PUBLIC PURPOSE FUNDING AGREEMENT

THIS AGREEMENT ("Agreement") is entered into as of this _____ day of _____, 2007, between the TOWN OF PAYSON, an Arizona municipal corporation ("Town"), and St. Vincent de Paul Society, St. Phillip the Apostle Conference ("Recipient").

WHEREAS, there are public services that are either not provided for by the Town directly or that may be enhanced through an agreement with third parties; and

WHEREAS, Section 35.03 of the Town Code authorizes the Town to make agreements with non-profit organizations to provide various services for the benefit of the Town and its citizens; and

WHEREAS, the Recipient has provided the Town with the foundation justifying its request for funding such services; and

WHEREAS, the Town has determined that the Recipient will use the funding provided for herein for a goal which the Town would seek to attain irrespective of the activities of Recipient; and

WHEREAS, Recipient can perform the services set forth hereunder more cost effectively than the Town; and

WHEREAS, Recipient is a non-profit organization; and

WHEREAS, the disbursement of funds hereunder is to obtain goals sought by the Town Council, to wit: and

WHEREAS, the funds being sought are approximately equal to the value of the services to be provided hereunder,

NOW, THEREFORE, in consideration of the foregoing premises and the mutual promises and agreements set forth herein, the parties hereto state, confirm, and agree as follows:

1. Term. The term of the Agreement shall commence July 1, 2006, and terminate June 30, 2007. This Agreement shall not be extended.

2. Funds. The Town agrees to disburse Three Thousand Dollars ($3,000.00) in four payments to the Recipient (on or before the last day of October 2006, January 2007, April 2007, and July 2007). Such disbursements shall only be made if Recipient is current with all the reports and records pursuant to paragraph 6 of this Agreement.

3. Purpose of Funding. The Funds shall be used to provide assistance for food, lodging, medical prescriptions, utilities, and rent for the poor in Payson.

4. Restricted Use of Funds. Funds shall be used for the benefit of Town residents and taxpayers alone. No part of the Funds will be disbursed for the benefit of persons or entities other than Town taxpayers and residents. Any use of the Funds received from the Town by Recipient other than as permitted or required herein shall be deemed a material breach of this Agreement.

5. Non-Profit Status. The Recipient shall provide the Town with its state and federal tax identification numbers prior to receiving any of the Funds. Any changes in the Recipient's tax status or any change in tax numbers assigned to the Recipient shall be reported to the Town within five (5) days.

6. Records. Recipient shall provide the Town with quarterly reports (July - September 2006, October - December 2006, January - March 2007, and April - June 2007) detailing its activities and how Recipient has used the funds provided to the Recipient by the Town. Upon request of the Town, the Recipient shall provide legible, auditable records to the Town that support the quarterly reports. Failure to provide these records or any other proper document requested by the Town shall be deemed a material breach of this Agreement. Recipient shall maintain accounts and records, including personnel, property, and financial records, adequate to identify and account for all costs pertaining to this Agreement and such other records as may be deemed necessary by the Town to assure proper accounting for all project funds. These records shall be retained for five (5) years after the expiration of this Agreement unless permission to destroy them is granted in writing by the Town.

7. Default. Without limiting the generality of what constitutes a default hereunder, the following shall each specifically be deemed a default constituting a material breach of this Agreement:

   A. Failure of Recipient to provide auditable records to the Town;

   B. Failure of Recipient to provide proper documents requested by the Town; or

   C. The making of any unauthorized or unexplained expenditures by Recipient from the Funds provided by the Town.

8. Remedies. If Recipient fails to perform when due any act required by this Agreement to be performed, then, in addition to whatever other remedies are available to Town at law or in equity, including the right to have specific performance of this Agreement, Town may cancel this Agreement without any further liability hereunder, such cancellation to be effective immediately upon Town giving written notice of cancellation to Recipient. In the event of a breach of any provision in this Agreement by Recipient, and in addition to any remedies provided in law or equity, this Agreement shall be conclusively deemed to be terminated without further action by the Town. In the event of termination of this Agreement for breach, Recipient shall without demand return to the Town all funds

received by Recipient from the Town which have not, as of the time of breach, been disbursed by Recipient. At the request of the Town after breach by Recipient, Recipient shall additionally repay the Town the full amount received by it under this Agreement, less any amount equal to the consideration received by the Town from the expenditure of any part of the Funds up to such time, if any.

9. Representations of Recipient. Recipient makes the following representations, which are agreed to constitute a material part of the consideration hereunder and which are, and shall remain, true and accurate:

   A. This Agreement and each of its terms constitutes a valid, legal, and binding obligation of Recipient, enforceable against Recipient in accordance with its terms;

   B. Recipient is a bona fide non-profit organization recognized as such under the revenue and tax laws of the United States and the State of Arizona;

   C. This Agreement is in compliance with the Constitution of the State of Arizona, and Article 9, Section 7 thereof, and relevant Arizona case law;

   D. The consideration to be received by the Town under this Agreement is approximately equal in value to the amount of the Funds; and

   E. The persons executing this Agreement on behalf of Recipient have full power and authority to do so and Recipient has full power and authority to enter into and to perform its obligations under this Agreement.

10. Conflict of Interest. This Agreement is subject to the terms of A.R.S. § 38-511, which are incorporated herein.

11. Indemnification. The Recipient shall indemnify, defend, and hold Town harmless from and against any and all claims, demands, suits, actions, proceedings, loss, costs, and damages of every kind and description, including any reasonable attorneys' fees and/or litigation expenses, which may be brought or made against or incurred by Town on account of (1) loss or damage to any property or interest of Town; (2) any damages, injury to person or property, or death of any person arising out of any acts, errors, omissions, work, or services of the Recipient, its employees, agents, representatives, or subcontractors, their employees, agents, or representatives; (3) any workers' compensation claims, unemployment compensation claims, or unemployment disability claims of employees of the Recipient or claims under similar such laws or obligations; (4) any use of the Funds by Recipient; and (5) any and all loss, damage, liability, or expense (including reasonable attorneys' fees) resulting from any breach or non-performance of any covenant, agreement, or representation in this Agreement. In the event that any part of this Paragraph 11, Indemnification, is determined to be unenforceable, Recipient is not relieved of any liability resulting from its representation that said indemnification is a legally binding obligation of Recipient pursuant to Paragraph 9.A.

12. Dispute Resolution. This Agreement shall be governed and construed in accordance with the internal laws of the State of Arizona. Any dispute, controversy, claim, or cause of action arising out of or related to this Agreement may, but in no event need, be settled by submission, with the written consent of both parties, to binding arbitration in accordance with the rules of the American Arbitration Association and the Arizona Uniform Arbitration Act, A.R.S. § 12-1501, et seq., and judgment upon any award rendered by the arbitrator(s) shall be entered in the Superior Court of Gila County, Arizona, or any such dispute, controversy, claim, or cause of action may be litigated in the Superior Court of Gila County, Arizona. The venue for any such dispute shall be Gila County, Arizona. Both parties consent in advance to such venue and jurisdiction and waive any right to object that Gila County is an inconvenient forum or improper forum based upon lack of venue. Neither party shall be entitled to recover from the other party any of its attorneys' fees, costs, or expert witness fees incurred in any such dispute, controversy, claim, or cause of action, but each party shall bear its own attorneys' fees, whether the same is resolved through arbitration, litigation in a court, or otherwise.

13. Notices. Notices shall be in writing and shall be given by personal delivery, by deposit in the United States mail, certified mail, return receipt requested, postage prepaid, or by express delivery service, freight prepaid, in each case by delivery to Recipient and Town at the addresses set forth below in this Paragraph 13 or at such other address as a party may designate in writing. The date notice is given shall be the date on which notice is delivered, if notice is given by personal delivery, or the date of deposit in the mail or with an express delivery service, if the notice is sent through the United States mail or by express delivery service. Notice shall be deemed to have been received on the date on which the notice is delivered if notice is given by personal delivery, one business day following such deposit with the express delivery service if notice is sent by express delivery service, or three days following such deposit in the mail if notice is sent through the United States mail.

To Town:
Town of Payson
Attention: Town Manager
303 North Beeline Highway
Payson, Arizona 85541

To Recipient:
Rim Country Food Bank
c/o St. Vincent dePaul Society
Attention: _____, President
511 South St. Phillips Street
Payson, Arizona 85541

14. Assignment. Neither this Agreement nor any part hereof shall be assigned by either party. Any attempted assignment in violation of this Paragraph 14 shall render this Agreement void and shall invoke the remedies set forth in Paragraph 8 hereinabove.

15. Construction of Agreement. This Agreement shall be construed and interpreted according to its plain meaning and no presumption shall be deemed to apply in favor of or against the party drafting this Agreement. The parties acknowledge and agree that each has had the opportunity to seek and utilize legal counsel in the drafting of, review of, and entry into this Agreement.

16. Waiver. No delay in exercising any right or remedy shall constitute a waiver thereof, and no waiver by Town or Recipient of the breach of any covenant of this Agreement shall be construed as a waiver of any preceding or succeeding breach of the same or any other covenant or condition of this Agreement, nor shall any waiver be a continuing waiver. Except as expressly provided in this Agreement, no waiver shall be binding unless executed in writing by the party making the wavier.

17. Construction. This Agreement shall be construed according to the internal law of Arizona without the application of any principles of conflicts of law that would require or permit the application of the laws of any other jurisdiction.

18. Further Documentation. Each party agrees in good faith to execute and deliver such further or additional documents as may be necessary or appropriate to fully carry out the intent and purpose of this Agreement.

19. Time Periods. Except as expressly provided for herein, the time for performance of any obligation or taking any action under this Agreement shall be deemed to expire at 5:00 p.m. (Payson time) on the last day of the applicable time period provided for herein. If the time for the performance of any obligation or taking any action under this Agreement expires on a Saturday, Sunday or legal holiday, the time for performance or taking such action shall be extended to the next succeeding day which is not a Saturday, Sunday or legal holiday.

20. Headings and Counterparts. The headings of this Agreement are for purposes of reference only and shall not limit or define the meaning of any provision of this Agreement. This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which shall constitute one and the same instrument.

21. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter contained in this Agreement. All prior and contemporaneous agreements, representations and understandings of this parties, oral or written, are superseded by and merged in this Agreement. No supplement, modification or amendment of this Agreement shall be binding unless in writing and executed by Town and Recipient.

22. Severability. If any provision of this Agreement is declared void or unenforceable, such provision shall be severed from this Agreement, which shall otherwise remain in full force and effect.

