party from its indemnification obligations for Third Party Claims as defined in Section 13.4 of the BOOM Agreement or (ii) either Party for claims arising as a result of a breach of this Agreement.

3. The Parties intend for the above release to apply to both known and unknown claims as permitted by California Civil Code section 1542, which states: "1542. A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."

4. Motorola and the Authority will jointly communicate the termination of the BOOM Agreement to all relevant constituencies, including the parties to Site Access and Use Agreements, and will work together to facilitate the termination of each Site Access and Use Agreement.

5. Motorola and the Authority will perform all other acts as may be reasonable under the circumstances to provide for the orderly wind down of their public-private collaboration under the BOOM Agreement (including the termination of Site Access and User Agreements) as efficiently and amicably as possible.

6. In agreeing to this Agreement, the Parties represent that they have had the opportunity to consult with their legal or other advisors concerning this matter; and will reasonably cooperate with each other to carry out the purposes of this Agreement. Neither the existence of this Agreement, nor the Mutual Release accomplished by this Agreement, shall be cited, used, construed, or interpreted as an admission of liability by any Party to this Agreement. The Parties acknowledge that this Agreement has been negotiated by them and agree that this Agreement should not be construed in favor of or against either of them.

7. This Agreement is governed by and construed in accordance with the laws of the State of California. Each Party irrevocably agrees to submit to the exclusive jurisdiction of the courts in such state over any claim or matter arising under or in connection with this Agreement.

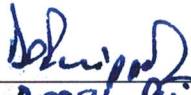
8. This Agreement, including all Exhibits, constitutes the entire agreement of the Parties regarding the subject matter of the Agreement and supersedes all previous agreements, proposals, and understandings, whether written or oral, relating to this subject matter. This Agreement may be amended or modified only by a written instrument signed by authorized representatives of both Parties.

9. Each Party represents that it has obtained all necessary approvals, consents and authorizations to enter into this Agreement and to perform its duties under this Agreement; the person executing this Agreement on its behalf has the authority to do so; upon execution and delivery of this Agreement by the Parties, it is a valid and binding contract, enforceable in accordance with its terms; and the execution, delivery, and performance of this Agreement does not violate any bylaw, charter, regulation, law or any other governing authority of the Party.

10. All capitalized terms not defined herein shall have the meanings set forth in the BOOM Agreement.

This Agreement is executed by the Parties.

Motorola Solutions, Inc.

By: 
Name: DEREK PHILLIPS
Title: ASSIST VICE PRESIDENT

Bay Area Regional Interoperable Communications System Authority
a joint powers authority


By: 
Name: Richard T. Lucia
Title: Chair, BayRICS Authority

EXHIBIT 1

**BTOP GRANT PARTIAL SUSPENSION NOTICE
MAY 11, 2012**



UNITED STATES DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration
OFFICE OF ACQUISITION AND GRANTS

MAY 11 2012

Coyle Schwab
Motorola Solutions, Inc.
1303 East Algonquin Rd.
Schaumburg, IL 60196-4041

Re: Broadband Technology Opportunities Program (BTOP)
Motorola Solutions, Inc. (Grant Award #NT10BIX5570089)
Notice of Partial Suspension of Long Term Evolution (LTE) activities

Dear Mr. Schwab:

Upon acceptance of a grant from the U.S. Department of Commerce (Grant Award No. NT10BIX5570089), your organization agreed to comply with requirements specified in the terms and conditions of the Broadband Technology Opportunities Program (BTOP) award. Although we understand that you have made every effort to comply with the terms and conditions of your award, Congress has enacted subsequent legislation that will prevent you from remaining in compliance with certain terms and conditions of your award. As a result, the National Telecommunications and Information Administration (NTIA) recommended that the National Oceanic and Atmospheric Administration (NOAA) Grants Office partially suspend your project in order to address the potential effect of Title VI of the Middle Class Tax Relief and Job Creation Act of 2012 ("Act") on your award. This letter addresses the steps that you must take in the next 45 days to provide information in order to proceed with your project.

BACKGROUND:

In 2007, the FCC designated the Public Safety Spectrum Trust (PSST) as the Public Safety Broadband Licensee for the ten megahertz (MHz) of 700 MHz public safety broadband spectrum.¹ On May 11, 2010, the FCC adopted FCC 10-79, an order that permits certain state and local governmental entities to deploy public safety broadband systems using the 700 MHz spectrum licensed to PSST.²

In 2010, NTIA made the decision to award seven BTOP grants to build public safety networks that would utilize the 700 MHz public safety broadband spectrum.

¹ Implementing a Nationwide, Broadband, Interoperable Public Safety Network in the 700 MHz Band, Order, 22 F.C.C. Rcd. 20453 (2007).

² Requests for Waiver of Various Petitioners to Allow the Establishment of 700 MHz Interoperable Public Safety Wireless Broadband Networks, Order, PS Dkt. No. 06-229, FCC 10-79 (adopted May 11, 2010), available at http://hraunfoss.fcc.gov/edocs_public/attachmatch/FCC-10-79A1.pdf.

