

## **Memorandum of Understanding – Smithfield 2020 Project**

### **PURPOSE**

By a resolution of its Board of Directors, Historic Smithfield, Inc., has agreed to sponsor and provide fiduciary support to a community effort dedicated to the economic and cultural vitality of the business district of Smithfield, Virginia. A volunteer multi-organizational committee, the Smithfield 2020 Project Team, has been formed to coordinate and address all manner of ideas, recommendations, initiatives and projects that are identified to it to encourage commercial development, support existing and prospective merchants, promote the arts, and attract and delight visitors while ensuring good stewardship of Smithfield's historical roots.

This Memorandum of Understanding defines the sponsorship and fiduciary support to be provided by Historic Smithfield to the Smithfield 2020 Project Team.

### **ROLE OF HISTORIC SMITHFIELD, INC.**

Historic Smithfield shall provide fiduciary support to the Smithfield 2020 project through the custody of funds, the accounting of sources and uses of funds, and the filing of any required tax reports. Funding raised specifically for Smithfield 2020 initiatives shall be deposited and disbursed at the direction and on authority of the voting membership of the Smithfield 2020 Project Team.

Historic Smithfield, at the discretion of its Board of Directors, may provide direct financial support for Smithfield 2020 initiatives, but nothing in this Memorandum of Understanding or in its sponsorship of the Smithfield 2020 project obligates it to provide direct financial support from its own funds.

### **AUTHORIZED ACTIVITIES**

The Board of Historic Smithfield authorizes the Smithfield 2020 Project Team to conduct and carry on only those activities allowed for organizations exempt from Federal Income Tax pursuant to Section 501(c)(3) of the Internal Revenue Code. The Project Team shall not, as a substantial part of its activities, attempt to influence legislation nor participate or intervene to any extent in any campaign for or against any candidate for political office.

The Board of Historic Smithfield agrees that Smithfield 2020 will collect and review ideas, recommendations, initiatives and projects identified to it which are consistent with its purpose and will take action on tasks according to its governance and management. The collection and review is to be completed in a consistent, deliberate and transparent manner. The Smithfield 2020 project is to be governed by operating guidelines which the Project Team will develop and to which every Project Team member will agree in writing.

## **MEMBERSHIP ON THE SMITHFIELD 2020 PROJECT TEAM**

Historic Smithfield will be represented on the Smithfield 2020 Project Team by two voting members.

## **SMITHFIELD 2020 BANK ACCOUNTS AND FINANCIAL REPORTING**

Historic Smithfield shall maintain on behalf of Smithfield 2020 bank accounts separate from other Historic Smithfield bank accounts. The Historic Smithfield Board shall authorize the Smithfield 2020 project team leader and an alternate designee to sign checks, notes, drafts and other orders for the payment of money against the Smithfield 2020 accounts. A second signature by the Historic Smithfield Treasurer or alternate designee shall be required for the execution of checks, notes drafts and other orders for payment against the Smithfield 2020 accounts.

The maintenance of a cash receipts (source of funds) journal, a cash disbursement journal and actual cash balance report will be provided at no cost to the Smithfield 2020 Project Team and be reported by the Treasurer of Historic Smithfield to the Project Team annually or otherwise as necessary and reasonably requested.

The costs incurred by Historic Smithfield in the annual preparation of tax reports and other filings mandated for 501(c)(3) entities will be passed through on a pro-rated basis to the Smithfield 2020 Project Team.

## **HOLD HARMLESS**

In consideration of the agreement by Historic Smithfield to provide fiduciary support to Smithfield 2020, Smithfield 2020 and their heirs, assigns, executors and administrators agree to indemnify, defend and hold forever harmless Historic Smithfield, its officers, agents and employees from and against any and all claims, demands, liabilities, actions, judgments, settlements, damages, costs and expenses (including attorney's fees and disbursements) for injury to or death of any person, or damage to property arising out of or resulting from Smithfield 2020, or its agents, servants or employees, conducting or carrying on authorized activities, or any related initiatives and projects, or from any action or failure to act on the part of Historic Smithfield or Smithfield 2020, or the agents, servants or employees of either party, while performing services for, at the behest of, or under contract with the other party.

## **DISSOLUTION**

In the event of dissolution or termination of the Smithfield 2020 Project by any means whatsoever, and after appropriate provisions have been made for all outstanding obligations of the project, any remaining assets revert to Historic Smithfield, Inc.

Accepted and adopted by the Board of Directors of Historic Smithfield, Inc., April 23<sup>rd</sup>, 2010.

/s/ Julia B. Hillegass \_\_\_\_\_  
Julia B. Hillegass, President, Historic Smithfield, Inc.

Accepted and agreed to by the Smithfield 2020 Project Team April 23<sup>rd</sup>, 2010.

/s/ Mark J. Hall \_\_\_\_\_  
Mark J. Hall, Project Chair, Smithfield 2020