23. Civil Rights Act of 1964. Under Title VI of the Civil Rights Acts of 1964, no person shall, on the grounds of race, color, religion, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under this Agreement or any program or activity receiving financial assistance under this Agreement.

24. Compliance with Laws. Recipient shall comply with all applicable laws, ordinances and codes of the United States, the State of Arizona, the Town of Payson, and other local governments.

25. No Employment Relation. Nothing herein creates, nor shall be deemed or construed to create, any employment relationship between the Town and any other person

26. No Partnership. This Agreement is not intended to, and nothing contained in this Agreement shall, create any partnership, joint venture, or other arrangement between the Town and the Recipient. Recipient is a contractor independent of the Town. No term or provision of this Agreement is intended to, or shall be for the benefit of any person, firm, organization, or corporation not a party hereto, and no such other person, firm, organization, or corporation shall have any right or cause of action hereunder.

IN WITNESS WHEREOF, Town and Recipient have executed this Agreement effective the day and year set forth above.

TOWN:
TOWN OF PAYSON,
an Arizona municipal corporation

By_____
F. Robert Edwards, Mayor

ATTEST:

_____
Silvia Smith, Town Clerk

APPROVED AS TO FORM:

_____
Samuel I. Streichman, Town Attorney

RECIPIENT:
ST. VINCENT dePAUL SOCIETY
(RIM COUNTRY FOOD BANK)

By_____
_____, President

ATTEST:

_____
D'ann Holtsnider, Secretary

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PUBLIC PURPOSE FUNDING AGREEMENT

THIS AGREEMENT ("Agreement") is entered into as of this _____ day of _____, 2007, between the TOWN OF PAYSON, an Arizona municipal corporation ("Town"), and BIG BROTHERS BIG SISTERS OF CENTRAL ARIZONA, an Arizona non-profit corporation ("Recipient").

WHEREAS, there are public services that are either not provided for by the Town directly or that may be enhanced through an agreement with third parties; and

WHEREAS, Section 35.03 of the Town Code authorizes the Town to make agreements with non-profit organizations to provide various services for the benefit of the Town and its citizens; and

WHEREAS, the Recipient has provided the Town with the foundation justifying its request for funding such services; and

WHEREAS, the Town has determined that the Recipient will use the funding provided for herein for a goal which the Town would seek to attain irrespective of the activities of Recipient; and

WHEREAS, Recipient can perform the services set forth hereunder more cost effectively than the Town; and

WHEREAS, Recipient is a non-profit organization; and

WHEREAS, the disbursement of funds hereunder is to obtain goals sought by the Town Council, to wit: providing quality mentors to children in Payson; and

WHEREAS, the funds being sought are approximately equal to the value of the services to be provided hereunder,

NOW, THEREFORE, in consideration of the foregoing premises and the mutual promises and agreements set forth herein, the parties hereto state, confirm, and agree as follows:

1. Term. The term of the Agreement shall commence July 1, 2006, and terminate June 30, 2007. This Agreement shall not be extended.

2. Funds. The Town agrees to disburse Two Thousand Four Hundred Dollars ($2,400.00) in four payments to the Recipient (on or before the last day of October 2006, January 2007, April 2007, and July 2007). Such Disbursement shall only be made if the Recipient is current with all the reports and records pursuant to paragraph 6 of this Agreement.

3. Purpose of Funding. The Funds shall be used to provide quality mentors for children in Payson.

4. Restricted Use of Funds. Funds shall be used for the benefit of Town residents and taxpayers alone. No part of the Funds will be disbursed for the benefit of persons or entities other than Town taxpayers and residents. Any use of the Funds received from the Town by Recipient other than as permitted or required herein shall be deemed a material breach of this Agreement.

5. Non-Profit Status. The Recipient shall provide the Town with its state and federal tax identification numbers prior to receiving any of the Funds. Any changes in the Recipient's tax status or any change in tax numbers assigned to the Recipient shall be reported to the Town within five (5) days.

6. Records. Recipient shall provide the Town with quarterly reports (July - September 2006, October - December 2006, January - March 2007, and April - June 2007) detailing its activities and how Recipient has used the funds provided to the Recipient by the Town. Upon request of the Town, the Recipient shall provide legible, auditable records to the Town that support the quarterly reports. Failure to provide these records or any other proper document requested by the Town shall be deemed a material breach of this Agreement. Recipient shall maintain accounts and records, including personnel, property, and financial records, adequate to identify and account for all costs pertaining to this Agreement and such other records as may be deemed necessary by the Town to assure proper accounting for all project funds. These records shall be retained for five (5) years after the expiration of this Agreement unless permission to destroy them is granted in writing by the Town.

7. Default. Without limiting the generality of what constitutes a default hereunder, the following shall each specifically be deemed a default constituting a material breach of this Agreement:

   A. Failure of Recipient to provide auditable records to the Town;

   B. Failure of Recipient to provide proper documents requested by the Town; or

   C. The making of any unauthorized or unexplained expenditures by Recipient from the Funds provided by the Town.

8. Remedies. If Recipient fails to perform when due any act required by this Agreement to be performed, then, in addition to whatever other remedies are available to Town at law or in equity, including the right to have specific performance of this Agreement, Town may cancel this Agreement without any further liability hereunder, such cancellation to be effective immediately upon Town giving written notice of cancellation to Recipient. In the event of a breach of any provision in this Agreement by Recipient, and in addition to any remedies provided in law or equity, this Agreement shall be conclusively deemed to be terminated without further action by the Town. In the event of termination of this Agreement for breach, Recipient shall without demand return to the Town all funds received by Recipient from the Town which have not, as of the time of breach, been

disbursed by Recipient. At the request of the Town after breach by Recipient, Recipient shall additionally repay the Town the full amount received by it under this Agreement, less any amount equal to the consideration received by the Town from the expenditure of any part of the Funds up to such time, if any.

9. Representations of Recipient. Recipient makes the following representations, which are agreed to constitute a material part of the consideration hereunder and which are, and shall remain, true and accurate:

   A. This Agreement and each of its terms constitutes a valid, legal, and binding obligation of Recipient, enforceable against Recipient in accordance with its terms;

   B. Recipient is a bona fide non-profit organization recognized as such under the revenue and tax laws of the United States and the State of Arizona;

   C. This Agreement is in compliance with the Constitution of the State of Arizona, and Article 9, Section 7 thereof, and relevant Arizona case law;

   D. The consideration to be received by the Town under this Agreement is approximately equal in value to the amount of the Funds; and

   E. The persons executing this Agreement on behalf of Recipient have full power and authority to do so and Recipient has full power and authority to enter into and to perform its obligations under this Agreement.

10. Conflict of Interest. This Agreement is subject to the terms of A.R.S. § 38-511, which are incorporated herein.

11. Indemnification. The Recipient shall indemnify, defend, and hold Town harmless from and against any and all claims, demands, suits, actions, proceedings, loss, costs, and damages of every kind and description, including any reasonable attorneys' fees and/or litigation expenses, which may be brought or made against or incurred by Town on account of (1) loss or damage to any property or interest of Town; (2) any damages, injury to person or property, or death of any person arising out of any acts, errors, omissions, work, or services of the Recipient, its employees, agents, representatives, or subcontractors, their employees, agents, or representatives; (3) any workers' compensation claims, unemployment compensation claims, or unemployment disability claims of employees of the Recipient or claims under similar such laws or obligations; (4) any use of the Funds by Recipient; and (5) any and all loss, damage, liability, or expense (including reasonable attorneys' fees) resulting from any breach or non-performance of any covenant, agreement, or representation in this Agreement. In the event that any part of this Paragraph 11, Indemnification, is determined to be unenforceable, Recipient is not relieved of any liability resulting from its representation that said indemnification is a legally binding obligation of Recipient pursuant to Paragraph 9.A.

12. Dispute Resolution. This Agreement shall be governed and construed in accordance with the internal laws of the State of Arizona. Any dispute, controversy, claim, or cause of action arising out of or related to this Agreement may, but in no event need, be settled by submission, with the written consent of both parties, to binding arbitration in accordance with the rules of the American Arbitration Association and the Arizona Uniform Arbitration Act, A.R.S. § 12-1501, et seq., and judgment upon any award rendered by the arbitrator(s) shall be entered in the Superior Court of Gila County, Arizona, or any such dispute, controversy, claim, or cause of action may be litigated in the Superior Court of Gila County, Arizona. The venue for any such dispute shall be Gila County, Arizona. Both parties consent in advance to such venue and jurisdiction and waive any right to object that Gila County is an inconvenient forum or improper forum based upon lack of venue. Neither party shall be entitled to recover from the other party any of its attorneys' fees, costs, or expert witness fees incurred in any such dispute, controversy, claim, or cause of action, but each party shall bear its own attorneys' fees, whether the same is resolved through arbitration, litigation in a court, or otherwise.

13. Notices. Notices shall be in writing and shall be given by personal delivery, by deposit in the United States mail, certified mail, return receipt requested, postage prepaid, or by express delivery service, freight prepaid, in each case by delivery to Recipient and Town at the addresses set forth below in this Paragraph 13 or at such other address as a party may designate in writing. The date notice is given shall be the date on which notice is delivered, if notice is given by personal delivery, or the date of deposit in the mail or with an express delivery service, if the notice is sent through the United States mail or by express delivery service. Notice shall be deemed to have been received on the date on which the notice is delivered if notice is given by personal delivery, one business day following such deposit with the express delivery service if notice is sent by express delivery service, or three days following such deposit in the mail if notice is sent through the United States mail.

To Town:
Town of Payson
Attention: Town Manager
303 North Beeline Highway
Payson, Arizona 85541

To Recipient:
Big Brothers Big Sisters of
Central Arizona
P. O. Box 2956
Payson, Arizona 85547

14. Assignment. Neither this Agreement nor any part hereof shall be assigned by either party. Any attempted assignment in violation of this Paragraph 14 shall render this Agreement void and shall invoke the remedies set forth in Paragraph 8 hereinabove.

15. Construction of Agreement. This Agreement shall be construed and interpreted according to its plain meaning and no presumption shall be deemed to apply in favor of or against the party drafting this Agreement. The parties acknowledge and agree that each has had the opportunity to seek and utilize legal counsel in the drafting of, review of, and entry into this Agreement.

16. Waiver. No delay in exercising any right or remedy shall constitute a waiver thereof, and

no waiver by Town or Recipient of the breach of any covenant of this Agreement shall be construed as a waiver of any preceding or succeeding breach of the same or any other covenant or condition of this Agreement, nor shall any waiver be a continuing waiver. Except as expressly provided in this Agreement, no waiver shall be binding unless executed in writing by the party making the wavier.

