

AGREEMENT FOR THE USE OF CITY FUNDS

This Agreement is entered into between **the City of Lawrence, KS**, a municipal corporation (hereafter "City") and **Downtown Lawrence, Inc.** (hereafter the "Independent Agency"), on this 6th day of 2008 2008, for the purpose of establishing certain conditions on the receipt, expenditure and use of City funds received by the Independent Agency.

I. Use of City Funds

As a condition of the receipt of City funds amounting to **\$47,000** during City budget year 2008, the Independent Agency hereby agrees to use and expend all such funds pursuant to:

- A. Its 2008 Work Plan as submitted to the City of Lawrence;
- B. All applicable federal, state, and local laws;
- C. The application for funds, as submitted to the City of Lawrence; and
- D. The Independent Agency's mission statement to preserve, protect and promote Downtown Lawrence.

II. Independent Contractor

The Independent Agency further agrees that it is an independent contractor of the City, and that the employees, agents, and vendors of the Independent Agency are not employees of the City.

III. Disbursement of Funds

- A. The Independent Agency shall request disbursement of funds as follows:
 - 1. Requests for disbursements shall be made by the Independent Agency in writing, on the official letterhead of the agency;
 - 2. Unless otherwise agreed to in writing, requests shall be submitted quarterly.
- B. **The City retains the right to withhold subsequent disbursements of funds for failure to submit a six-month progress report by July 15, 2008.**
- C. The City retains the right to unilaterally adjust the amount of any disbursement if the City Commission determines that insufficient public funds exist to fully fund the agency at the level indicated in this agreement.

IV. Reporting Requirements

The Independent Agency shall provide written reports to the City as follows:

- A. A six-month progress report shall be due no later than **July 15, 2008** that provides in a narrative form a description of the progress made towards meeting the goals and outcomes described in the Independent Agency's Application for Funding and 2008 Work Plan.
- B. The following documents shall be due to the City by **March 31, 2009**:
 - 1. IRS Form 990 (i.e. copy of Federal Tax Return for 2008) as well as a copy of the corporate annual report filed with the Kansas Secretary of State – FORM NP (not-for-profit) filing.
 - 2. A copy of the agency's financial audit. It is suggested that the agency adopt SFAS No. 117. This standard has been adopted by the Financial

Accounting Standards Board as a preferred accounting method for non-profit corporations.

3. A copy of the Agency's Annual Report that includes a summary of how the funds were used, to include an assessment of the agency's annual accomplishments and outcomes.

V. Access to Financial Records

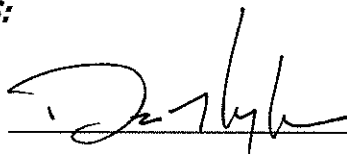
In addition, the Independent Agency shall provide the City with reasonable access to financial records concerning the expenditure of City Funds.

VI. Withholding of Payment

The City shall retain the authority to withhold any and all payments to the Independent Agency if, in the sole judgment of the City, the proposed or continued use of the funds violates the terms of this Agreement, any applicable law, or is contrary to the appropriate use of public funds.

THE UNDERSIGNED, DULY REPRESENTING DESTINATION MANAGEMENT, INC., THE INDEPENDENT AGENCY OF THIS AGREEMENT, HEREBY AGREES TO THE CONDITIONS OF THIS AGREEMENT FOR THE RECEIPT, EXPENDITURE AND USE OF CITY FUNDS:

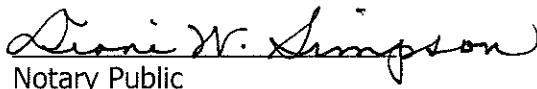
Signature: _____



Print Name and Title: DAN HUGHES PRESIDENT

STATE OF KANSAS)
COUNTY OF DOUGLAS)

The foregoing Agreement was acknowledged before me this 6th day of February, 2008 by Dan Hughes, representing Downtown Lawrence, Inc. as the Independent Agency of this Agreement. In testimony whereof, I have hereunto set my hand and affixed my official seal on the day and year last above written.


Notary Public



My commission expires: 8/29/2008

THE UNDERSIGNED FOR THE CITY OF LAWRENCE, KANSAS:

Signature: _____

Printed Name and Title: _____

STATE OF KANSAS)
COUNTY OF DOUGLAS)

The foregoing Agreement was acknowledged before me this _____ day of _____, 2008 by _____, representing the City of Lawrence, Kansas. In testimony whereof, I have hereunto set my hand and affixed my official seal on the day and year last above written.

Notary Public

My commission expires: _____