The seven BTOP public safety recipients have the legal authority to use the 700 MHz spectrum only through the waivers of FCC rules and through lease agreements executed with the PSST. Accordingly, NTIA and NOAA incorporated a special award condition (SAC) into each of the awards that requires the recipients to comply with FCC's extant requirements and all subsequent orders and public notices regarding the use of the 700 MHz public safety broadband spectrum. The SAC further provides that "[i]f any future regulatory requirement (from the FCC or other governmental entity) results in a material technical or financial change in the project, the recipient must submit a revised budget, associated documentation, and other material, as applicable, for review and approval by the Grants Office."³

On February 22, 2012, the President signed the Act, Title VI of which created the First Responder Network Authority (FirstNet), an independent authority within NTIA, and requires the FCC to reallocate and grant a license for the use of the 700 MHz D block spectrum and existing public safety broadband spectrum to FirstNet.⁴ In effect, this statutory mandate requires the FCC to transfer or rescind the current 700 MHz license for ten megahertz of spectrum from PSST and to grant a single license for 20 megahertz of 700 MHz spectrum to FirstNet.

The San Francisco, San Jose & Oakland spectrum lease agreement with the PSST will expire in September 2012, by which time the 700 MHz license authority is likely to have been granted to FirstNet or to be in the process of being granted to FirstNet. You will need to work with FirstNet to seek to use the 700 MHz spectrum. However, when — and under what conditions — FirstNet will allow such use is currently unknown.

In summary, once the current public safety lease agreements expire in September 2012, or when PSST or the FCC takes other action, Motorola Solutions, Inc. will lose access to the 700 MHz public safety spectrum that is necessary to operate its BTOP-funded network. Moreover, the likelihood that new minimum technical standards to be developed for operation in the 700 MHz

³ BTOP Public Safety Award, Special Award Condition, "FCC Compliance and Notification SAC":

The recipient shall comply with the requirements established in the Federal Communications Commission's (FCC) Order in PS Docket 06-229, adopted on May 11, 2010 (FCC 10-79), and all subsequent orders and public notices regarding the use of the 700 MHz public safety broadband spectrum (763-768 MHz and 793-798 MHz). If any future regulatory requirement (from the FCC or other governmental entity) results in a material technical or financial change in the project, the recipient must submit a revised budget, associated documentation, and other material, as applicable, for review and approval by the Grants Office.

⁴ Title VI, Middle Class Tax Relief and Job Creation Act of 2012, P.L. 112-96, § 6201(a):

Reallocation and Grant of License.- Notwithstanding any other provision of law, and subject to the provisions of the Act, the Commission shall reallocate and grant a license to the First Responder Network Authority for the use of the 700 MHz D block spectrum and existing public safety broadband spectrum.

band may conflict with your existing network designs creates a significant risk that further BTOP expenditures for Long Term Evolution (LTE) infrastructure may result in stranded investments.⁵

REASON FOR PARTIAL SUSPENSION:

Under the Department of Commerce Uniform Administrative Requirements at 15 C.F.R. § 14.62 and 15 C.F.R. § 24.43, as a remedy for material noncompliance, the Grants Office may “[w]holly or partly suspend or terminate the current award.”⁶ Although Title VI of the Act does not immediately place Motorola Solutions, Inc. out of compliance with the terms and conditions of your award, it is clear that you will, through no fault of your own, be in material noncompliance with the terms and conditions of your grant award in being unable to comply fully with FCC rules as required by the SAC incorporated into your award.

RESULT:

The NOAA Grants Office has placed Motorola Solutions, Inc.’s Automated Standard Application for Payments (ASAP) account on agency review status. In addition, the NOAA Grants Office will partially suspend your award with respect to all LTE-related activities (including, for example, the acquisition of LTE-related equipment, such as eNodeB and the evolved packet core, and end-user devices). During this partial suspension, you will not be allowed to incur any costs for LTE-related activities.

REQUIRED RECIPIENT ACTION:

Within 45 days, Motorola Solutions, Inc. must provide NOAA and NTIA an initial detailed accounting of the scope of LTE-related and non-LTE-related activities and the associated budget with the amounts obligated and expended in each category to date.

You will have the opportunity to propose revisions to the activities and budget for the current project to reallocate funds from LTE-related items to non-LTE-related items. The BTOP staff has developed a list of “low risk” project activities that each recipient’s revised statement of work and budget can address. This list is included as Attachment 1.

To the extent that you cannot identify appropriate, non-LTE uses for some or all of your remaining grant funds, you will need to provide a statement acknowledging that the LTE portion of the project associated with those funds will be on suspension (*i.e.*, no costs will be incurred and no work will be performed) until Motorola Solutions, Inc. regains authority to utilize the 700 MHz public safety spectrum.

⁵ See *id.*, § 6203 (establishing the Public Safety Interoperability Board to recommend minimum technical standards to FirstNet); *id.*, § 6206(b)-(c) (authorizing FirstNet to issue requests for proposals using these minimum technical standards).

⁶ 15 C.F.R. §§ 14.62(a)(3). The Grants Office may also impose additional requirements as needed when a recipient has materially failed to comply with the terms and conditions of an award. 15 C.F.R. §§ 14.14, 14.62(a). Here, NOAA and NTIA note that your organization is unable to be “responsible” for a reason completely outside your control.

Please provide all necessary information by **Monday, June 25, 2012**. Please contact Mr. Lance Johnson at 202-482-5032 or ljohnson@ntia.doc.gov if you have any questions or require any additional clarification. Failure to respond to this letter in a timely or comprehensive manner may result in additional enforcement action being taken. Thank you for your cooperation.

Sincerely,

A handwritten signature in blue ink, appearing to read "Arlene Simpson-Porter".

Arlene Simpson-Porter, Director
Grants Management Division

Cc: Anthony G. Wilhelm, Ph.D.
Laura Pettus
Lance Johnson
Aimee Meacham
Tom Breves, Motorola Solutions, Inc.