17. Construction. This Agreement shall be construed according to the internal law of Arizona without the application of any principles of conflicts of law that would require or permit the application of the laws of any other jurisdiction.

18. Further Documentation. Each party agrees in good faith to execute and deliver such further or additional documents as may be necessary or appropriate to fully carry out the intent and purpose of this Agreement.

19. Time Periods. Except as expressly provided for herein, the time for performance of any obligation or taking any action under this Agreement shall be deemed to expire at 5:00 p.m. (Payson time) on the last day of the applicable time period provided for herein. If the time for the performance of any obligation or taking any action under this Agreement expires on a Saturday, Sunday or legal holiday, the time for performance or taking such action shall be extended to the next succeeding day which is not a Saturday, Sunday or legal holiday.

20. Headings and Counterparts. The headings of this Agreement are for purposes of reference only and shall not limit or define the meaning of any provision of this Agreement. This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which shall constitute one and the same instrument.

21. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter contained in this Agreement. All prior and contemporaneous agreements, representations and understandings of this parties, oral or written, are superseded by and merged in this Agreement. No supplement, modification or amendment of this Agreement shall be binding unless in writing and executed by Town and Recipient.

22. Severability. If any provision of this Agreement is declared void or unenforceable, such provision shall be severed from this Agreement, which shall otherwise remain in full force and effect.

23. Civil Rights Act of 1964. Under Title VI of the Civil Rights Acts of 1964, no person shall, on the grounds of race, color, religion, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under this Agreement or any program or activity receiving financial assistance under this Agreement.

24. Compliance with Laws. Recipient shall comply with all applicable laws, ordinances and codes of the United States, the State of Arizona, the Town of Payson, and other local governments.

25. No Employment Relation. Nothing herein creates, nor shall be deemed or construed to create, any employment relationship between the Town and any other person

26. No Partnership. This Agreement is not intended to, and nothing contained in this Agreement shall, create any partnership, joint venture, or other arrangement between the Town and the Recipient. Recipient is a contractor independent of the Town. No term or provision of this Agreement is intended to, or shall be for the benefit of any person, firm, organization, or corporation not a party hereto, and no such other person, firm, organization, or corporation shall have any right or cause of action hereunder.

IN WITNESS WHEREOF, Town and Recipient have executed this Agreement effective the day and year set forth above.

TOWN:
TOWN OF PAYSON,
an Arizona municipal corporation

By_____
F. Robert Edwards, Mayor

ATTEST:

_____
Silvia Smith, Town Clerk

APPROVED AS TO FORM:

_____
Samuel I. Streichman, Town Attorney

RECIPIENT:
BIG BROTHERS BIG SISTERS
OF CENTRAL ARIZONA,
an Arizona non-profit corporation

By_____
Brian T. Hassett, President

ATTEST:

_____
_____
Payson Satellite

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PUBLIC PURPOSE FUNDING AGREEMENT

THIS AGREEMENT ("Agreement") is entered into as of this _____ day of _____, 2007, between the TOWN OF PAYSON, an Arizona municipal corporation ("Town"), and PAYSON HELPING PAYSON, INC., an Arizona non-profit corporation ("Recipient").

WHEREAS, there are public services that are either not provided for by the Town directly or that may be enhanced through an agreement with third parties; and

WHEREAS, Section 35.03 of the Town Code authorizes the Town to make agreements with non-profit organizations to provide various services for the benefit of the Town and its citizens; and

WHEREAS, the Recipient has provided the Town with the foundation justifying its request for funding such services; and

WHEREAS, the Town has determined that the Recipient will use the funding provided for herein for a goal which the Town would seek to attain irrespective of the activities of Recipient; and

WHEREAS, Recipient can perform the services set forth hereunder more cost effectively than the Town; and

WHEREAS, Recipient is a non-profit organization; and

WHEREAS, the disbursement of funds hereunder is to obtain goals sought by the Town Council, to wit: providing assistance with rents, utilities, and special needs to Payson families in crisis; and

WHEREAS, the funds being sought are approximately equal to the value of the services to be provided hereunder,

NOW, THEREFORE, in consideration of the foregoing premises and the mutual promises and agreements set forth herein, the parties hereto state, confirm, and agree as follows:

1. Term. The term of the Agreement shall commence July 1, 2006 and terminate June 30, 2007. This Agreement shall not be extended.

2. Funds. The Town agrees to disburse Three Thousand Dollars ($3,000.00) in four payments to the Recipient (on or before the last day of October 2006, January 2007, April 2007, and July 2007). Such disbursements shall only be made if Recipient is current with all the reports and records pursuant to paragraph 6 of this Agreement.

3. Purpose of Funding. The Funds shall be used to help provide rents, utilities, and special needs to Payson residents who find themselves in a state of crisis due to a work layoff, injury, or other situations causing a temporary stop in income.

4. Restricted Use of Funds. Funds shall be used for the benefit of Town residents and taxpayers alone. No part of the Funds will be disbursed for the benefit of persons or entities other than Town taxpayers and residents. Any use of the Funds received from the Town by Recipient other than as permitted or required herein shall be deemed a material breach of this Agreement.

5. Non-Profit Status. The Recipient shall provide the Town with its state and federal tax identification numbers prior to receiving any of the Funds. Any changes in the Recipient's tax status or any change in tax numbers assigned to the Recipient shall be reported to the Town within five (5) days.

6. Records. Recipient shall provide the Town with quarterly reports (July - September 2006, October - December 2006, January - March 2007, and April - June 2007) detailing its activities and how Recipient has used the funds provided to the Recipient by the Town. Upon request of the Town, the Recipient shall provide legible, auditable records to the Town that support the quarterly reports. Failure to provide these records or any other proper document requested by the Town shall be deemed a material breach of this Agreement. Recipient shall maintain accounts and records, including personnel, property, and financial records, adequate to identify and account for all costs pertaining to this Agreement and such other records as may be deemed necessary by the Town to assure proper accounting for all project funds. These records shall be retained for five (5) years after the expiration of this Agreement unless permission to destroy them is granted in writing by the Town.

7. Default. Without limiting the generality of what constitutes a default hereunder, the following shall each specifically be deemed a default constituting a material breach of this Agreement:
   A. Failure of Recipient to provide auditable records to the Town;
   B. Failure of Recipient to provide proper documents requested by the Town; or
   C. The making of any unauthorized or unexplained expenditures by Recipient from the Funds provided by the Town.

8. Remedies. If Recipient fails to perform when due any act required by this Agreement to be performed, then, in addition to whatever other remedies are available to Town at law or in equity, including the right to have specific performance of this Agreement, Town may cancel this Agreement without any further liability hereunder, such cancellation to be effective immediately upon Town giving written notice of cancellation to Recipient. In the event of a breach of any provision in this Agreement by Recipient, and in addition to any remedies provided in law or equity, this Agreement shall be conclusively deemed to

be terminated without further action by the Town. In the event of termination of this Agreement for breach, Recipient shall without demand return to the Town all funds received by Recipient from the Town which have not, as of the time of breach, been disbursed by Recipient. At the request of the Town after breach by Recipient, Recipient shall additionally repay the Town the full amount received by it under this Agreement, less any amount equal to the consideration received by the Town from the expenditure of any part of the Funds up to such time, if any.

9. Representations of Recipient. Recipient makes the following representations, which are agreed to constitute a material part of the consideration hereunder and which are, and shall remain, true and accurate:

   A. This Agreement and each of its terms constitutes a valid, legal, and binding obligation of Recipient, enforceable against Recipient in accordance with its terms;

   B. Recipient is a bona fide non-profit organization recognized as such under the revenue and tax laws of the United States and the State of Arizona;

   C. This Agreement is in compliance with the Constitution of the State of Arizona, and Article 9, Section 7 thereof, and relevant Arizona case law;

   D. The consideration to be received by the Town under this Agreement is approximately equal in value to the amount of the Funds; and

   E. The persons executing this Agreement on behalf of Recipient have full power and authority to do so and Recipient has full power and authority to enter into and to perform its obligations under this Agreement.

10. Conflict of Interest. This Agreement is subject to the terms of A.R.S. § 38-511, which are incorporated herein.

11. Indemnification. The Recipient shall indemnify, defend, and hold Town harmless from and against any and all claims, demands, suits, actions, proceedings, loss, costs, and damages of every kind and description, including any reasonable attorneys' fees and/or litigation expenses, which may be brought or made against or incurred by Town on account of (1) loss or damage to any property or interest of Town; (2) any damages, injury to person or property, or death of any person arising out of any acts, errors, omissions, work, or services of the Recipient, its employees, agents, representatives, or subcontractors, their employees, agents, or representatives; (3) any workers' compensation claims, unemployment compensation claims, or unemployment disability claims of employees of the Recipient or claims under similar such laws or obligations; (4) any use of the Funds by Recipient; and (5) any and all loss, damage, liability, or expense (including reasonable attorneys' fees) resulting from any breach or non-performance of

any covenant, agreement, or representation in this Agreement. In the event that any part of this Paragraph 11, Indemnification, is determined to be unenforceable, Recipient is not relieved of any liability resulting from its representation that said indemnification is a legally binding obligation of Recipient pursuant to Paragraph 9.A.

12. Dispute Resolution. This Agreement shall be governed and construed in accordance with the internal laws of the State of Arizona. Any dispute, controversy, claim, or cause of action arising out of or related to this Agreement may, but in no event need, be settled by submission, with the written consent of both parties, to binding arbitration in accordance with the rules of the American Arbitration Association and the Arizona Uniform Arbitration Act, A.R.S. § 12-1501, et seq., and judgment upon any award rendered by the arbitrator(s) shall be entered in the Superior Court of Gila County, Arizona, or any such dispute, controversy, claim, or cause of action may be litigated in the Superior Court of Gila County, Arizona. The venue for any such dispute shall be Gila County, Arizona. Both parties consent in advance to such venue and jurisdiction and waive any right to object that Gila County is an inconvenient forum or improper forum based upon lack of venue. Neither party shall be entitled to recover from the other party any of its attorneys' fees, costs, or expert witness fees incurred in any such dispute, controversy, claim, or cause of action, but each party shall bear its own attorneys' fees, whether the same is resolved through arbitration, litigation in a court, or otherwise.

13. Notices. Notices shall be in writing and shall be given by personal delivery, by deposit in the United States mail, certified mail, return receipt requested, postage prepaid, or by express delivery service, freight prepaid, in each case by delivery to Recipient and Town at the addresses set forth below in this Paragraph 13 or at such other address as a party may designate in writing. The date notice is given shall be the date on which notice is delivered, if notice is given by personal delivery, or the date of deposit in the mail or with an express delivery service, if the notice is sent through the United States mail or by express delivery service. Notice shall be deemed to have been received on the date on which the notice is delivered if notice is given by personal delivery, one business day following such deposit with the express delivery service if notice is sent by express delivery service, or three days following such deposit in the mail if notice is sent through the United States mail.

To Town:	To Recipient:
Town of Payson	Payson Helping Payson, Inc.
Attention: Town Manager	Attention: John Zilisch, President
303 North Beeline Highway	P. O. Box 231
Payson, Arizona 85541	Payson, Arizona 85547

14. Assignment. Neither this Agreement nor any part hereof shall be assigned by either party. Any attempted assignment in violation of this Paragraph 14 shall render this Agreement void and shall invoke the remedies set forth in Paragraph 7 hereinabove.

15. Construction of Agreement. This Agreement shall be construed and interpreted according to its plain meaning and no presumption shall be deemed to apply in favor of or against the party drafting this Agreement. The parties acknowledge and agree that each has had the opportunity to seek and utilize legal counsel in the drafting of, review of, and entry into this Agreement.

16. Waiver. No delay in exercising any right or remedy shall constitute a waiver thereof, and no waiver by Town or Recipient of the breach of any covenant of this Agreement shall be construed as a waiver of any preceding or succeeding breach of the same or any other covenant or condition of this Agreement, nor shall any waiver be a continuing waiver. Except as expressly provided in this Agreement, no waiver shall be binding unless executed in writing by the party making the wavier.

17. Construction. This Agreement shall be construed according to the internal law of Arizona without the application of any principles of conflicts of law that would require or permit the application of the laws of any other jurisdiction.

18. Further Documentation. Each party agrees in good faith to execute and deliver such further or additional documents as may be necessary or appropriate to fully carry out the intent and purpose of this Agreement.

19. Time Periods. Except as expressly provided for herein, the time for performance of any obligation or taking any action under this Agreement shall be deemed to expire at 5:00 p.m. (Payson time) on the last day of the applicable time period provided for herein. If the time for the performance of any obligation or taking any action under this Agreement expires on a Saturday, Sunday or legal holiday, the time for performance or taking such action shall be extended to the next succeeding day which is not a Saturday, Sunday or legal holiday.

20. Headings and Counterparts. The headings of this Agreement are for purposes of reference only and shall not limit or define the meaning of any provision of this Agreement. This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which shall constitute one and the same instrument.

21. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter contained in this Agreement. All prior and contemporaneous agreements, representations and understandings of this parties, oral or written, are superseded by and merged in this Agreement. No supplement, modification or amendment of this Agreement shall be binding unless in writing and executed by Town and Recipient.

22. Severability. If any provision of this Agreement is declared void or unenforceable, such provision shall be severed from this Agreement, which shall otherwise remain in full force and effect.

23. Civil Rights Act of 1964. Under Title VI of the Civil Rights Acts of 1964, no person shall, on the grounds of race, color, religion, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under this Agreement or any program or activity receiving financial assistance under this Agreement.

24. Compliance with Laws. Recipient shall comply with all applicable laws, ordinances and codes of the United States, the State of Arizona, the Town of Payson, and other local governments.

25. No Employment Relation. Nothing herein creates, nor shall be deemed or construed to create, any employment relationship between the Town and any other person

26. No Partnership. This Agreement is not intended to, and nothing contained in this Agreement shall, create any partnership, joint venture, or other arrangement between the Town and the Recipient. Recipient is a contractor independent of the Town. No term or provision of this Agreement is intended to, or shall be for the benefit of any person, firm, organization, or corporation not a party hereto, and no such other person, firm, organization, or corporation shall have any right or cause of action hereunder.

IN WITNESS WHEREOF, Town and Recipient have executed this Agreement effective the day and year set forth above.

TOWN:
TOWN OF PAYSON,
an Arizona municipal corporation

By_____
F. Robert Edwards, Mayor

ATTEST:

_____
Silvia Smith, Town Clerk

APPROVED AS TO FORM:

_____
Samuel I. Streichman, Town Attorney

RECIPIENT:
PAYSON HELPING PAYSON, INC.,
an Arizona non-profit corporation

By_____
John Zilisch, President

ATTEST:

_____
_____

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PUBLIC PURPOSE FUNDING AGREEMENT

THIS AGREEMENT ("Agreement") is entered into as of this _____ day of _____, 2007, between the TOWN OF PAYSON, an Arizona municipal corporation ("Town"), and Northern Gila County Historical Society, Inc., an Arizona non-profit corporation ("Recipient").

WHEREAS, there are public services that are either not provided for by the Town directly or that may be enhanced through an agreement with third parties; and

WHEREAS, Section 35.03 of the Town Code authorizes the Town to make agreements with non-profit organizations to provide various services for the benefit of the Town and its citizens; and

WHEREAS, the Recipient has provided the Town with the foundation justifying its request for funding such services; and

WHEREAS, the Town has determined that the Recipient will use the funding provided for herein for a goal which the Town would seek to attain irrespective of the activities of Recipient; and

WHEREAS, Recipient can perform the services set forth hereunder more cost effectively than the Town; and

WHEREAS, Recipient is a non-profit organization; and

WHEREAS, the disbursement of funds hereunder is to obtain goals sought by the Town Council, to wit: Enhancing and preserving the Payson area cultural heritage, history and pre-history.

WHEREAS, the funds being sought are approximately equal to the value of the services to be provided hereunder,

NOW, THEREFORE, in consideration of the foregoing premises and the mutual promises and agreements set forth herein, the parties hereto state, confirm, and agree as follows:

1. Term. The term of the Agreement shall commence July 1, 2006, and terminate June 30, 2007. This Agreement shall not be extended.

2. Funds. The Town agrees to disburse Four Thousand Eight Hundred Dollars ($4,800.00) in four payments to the Recipient (on or before the last day of October 2006, January 2007, April 2007, and July 2007). Such disbursements shall only be made if the Recipient is current with all the reports and records pursuant to paragraph 6 of this Agreement.

3. Purpose of Funding. The Funds shall be used to support The Rim Country Museum and The Museum of Rim Country Archaeology in providing objects and information which will shed light on the cultural heritage, natural history, and pre-history of the Payson area and to preserve, conserve and display these objects and information in an interpretive setting which will enhance the public's understanding, appreciation, and enjoyment of the Payson area and provide for research and study.

4. Restricted Use of Funds. Funds shall be used for the benefit of Town residents and taxpayers alone. No part of the Funds will be disbursed for the benefit of persons or entities other than Town taxpayers and residents. Any use of the Funds received from the Town by Recipient other than as permitted or required herein shall be deemed a material breach of this Agreement.

5. Non-Profit Status. The Recipient shall provide the Town with its state and federal tax identification numbers prior to receiving any of the Funds. Any changes in the Recipient's tax status or any change in tax numbers assigned to the Recipient shall be reported to the Town within five (5) days.

6. Records. Recipient shall provide the Town with quarterly reports (July - September 2006, October - December 2006, January - March 2007, and April - June 2007) detailing its activities and how Recipient has used the funds provided to the Recipient by the Town. Upon request of the Town, the Recipient shall provide legible, auditable records to the Town that support the quarterly reports. Failure to provide these records or any other proper document requested by the Town shall be deemed a material breach of this Agreement. Recipient shall maintain accounts and records, including personnel, property, and financial records, adequate to identify and account for all costs pertaining to this Agreement and such other records as may be deemed necessary by the Town to assure proper accounting for all project funds. These records shall be retained for five (5) years after the expiration of this Agreement unless permission to destroy them is granted in writing by the Town.

7. Default. Without limiting the generality of what constitutes a default hereunder, the following shall each specifically be deemed a default constituting a material breach of this Agreement:
   A. Failure of Recipient to provide auditable records to the Town;
   B. Failure of Recipient to provide proper documents requested by the Town; or
   C. The making of any unauthorized or unexplained expenditures by Recipient from the Funds provided by the Town.

8. Remedies. If Recipient fails to perform when due any act required by this Agreement to be performed, then, in addition to whatever other remedies are available to Town at law or in equity, including the right to have specific performance of this Agreement, Town may cancel this Agreement without any further liability hereunder, such cancellation to be

effective immediately upon Town giving written notice of cancellation to Recipient. In the event of a breach of any provision in this Agreement by Recipient, and in addition to any remedies provided in law or equity, this Agreement shall be conclusively deemed to be terminated without further action by the Town. In the event of termination of this Agreement for breach, Recipient shall without demand return to the Town all funds received by Recipient from the Town which have not, as of the time of breach, been disbursed by Recipient. At the request of the Town after breach by Recipient, Recipient shall additionally repay the Town the full amount received by it under this Agreement, less any amount equal to the consideration received by the Town from the expenditure of any part of the Funds up to such time, if any.

9. Representations of Recipient. Recipient makes the following representations, which are agreed to constitute a material part of the consideration hereunder and which are, and shall remain, true and accurate:

   A. This Agreement and each of its terms constitutes a valid, legal, and binding obligation of Recipient, enforceable against Recipient in accordance with its terms;

   B. Recipient is a bona fide non-profit organization recognized as such under the revenue and tax laws of the United States and the State of Arizona;

   C. This Agreement is in compliance with the Constitution of the State of Arizona, and Article 9, Section 7 thereof, and relevant Arizona case law;

   D. The consideration to be received by the Town under this Agreement is approximately equal in value to the amount of the Funds; and

   E. The persons executing this Agreement on behalf of Recipient have full power and authority to do so and Recipient has full power and authority to enter into and to perform its obligations under this Agreement.

10. Conflict of Interest. This Agreement is subject to the terms of A.R.S. § 38-511, which are incorporated herein.

11. Indemnification. The Recipient shall indemnify, defend, and hold Town harmless from and against any and all claims, demands, suits, actions, proceedings, loss, costs, and damages of every kind and description, including any reasonable attorneys' fees and/or litigation expenses, which may be brought or made against or incurred by Town on account of (1) loss or damage to any property or interest of Town; (2) any damages, injury to person or property, or death of any person arising out of any acts, errors, omissions, work, or services of the Recipient, its employees, agents, representatives, or subcontractors, their employees, agents, or representatives; (3) any workers' compensation claims, unemployment compensation claims, or unemployment disability claims of employees of the Recipient or claims under similar such laws or obligations; (4)

any use of the Funds by Recipient; and (5) any and all loss, damage, liability, or expense (including reasonable attorneys' fees) resulting from any breach or non-performance of any covenant, agreement, or representation in this Agreement. In the event that any part of this Paragraph 11, Indemnification, is determined to be unenforceable, Recipient is not relieved of any liability resulting from its representation that said indemnification is a legally binding obligation of Recipient pursuant to Paragraph 9.A.

12. Dispute Resolution. This Agreement shall be governed and construed in accordance with the internal laws of the State of Arizona. Any dispute, controversy, claim, or cause of action arising out of or related to this Agreement may, but in no event need, be settled by submission, with the written consent of both parties, to binding arbitration in accordance with the rules of the American Arbitration Association and the Arizona Uniform Arbitration Act, A.R.S. § 12-1501, et seq., and judgment upon any award rendered by the arbitrator(s) shall be entered in the Superior Court of Gila County, Arizona, or any such dispute, controversy, claim, or cause of action may be litigated in the Superior Court of Gila County, Arizona. The venue for any such dispute shall be Gila County, Arizona. Both parties consent in advance to such venue and jurisdiction and waive any right to object that Gila County is an inconvenient forum or improper forum based upon lack of venue. Neither party shall be entitled to recover from the other party any of its attorneys' fees, costs, or expert witness fees incurred in any such dispute, controversy, claim, or cause of action, but each party shall bear its own attorneys' fees, whether the same is resolved through arbitration, litigation in a court, or otherwise.

13. Notices. Notices shall be in writing and shall be given by personal delivery, by deposit in the United States mail, certified mail, return receipt requested, postage prepaid, or by express delivery service, freight prepaid, in each case by delivery to Recipient and Town at the addresses set forth below in this Paragraph 13 or at such other address as a party may designate in writing. The date notice is given shall be the date on which notice is delivered, if notice is given by personal delivery, or the date of deposit in the mail or with an express delivery service, if the notice is sent through the United States mail or by express delivery service. Notice shall be deemed to have been received on the date on which the notice is delivered if notice is given by personal delivery, one business day following such deposit with the express delivery service if notice is sent by express delivery service, or three days following such deposit in the mail if notice is sent through the United States mail.

To Town:
Town of Payson
Attention: Town Manager
303 North Beeline Highway
Payson, Arizona 85541

To Recipient:
Northern Gila County Historical Society, Inc.
Attention: Eugene F. Pyle, President
P. O. Box 2532
Payson, Arizona 85547

14. Assignment. Neither this Agreement nor any part hereof shall be assigned by either party. Any attempted assignment in violation of this Paragraph 14 shall render this Agreement void and shall invoke the remedies set forth in Paragraph 8 hereinabove.

15. Construction of Agreement. This Agreement shall be construed and interpreted according to its plain meaning and no presumption shall be deemed to apply in favor of or against the party drafting this Agreement. The parties acknowledge and agree that each has had the opportunity to seek and utilize legal counsel in the drafting of, review of, and entry into this Agreement.

16. Waiver. No delay in exercising any right or remedy shall constitute a waiver thereof, and no waiver by Town or Recipient of the breach of any covenant of this Agreement shall be construed as a waiver of any preceding or succeeding breach of the same or any other covenant or condition of this Agreement, nor shall any waiver be a continuing waiver. Except as expressly provided in this Agreement, no waiver shall be binding unless executed in writing by the party making the wavier.

17. Construction. This Agreement shall be construed according to the internal law of Arizona without the application of any principles of conflicts of law that would require or permit the application of the laws of any other jurisdiction.

18. Further Documentation. Each party agrees in good faith to execute and deliver such further or additional documents as may be necessary or appropriate to fully carry out the intent and purpose of this Agreement.

19. Time Periods. Except as expressly provided for herein, the time for performance of any obligation or taking any action under this Agreement shall be deemed to expire at 5:00 p.m. (Payson time) on the last day of the applicable time period provided for herein. If the time for the performance of any obligation or taking any action under this Agreement expires on a Saturday, Sunday or legal holiday, the time for performance or taking such action shall be extended to the next succeeding day which is not a Saturday, Sunday or legal holiday.

20. Headings and Counterparts. The headings of this Agreement are for purposes of reference only and shall not limit or define the meaning of any provision of this Agreement. This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which shall constitute one and the same instrument.

21. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter contained in this Agreement. All prior and contemporaneous agreements, representations and understandings of this parties, oral or written, are superseded by and merged in this Agreement. No supplement, modification or amendment of this Agreement shall be binding unless in writing and executed by Town and Recipient.

22. Severability. If any provision of this Agreement is declared void or unenforceable, such provision shall be severed from this Agreement, which shall otherwise remain in full force and effect.

23. Civil Rights Act of 1964. Under Title VI of the Civil Rights Acts of 1964, no person shall, on the grounds of race, color, religion, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under this Agreement or any program or activity receiving financial assistance under this Agreement.

24. Compliance with Laws. Recipient shall comply with all applicable laws, ordinances and codes of the United States, the State of Arizona, the Town of Payson, and other local governments.

25. No Employment Relation. Nothing herein creates, nor shall be deemed or construed to create, any employment relationship between the Town and any other person

26. No Partnership. This Agreement is not intended to, and nothing contained in this Agreement shall, create any partnership, joint venture, or other arrangement between the Town and the Recipient. Recipient is a contractor independent of the Town. No term or provision of this Agreement is intended to, or shall be for the benefit of any person, firm, organization, or corporation not a party hereto, and no such other person, firm, organization, or corporation shall have any right or cause of action hereunder.

IN WITNESS WHEREOF, Town and Recipient have executed this Agreement effective the day and year set forth above.

TOWN:
TOWN OF PAYSON,
an Arizona municipal corporation

By_____
F. Robert Edwards, Mayor

ATTEST:

_____
Silvia Smith, Town Clerk

APPROVED AS TO FORM:

_____
Samuel I. Streichman, Town Attorney

RECIPIENT:
NORTHERN GILA COUNTY
HISTORICAL SOCIETY, INC.,
an Arizona non-profit corporation

By_____
Eugene F. Pyle, President

ATTEST:

_____
_____

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PUBLIC PURPOSE FUNDING AGREEMENT

THIS AGREEMENT ("Agreement") is entered into as of this _____ day of _____, 2007, between the TOWN OF PAYSON, an Arizona municipal corporation ("Town"), and TIME OUT, INC., an Arizona non-profit corporation ("Recipient").

WHEREAS, there are public services that are either not provided for by the Town directly or that may be enhanced through an agreement with third parties; and

WHEREAS, Section 35.03 of the Town Code authorizes the Town to make agreements with non-profit organizations to provide various services for the benefit of the Town and its citizens; and

WHEREAS, the Recipient has provided the Town with the foundation justifying its request for funding such services; and

WHEREAS, the Town has determined that the Recipient will use the funding provided for herein for a goal which the Town would seek to attain irrespective of the activities of Recipient; and

WHEREAS, Recipient can perform the services set forth hereunder more cost effectively than the Town; and

WHEREAS, Recipient is a non-profit organization; and

WHEREAS, the disbursement of funds hereunder is to obtain goals sought by the Town Council, to wit: to provide a safe environment for adult victims of domestic violence and their children; and

WHEREAS, the funds being sought are approximately equal to the value of the services to be provided hereunder,

NOW, THEREFORE, in consideration of the foregoing premises and the mutual promises and agreements set forth herein, the parties hereto state, confirm, and agree as follows:

1. Term. The term of the Agreement shall commence July 1, 2006, and terminate June 30, 2007. This Agreement shall not be extended.

2. Funds. The Town agrees to disburse Four Thousand Two Hundred Dollars ($4,200.00) in four payments to the Recipient (on or before the last day of October 2006, January 2007, April 2007, and July 2007). Such disbursements shall only be made if Recipient is current with all the reports and records pursuant to paragraph 6 of this Agreement.

3. Purpose of Funding. The Funds shall be used to provide a safe environment for adult victims of domestic violence and their children.

4. Restricted Use of Funds. Funds shall be used for the benefit of Town residents and taxpayers alone. No part of the Funds will be disbursed for the benefit of persons or entities other than Town taxpayers and residents. Any use of the Funds received from the Town by Recipient other than as permitted or required herein shall be deemed a material breach of this Agreement.

5. Non-Profit Status. The Recipient shall provide the Town with its state and federal tax identification numbers prior to receiving any of the Funds. Any changes in the Recipient's tax status or any change in tax numbers assigned to the Recipient shall be reported to the Town within five (5) days.

6. Records. Recipient shall provide the Town with quarterly reports (July - September 2006, October - December 2006, January - March 2007, and April - June 2007) detailing its activities and how Recipient has used the funds provided to the Recipient by the Town. Upon request of the Town, the Recipient shall provide legible, auditable records to the Town that support the quarterly reports. Failure to provide these records or any other proper document requested by the Town shall be deemed a material breach of this Agreement. Recipient shall maintain accounts and records, including personnel, property, and financial records, adequate to identify and account for all costs pertaining to this Agreement and such other records as may be deemed necessary by the Town to assure proper accounting for all project funds. These records shall be retained for five (5) years after the expiration of this Agreement unless permission to destroy them is granted in writing by the Town.

7. Default. Without limiting the generality of what constitutes a default hereunder, the following shall each specifically be deemed a default constituting a material breach of this Agreement:

   A. Failure of Recipient to provide auditable records to the Town;

   B. Failure of Recipient to provide proper documents requested by the Town; or

   C. The making of any unauthorized or unexplained expenditures by Recipient from the Funds provided by the Town.

8. Remedies. If Recipient fails to perform when due any act required by this Agreement to be performed, then, in addition to whatever other remedies are available to Town at law or in equity, including the right to have specific performance of this Agreement, Town may cancel this Agreement without any further liability hereunder, such cancellation to be effective immediately upon Town giving written notice of cancellation to Recipient. In

the event of a breach of any provision in this Agreement by Recipient, and in addition to any remedies provided in law or equity, this Agreement shall be conclusively deemed to be terminated without further action by the Town. In the event of termination of this Agreement for breach, Recipient shall without demand return to the Town all funds received by Recipient from the Town which have not, as of the time of breach, been disbursed by Recipient. At the request of the Town after breach by Recipient, Recipient shall additionally repay the Town the full amount received by it under this Agreement, less any amount equal to the consideration received by the Town from the expenditure of any part of the Funds up to such time, if any.

9. Representations of Recipient. Recipient makes the following representations, which are agreed to constitute a material part of the consideration hereunder and which are, and shall remain, true and accurate:

   A. This Agreement and each of its terms constitutes a valid, legal, and binding obligation of Recipient, enforceable against Recipient in accordance with its terms;

   B. Recipient is a bona fide non-profit organization recognized as such under the revenue and tax laws of the United States and the State of Arizona;

   C. This Agreement is in compliance with the Constitution of the State of Arizona, and Article 9, Section 7 thereof, and relevant Arizona case law;

   D. The consideration to be received by the Town under this Agreement is approximately equal in value to the amount of the Funds; and

   E. The persons executing this Agreement on behalf of Recipient have full power and authority to do so and Recipient has full power and authority to enter into and to perform its obligations under this Agreement.

10. Conflict of Interest. This Agreement is subject to the terms of A.R.S. § 38-511, which are incorporated herein.

11. Indemnification. The Recipient shall indemnify, defend, and hold Town harmless from and against any and all claims, demands, suits, actions, proceedings, loss, costs, and damages of every kind and description, including any reasonable attorneys' fees and/or litigation expenses, which may be brought or made against or incurred by Town on account of (1) loss or damage to any property or interest of Town; (2) any damages, injury to person or property, or death of any person arising out of any acts, errors, omissions, work, or services of the Recipient, its employees, agents, representatives, or subcontractors, their employees, agents, or representatives; (3) any workers' compensation claims, unemployment compensation claims, or unemployment disability claims of employees of the Recipient or claims under similar such laws or obligations; (4)

any use of the Funds by Recipient; and (5) any and all loss, damage, liability, or expense (including reasonable attorneys' fees) resulting from any breach or non-performance of any covenant, agreement, or representation in this Agreement. In the event that any part of this Paragraph 11, Indemnification, is determined to be unenforceable, Recipient is not relieved of any liability resulting from its representation that said indemnification is a legally binding obligation of Recipient pursuant to Paragraph 9.A.

12. Dispute Resolution. This Agreement shall be governed and construed in accordance with the internal laws of the State of Arizona. Any dispute, controversy, claim, or cause of action arising out of or related to this Agreement may, but in no event need, be settled by submission, with the written consent of both parties, to binding arbitration in accordance with the rules of the American Arbitration Association and the Arizona Uniform Arbitration Act, A.R.S. § 12-1501, et seq., and judgment upon any award rendered by the arbitrator(s) shall be entered in the Superior Court of Gila County, Arizona, or any such dispute, controversy, claim, or cause of action may be litigated in the Superior Court of Gila County, Arizona. The venue for any such dispute shall be Gila County, Arizona. Both parties consent in advance to such venue and jurisdiction and waive any right to object that Gila County is an inconvenient forum or improper forum based upon lack of venue. Neither party shall be entitled to recover from the other party any of its attorneys' fees, costs, or expert witness fees incurred in any such dispute, controversy, claim, or cause of action, but each party shall bear its own attorneys' fees, whether the same is resolved through arbitration, litigation in a court, or otherwise.

13. Notices. Notices shall be in writing and shall be given by personal delivery, by deposit in the United States mail, certified mail, return receipt requested, postage prepaid, or by express delivery service, freight prepaid, in each case by delivery to Recipient and Town at the addresses set forth below in this Paragraph 13 or at such other address as a party may designate in writing. The date notice is given shall be the date on which notice is delivered, if notice is given by personal delivery, or the date of deposit in the mail or with an express delivery service, if the notice is sent through the United States mail or by express delivery service. Notice shall be deemed to have been received on the date on which the notice is delivered if notice is given by personal delivery, one business day following such deposit with the express delivery service if notice is sent by express delivery service, or three days following such deposit in the mail if notice is sent through the United States mail.

To Town:	To Recipient:
Town of Payson	Time Out, Inc.
Attention: Town Manager	Attention: Vliet Hulse, President
303 North Beeline Highway	P. O. Box 306
Payson, Arizona 85541	Payson, Arizona 85547

14. Assignment. Neither this Agreement nor any part hereof shall be assigned by either party. Any attempted assignment in violation of this Paragraph 14 shall render this Agreement void and shall invoke the remedies set forth in Paragraph 8 hereinabove.

15. Construction of Agreement. This Agreement shall be construed and interpreted according to its plain meaning and no presumption shall be deemed to apply in favor of or against the party drafting this Agreement. The parties acknowledge and agree that each has had the opportunity to seek and utilize legal counsel in the drafting of, review of, and entry into this Agreement.

16. Waiver. No delay in exercising any right or remedy shall constitute a waiver thereof, and no waiver by Town or Recipient of the breach of any covenant of this Agreement shall be construed as a waiver of any preceding or succeeding breach of the same or any other covenant or condition of this Agreement, nor shall any waiver be a continuing waiver. Except as expressly provided in this Agreement, no waiver shall be binding unless executed in writing by the party making the wavier.

17. Construction. This Agreement shall be construed according to the internal law of Arizona without the application of any principles of conflicts of law that would require or permit the application of the laws of any other jurisdiction.

18. Further Documentation. Each party agrees in good faith to execute and deliver such further or additional documents as may be necessary or appropriate to fully carry out the intent and purpose of this Agreement.

19. Time Periods. Except as expressly provided for herein, the time for performance of any obligation or taking any action under this Agreement shall be deemed to expire at 5:00 p.m. (Payson time) on the last day of the applicable time period provided for herein. If the time for the performance of any obligation or taking any action under this Agreement expires on a Saturday, Sunday or legal holiday, the time for performance or taking such action shall be extended to the next succeeding day which is not a Saturday, Sunday or legal holiday.

20. Headings and Counterparts. The headings of this Agreement are for purposes of reference only and shall not limit or define the meaning of any provision of this Agreement. This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which shall constitute one and the same instrument.

21. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter contained in this Agreement. All prior and contemporaneous agreements, representations and understandings of this parties, oral or written, are superseded by and merged in this Agreement. No supplement, modification or amendment of this Agreement shall be binding unless in writing and executed by Town and Recipient.

22. Severability. If any provision of this Agreement is declared void or unenforceable, such provision shall be severed from this Agreement, which shall otherwise remain in full force and effect.

23. Civil Rights Act of 1964. Under Title VI of the Civil Rights Acts of 1964, no person shall, on the grounds of race, color, religion, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under this Agreement or any program or activity receiving financial assistance under this Agreement.

24. Compliance with Laws. Recipient shall comply with all applicable laws, ordinances and codes of the United States, the State of Arizona, the Town of Payson, and other local governments.

25. No Employment Relation. Nothing herein creates, nor shall be deemed or construed to create, any employment relationship between the Town and any other person

26. No Partnership. This Agreement is not intended to, and nothing contained in this Agreement shall, create any partnership, joint venture, or other arrangement between the Town and the Recipient. Recipient is a contractor independent of the Town. No term or provision of this Agreement is intended to, or shall be for the benefit of any person, firm, organization, or corporation not a party hereto, and no such other person, firm, organization, or corporation shall have any right or cause of action hereunder.

IN WITNESS WHEREOF, Town and Recipient have executed this Agreement effective the day and year set forth above.

TOWN:
TOWN OF PAYSON,
an Arizona municipal corporation

By_____
F. Robert Edwards, Mayor

ATTEST:

_____
Silvia Smith, Town Clerk

APPROVED AS TO FORM:

_____
Samuel I. Streichman, Town Attorney

RECIPIENT:
TIME OUT, INC.,
an Arizona non-profit corporation

By_____
Vliet Hulse, President

ATTEST:

_____
Barbara Gustafson, Secretary

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PUBLIC PURPOSE FUNDING AGREEMENT

THIS AGREEMENT ("Agreement") is entered into as of this _____ day of _____, 2007, between the TOWN OF PAYSON, an Arizona municipal corporation ("Town"), and PAYSON MULTIPURPOSE SENIOR CENTER DEVELOPMENT ASSOCIATION, INC., an Arizona non-profit corporation ("Recipient").

WHEREAS, there are public services that are either not provided for by the Town directly or that may be enhanced through an agreement with third parties; and

WHEREAS, Section 35.03 of the Town Code authorizes the Town to make agreements with non-profit organizations to provide various services for the benefit of the Town and its citizens; and

WHEREAS, the Recipient has provided the Town with the foundation justifying its request for funding such services; and

WHEREAS, the Town has determined that the Recipient will use the funding provided for herein for a goal which the Town would seek to attain irrespective of the activities of Recipient; and

WHEREAS, Recipient can perform the services set forth hereunder more cost effectively than the Town; and

WHEREAS, Recipient is a non-profit organization; and

WHEREAS, the disbursement of funds hereunder is to obtain goals sought by the Town Council, to wit: Senior Center transportation in support of the Meals on Wheels Program and transportation for seniors in the amount of Thirty-one Thousand Two Hundred Dollars ($31,200.00); and

WHEREAS, the funds being sought are approximately equal to the value of the services to be provided hereunder,

NOW, THEREFORE, in consideration of the foregoing premises and the mutual promises and agreements set forth herein, the parties hereto state, confirm, and agree as follows:

1. Term. The term of the Agreement shall commence July 1, 2006, and terminate June 30, 2007. This Agreement shall not be extended.

2. Funds. The Town agrees to disburse Thirty-one Thousand Two Hundred Dollars ($31,200.00) in four payments to the Recipient (on or before the last day of October 2006, January 2007, April 2007, and July 2007). Such disbursements shall only be made if Recipient is current with all the reports and records pursuant to paragraph 6 of this Agreement.

3. Purpose of Funding. The Funds shall be used for senior programs, including but not limited to Transportation and/or the Meals on Wheels program.

4. Restricted Use of Funds. Funds shall be used for the benefit of Town residents and taxpayers alone. No part of the Funds will be disbursed for the benefit of persons or entities other than Town taxpayers and residents. Any use of the Funds received from Town by Recipient other than as permitted or required herein shall be deemed a material breach of this Agreement.

5. Non-Profit Status. Recipient shall provide Town with its state and federal tax identification numbers prior to receiving any of the Funds. Any changes in Recipient's tax status or any change in tax numbers assigned to Recipient shall be reported to Town within five (5) days.

6. Records. Recipient shall provide the Town with quarterly reports (July - September 2006, October - December 2006, January - March 2007, and April - June 2007) detailing its activities and how Recipient has used the funds provided to the Recipient by the Town. Upon request of the Town, the Recipient shall provide legible, auditable records to the Town that support the quarterly reports, which shall include a report on the "Meals on Wheels Program" and transportation for seniors. In particular, Recipient shall identify the number of participants residing within the Town of Payson. Failure to provide these records or any other proper document requested by the Town shall be deemed a material breach of this Agreement. Recipient shall maintain accounts and records, including personnel, property, and financial records, adequate to identify and account for all costs pertaining to this Agreement and such other records as may be deemed necessary by Town to assure proper accounting for all project funds. These records shall be retained for five (5) years after the expiration of this Agreement unless permission to destroy them is granted in writing by Town.

7. Default. Without limiting the generality of what constitutes a default hereunder, the following shall each specifically be deemed a default constituting a material breach of this Agreement:

   A. Failure of Recipient to provide auditable records to the Town;

   B. Failure of Recipient to provide proper documents requested by the Town; or

   C. The making of any unauthorized or unexplained expenditures by Recipient from the Funds provided by the Town.

8. Remedies. If Recipient fails to perform when due any act required by this Agreement to be performed, then, in addition to whatever other remedies are available to Town at law or in equity, including the right to have specific performance of this Agreement, Town may cancel this Agreement without any further liability hereunder, such cancellation to be effective immediately upon Town giving written notice of cancellation to Recipient. In the event of a breach of any provision in this Agreement by Recipient, and in addition to any remedies provided in law or equity, this Agreement shall be conclusively deemed to be terminated without further action by the Town. In the event of termination of this Agreement for breach, Recipient shall without demand return to the Town all funds received by Recipient from the Town which have not, as of the time of breach, been disbursed by Recipient. At the request of the Town after breach by Recipient, Recipient shall additionally repay the Town the full amount received by it under this Agreement, less any amount equal to the consideration received by the Town from the expenditure of any part of the Funds up to such time, if any.

9. Representations of Recipient. Recipient makes the following representations, which are agreed to constitute a material part of the consideration hereunder and which are, and shall remain, true and accurate:

A. This Agreement and each of its terms constitutes a valid, legal, and binding obligation of Recipient, enforceable against Recipient in accordance with its terms;

B. Recipient is a bona fide non-profit organization recognized as such under the revenue and tax laws of the United States and the State of Arizona;

C. This Agreement is in compliance with the Constitution of the State of Arizona, and Article 9, Section 7 thereof, and relevant Arizona case law;

D. The consideration to be received by the Town under this Agreement is approximately equal in value to the amount of the Funds; and

E. The persons executing this Agreement on behalf of Recipient have full power and authority to do so and Recipient has full power and authority to enter into and to perform its obligations under this Agreement.

10. Conflict of Interest. This Agreement is subject to the terms of A.R.S. § 38-511, which are incorporated herein.

11. Indemnification. Recipient shall indemnify, defend, and hold Town harmless from and against any and all claims, demands, suits, actions, proceedings, loss, costs, and damages of every kind and description, including any reasonable attorneys' fees and/or litigation expenses, which may be brought or made against or incurred by Town on account of (1) loss or damage to any property or interest of Town; (2) any damages, injury to person or property, or death of any person arising out of any acts, errors, omissions, work, or services of the Recipient, its employees, agents, representatives, or subcontractors, their employees, agents, or representatives; (3) any workers' compensation claims, unemployment compensation claims, or unemployment disability claims of employees of the Recipient or claims under similar such laws or obligations; (4) any use of the Funds by Recipient; and (5) any and all loss, damage, liability, or expense (including reasonable attorneys' fees) resulting from any breach or non-performance of any covenant, agreement, or representation in this Agreement. In the event that any part of this Paragraph 11, Indemnification, is determined to be unenforceable, Recipient is not relieved of any liability resulting from its representation that said indemnification is a legally binding obligation of Recipient pursuant to Paragraph 9.A.

12. Dispute Resolution. This Agreement shall be governed and construed in accordance with the internal laws of the State of Arizona. Any dispute, controversy, claim, or cause of action arising out of or related to this Agreement may, but in no event need, be settled by submission, with the written consent of both parties, to binding arbitration in accordance with the rules of the American Arbitration Association and the Arizona Uniform Arbitration Act, A.R.S. § 12-1501, *et seq.*, and judgment upon any award rendered by the arbitrator(s) shall be entered in the Superior Court of Gila County, Arizona, or any such dispute, controversy, claim, or cause of action may be litigated in the Superior Court of Gila County, Arizona. The venue for any such dispute shall be Gila County, Arizona. Both parties consent in advance to such venue and jurisdiction and waive any right to object that Gila County is an inconvenient forum or improper forum based upon lack of venue. Neither party shall be entitled to recover from the other party any of its attorneys' fees, costs, or expert witness fees incurred in any such dispute, controversy, claim, or cause of action, but each party shall bear its own attorneys' fees, whether the same is resolved through arbitration, litigation in a court, or otherwise.

13. Notices. Notices shall be in writing and shall be given by personal delivery, by deposit in the United States mail, certified mail, return receipt requested, postage prepaid, or by express delivery service, freight prepaid, in each case by delivery to Recipient and Town at the addresses set forth below in this Paragraph 13 or at such other address as a party may designate in writing. The date notice is given shall be the date on which notice is delivered, if notice is given by personal delivery, or the date of deposit in the mail or with an express delivery service, if the notice is sent through the United States mail or by express delivery service. Notice shall be deemed to have been received on the date on which the notice is delivered if notice is given by personal delivery, one business day following such deposit with the express delivery service if notice is sent by express delivery service, or three days following such deposit in the mail if notice is sent through the United States mail.

To Town:
Town of Payson
Attention: Town Manager
303 North Beeline Highway
Payson, Arizona 85541

To Recipient:
Payson Multipurpose Senior Center
Development Association, Inc.
Attention: Deborah Barber, President
514 West Main Street
Payson, Arizona 85541

14. Assignment. Neither this Agreement nor any part hereof shall be assigned by either party. Any attempted assignment in violation of this Paragraph 14 shall render this Agreement void and shall invoke the remedies set forth in Paragraph 8 hereinabove.

15. Construction of Agreement. This Agreement shall be construed and interpreted according to its plain meaning and no presumption shall be deemed to apply in favor of or against the party drafting this Agreement. The parties acknowledge and agree that each has had the opportunity to seek and utilize legal counsel in the drafting of, review of, and entry into this Agreement.

16. Waiver. No delay in exercising any right or remedy shall constitute a waiver thereof, and no waiver by Town or Recipient of the breach of any covenant of this Agreement shall be construed as a waiver of any preceding or succeeding breach of the same or any other covenant or condition of this Agreement, nor shall any waiver be a continuing waiver. Except as expressly provided in this Agreement, no waiver shall be binding unless executed in writing by the party making the wavier.

17. Construction. This Agreement shall be construed according to the internal law of Arizona without the application of any principles of conflicts of law that would require or permit the application of the laws of any other jurisdiction.

18. Further Documentation. Each party agrees in good faith to execute and deliver such further or additional documents as may be necessary or appropriate to fully carry out the intent and purpose of this Agreement.

19. Time Periods. Except as expressly provided for herein, the time for performance of any obligation or taking any action under this Agreement shall be deemed to expire at 5:00 p.m. (Payson time) on the last day of the applicable time period provided for herein. If the time for the performance of any obligation or taking any action under this Agreement expires on a Saturday, Sunday or legal holiday, the time for performance or taking such action shall be extended to the next succeeding day which is not a Saturday, Sunday or legal holiday.

20. Headings and Counterparts. The headings of this Agreement are for purposes of reference only and shall not limit or define the meaning of any provision of this Agreement. This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which shall constitute one and the same instrument.

21. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter contained in this Agreement. All prior and contemporaneous agreements, representations and understandings of this parties, oral or written, are superseded by and merged in this Agreement. No supplement, modification or amendment of this Agreement shall be binding unless in writing and executed by Town and Recipient.

22. Severability. If any provision of this Agreement is declared void or unenforceable, such provision shall be severed from this Agreement, which shall otherwise remain in full force and effect.

23. Civil Rights Act of 1964. Under Title VI of the Civil Rights Acts of 1964, no person shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under this Agreement or any program or activity receiving financial assistance under this Agreement.

24. Compliance with Laws. Recipient shall comply with all applicable laws, ordinances and codes of the United States, the State of Arizona, the Town of Payson, and other local governments.

25. No Employment Relation. Nothing herein creates, nor shall be deemed or construed to create, any employment relationship between the Town and any other person

26. No Partnership. This Agreement is not intended to, and nothing contained in this Agreement shall, create any partnership, joint venture, or other arrangement between the Town and the Recipient. Recipient is a contractor independent of the Town. No term or provision of this Agreement is intended to, or shall be for the benefit of any person, firm, organization, or corporation not a party hereto, and no such other person, firm, organization, or corporation shall have any right or cause of action hereunder.

IN WITNESS WHEREOF, Town and Recipient have executed this Agreement effective the day and year set forth above.

TOWN:
TOWN OF PAYSON,
an Arizona municipal corporation

By_____
F. Robert Edwards, Mayor

RECIPIENT:
PAYSON MULTIPURPOSE SENIOR CENTER DEVELOPMENT ASSOCIATION, INC., an Arizona non-profit corporation

By_____
Deborah Barber, President

ATTEST:

Silvia Smith, Town Clerk

ATTEST:

APPROVED AS TO FORM:

Samuel I. Streichman, Town Attorney

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PUBLIC PURPOSE FUNDING AGREEMENT

THIS AGREEMENT ("Agreement") is entered into as of this _____ day of _____, 2007, between the TOWN OF PAYSON, an Arizona municipal corporation ("Town"), and Rim Country Literacy Program, Inc., an Arizona non-profit corporation ("Recipient").

WHEREAS, there are public services that are either not provided for by the Town directly or that may be enhanced through an agreement with third parties; and

WHEREAS, Section 35.03 of the Town Code authorizes the Town to make agreements with non-profit organizations to provide various services for the benefit of the Town and its citizens; and

WHEREAS, the Recipient has provided the Town with the foundation justifying its request for funding such services; and

WHEREAS, the Town has determined that the Recipient will use the funding provided for herein for a goal which the Town would seek to attain irrespective of the activities of Recipient; and

WHEREAS, Recipient can perform the services set forth hereunder more cost effectively than the Town; and

WHEREAS, Recipient is a non-profit organization; and

WHEREAS, the disbursement of funds hereunder is to obtain goals sought by the Town Council, to wit: providing literacy instruction for residents of Payson with emphasis on reading, writing, comprehending and speaking English; citizenship; early childhood development; GED and pre-GED instruction; and

WHEREAS, the funds being sought are approximately equal to the value of the services to be provided hereunder,

NOW, THEREFORE, in consideration of the foregoing premises and the mutual promises and agreements set forth herein, the parties hereto state, confirm, and agree as follows:

1. Term. The term of the Agreement shall commence July 1, 2006, and terminate June 30, 2007. This Agreement shall not be extended.

2. Funds. The Town agrees to disburse Four Thousand Two Hundred Dollars ($4,200.00) in four payments to the Recipient (on or before the last day of October 2006, January 2007, April 2007, and July 2007). Such disbursements shall only be made if Recipient is current with all the reports and records pursuant to paragraph 6 of this Agreement.

3. Purpose of Funding. The Funds shall be used to provide literacy instruction for residents of Payson with emphasis on reading, writing, comprehending and speaking English; citizenship; early childhood development; GED and pre-GED instruction.

4. Restricted Use of Funds. Funds shall be used for the benefit of Town residents and taxpayers alone. No part of the Funds will be disbursed for the benefit of persons or entities other than Town taxpayers and residents. Any use of the Funds received from the Town by Recipient other than as permitted or required herein shall be deemed a material breach of this Agreement.

5. Non-Profit Status. The Recipient shall provide the Town with its state and federal tax identification numbers prior to receiving any of the Funds. Any changes in the Recipient's tax status or any change in tax numbers assigned to the Recipient shall be reported to the Town within five (5) days.

6. Records. Recipient shall provide the Town with quarterly reports (July - September 2006, October - December 2006, January - March 2007, and April - June 2007) detailing its activities and how Recipient has used the funds provided to the Recipient by the Town. Upon request of the Town, the Recipient shall provide legible, auditable records to the Town that support the quarterly reports. Failure to provide these records or any other proper document requested by the Town shall be deemed a material breach of this Agreement. Recipient shall maintain accounts and records, including personnel, property, and financial records, adequate to identify and account for all costs pertaining to this Agreement and such other records as may be deemed necessary by the Town to assure proper accounting for all project funds. These records shall be retained for five (5) years after the expiration of this Agreement unless permission to destroy them is granted in writing by the Town.

7. Default. Without limiting the generality of what constitutes a default hereunder, the following shall each specifically be deemed a default constituting a material breach of this Agreement:

   A. Failure of Recipient to provide auditable records to the Town;

   B. Failure of Recipient to provide proper documents requested by the Town; or

   C. The making of any unauthorized or unexplained expenditures by Recipient from the Funds provided by the Town.

8. Remedies. If Recipient fails to perform when due any act required by this Agreement to be performed, then, in addition to whatever other remedies are available to Town at law or in equity, including the right to have specific performance of this Agreement, Town may cancel this Agreement without any further liability hereunder, such cancellation to be effective immediately upon Town giving written notice of cancellation to Recipient. In

the event of a breach of any provision in this Agreement by Recipient, and in addition to any remedies provided in law or equity, this Agreement shall be conclusively deemed to be terminated without further action by the Town. In the event of termination of this Agreement for breach, Recipient shall without demand return to the Town all funds received by Recipient from the Town which have not, as of the time of breach, been disbursed by Recipient. At the request of the Town after breach by Recipient, Recipient shall additionally repay the Town the full amount received by it under this Agreement, less any amount equal to the consideration received by the Town from the expenditure of any part of the Funds up to such time, if any.

9. Representations of Recipient. Recipient makes the following representations, which are agreed to constitute a material part of the consideration hereunder and which are, and shall remain, true and accurate:

   A. This Agreement and each of its terms constitutes a valid, legal, and binding obligation of Recipient, enforceable against Recipient in accordance with its terms;

   B. Recipient is a bona fide non-profit organization recognized as such under the revenue and tax laws of the United States and the State of Arizona;

   C. This Agreement is in compliance with the Constitution of the State of Arizona, and Article 9, Section 7 thereof, and relevant Arizona case law;

   D. The consideration to be received by the Town under this Agreement is approximately equal in value to the amount of the Funds; and

   E. The persons executing this Agreement on behalf of Recipient have full power and authority to do so and Recipient has full power and authority to enter into and to perform its obligations under this Agreement.

10. Conflict of Interest. This Agreement is subject to the terms of A.R.S. § 38-511, which are incorporated herein.

11. Indemnification. The Recipient shall indemnify, defend, and hold Town harmless from and against any and all claims, demands, suits, actions, proceedings, loss, costs, and damages of every kind and description, including any reasonable attorneys' fees and/or litigation expenses, which may be brought or made against or incurred by Town on account of (1) loss or damage to any property or interest of Town; (2) any damages, injury to person or property, or death of any person arising out of any acts, errors, omissions, work, or services of the Recipient, its employees, agents, representatives, or subcontractors, their employees, agents, or representatives; (3) any workers' compensation claims, unemployment compensation claims, or unemployment disability claims of employees of the Recipient or claims under similar such laws or obligations; (4) any use of the Funds by Recipient; and (5) any and all loss, damage, liability, or expense

(including reasonable attorneys' fees) resulting from any breach or non-performance of any covenant, agreement, or representation in this Agreement. In the event that any part of this Paragraph 11, Indemnification, is determined to be unenforceable, Recipient is not relieved of any liability resulting from its representation that said indemnification is a legally binding obligation of Recipient pursuant to Paragraph 9.A.

12. Dispute Resolution. This Agreement shall be governed and construed in accordance with the internal laws of the State of Arizona. Any dispute, controversy, claim, or cause of action arising out of or related to this Agreement may, but in no event need, be settled by submission, with the written consent of both parties, to binding arbitration in accordance with the rules of the American Arbitration Association and the Arizona Uniform Arbitration Act, A.R.S. § 12-1501, et seq., and judgment upon any award rendered by the arbitrator(s) shall be entered in the Superior Court of Gila County, Arizona, or any such dispute, controversy, claim, or cause of action may be litigated in the Superior Court of Gila County, Arizona. The venue for any such dispute shall be Gila County, Arizona. Both parties consent in advance to such venue and jurisdiction and waive any right to object that Gila County is an inconvenient forum or improper forum based upon lack of venue. Neither party shall be entitled to recover from the other party any of its attorneys' fees, costs, or expert witness fees incurred in any such dispute, controversy, claim, or cause of action, but each party shall bear its own attorneys' fees, whether the same is resolved through arbitration, litigation in a court, or otherwise.

13. Notices. Notices shall be in writing and shall be given by personal delivery, by deposit in the United States mail, certified mail, return receipt requested, postage prepaid, or by express delivery service, freight prepaid, in each case by delivery to Recipient and Town at the addresses set forth below in this Paragraph 13 or at such other address as a party may designate in writing. The date notice is given shall be the date on which notice is delivered, if notice is given by personal delivery, or the date of deposit in the mail or with an express delivery service, if the notice is sent through the United States mail or by express delivery service. Notice shall be deemed to have been received on the date on which the notice is delivered if notice is given by personal delivery, one business day following such deposit with the express delivery service if notice is sent by express delivery service, or three days following such deposit in the mail if notice is sent through the United States mail.

To Town:
Town of Payson
Attention: Town Manager
303 North Beeline Highway
Payson, Arizona 85541

To Recipient:
Rim Country Literacy Program, Inc.
Attention: Nancy Althoff, President
809 West Longhorn Road, Suite C14
Payson, Arizona 85541

14. Assignment. Neither this Agreement nor any part hereof shall be assigned by either party. Any attempted assignment in violation of this Paragraph 14 shall render this Agreement void and shall invoke the remedies set forth in Paragraph 8 hereinabove.

15. Construction of Agreement. This Agreement shall be construed and interpreted

according to its plain meaning and no presumption shall be deemed to apply in favor of or against the party drafting this Agreement. The parties acknowledge and agree that each has had the opportunity to seek and utilize legal counsel in the drafting of, review of, and entry into this Agreement.

16. Waiver. No delay in exercising any right or remedy shall constitute a waiver thereof, and no waiver by Town or Recipient of the breach of any covenant of this Agreement shall be construed as a waiver of any preceding or succeeding breach of the same or any other covenant or condition of this Agreement, nor shall any waiver be a continuing waiver. Except as expressly provided in this Agreement, no waiver shall be binding unless executed in writing by the party making the wavier.

17. Construction. This Agreement shall be construed according to the internal law of Arizona without the application of any principles of conflicts of law that would require or permit the application of the laws of any other jurisdiction.

18. Further Documentation. Each party agrees in good faith to execute and deliver such further or additional documents as may be necessary or appropriate to fully carry out the intent and purpose of this Agreement.

19. Time Periods. Except as expressly provided for herein, the time for performance of any obligation or taking any action under this Agreement shall be deemed to expire at 5:00 p.m. (Payson time) on the last day of the applicable time period provided for herein. If the time for the performance of any obligation or taking any action under this Agreement expires on a Saturday, Sunday or legal holiday, the time for performance or taking such action shall be extended to the next succeeding day which is not a Saturday, Sunday or legal holiday.

20. Headings and Counterparts. The headings of this Agreement are for purposes of reference only and shall not limit or define the meaning of any provision of this Agreement. This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which shall constitute one and the same instrument.

21. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter contained in this Agreement. All prior and contemporaneous agreements, representations and understandings of this parties, oral or written, are superseded by and merged in this Agreement. No supplement, modification or amendment of this Agreement shall be binding unless in writing and executed by Town and Recipient.

22. Severability. If any provision of this Agreement is declared void or unenforceable, such provision shall be severed from this Agreement, which shall otherwise remain in full force and effect.

23. Civil Rights Act of 1964. Under Title VI of the Civil Rights Acts of 1964, no person shall, on the grounds of race, color, religion, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under this Agreement or any program or activity receiving financial assistance under this Agreement.

24. Compliance with Laws. Recipient shall comply with all applicable laws, ordinances and codes of the United States, the State of Arizona, the Town of Payson, and other local governments.

25. No Employment Relation. Nothing herein creates, nor shall be deemed or construed to create, any employment relationship between the Town and any other person

26. No Partnership. This Agreement is not intended to, and nothing contained in this Agreement shall, create any partnership, joint venture, or other arrangement between the Town and the Recipient. Recipient is a contractor independent of the Town. No term or provision of this Agreement is intended to, or shall be for the benefit of any person, firm, organization, or corporation not a party hereto, and no such other person, firm, organization, or corporation shall have any right or cause of action hereunder.

IN WITNESS WHEREOF, Town and Recipient have executed this Agreement effective the day and year set forth above.

TOWN:
TOWN OF PAYSON,
an Arizona municipal corporation

By_____
F. Robert Edwards, Mayor

ATTEST:

_____
Silvia Smith, Town Clerk

APPROVED AS TO FORM:

_____
Samuel I. Streichman, Town Attorney

RECIPIENT:
RIM COUNTRY LITERACY
PROGRAM, INC.,
an Arizona non-profit corporation

By_____
Its: _____

ATTEST:

_____
_____

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