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**THIRD AMENDMENT  
TO  
PROFESSIONAL SERVICES AGREEMENT  
BETWEEN  
THE TOWN OF FOUNTAIN HILLS  
AND  
FOUNTAIN HILLS COMMUNITY THEATER, INC.**

THIS THIRD AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT (this "Third Amendment") is made as of October 6, 2011, between the TOWN OF FOUNTAIN HILLS, an Arizona municipal corporation (the "Town") and FOUNTAIN HILLS COMMUNITY THEATER, INC., an Arizona corporation (the "Contractor").

RECITALS

A. The Town and the Contractor entered into a Professional Services Agreement dated May 17, 2007 (the "Original Agreement"), as amended by the certain First Amendment dated October 4, 2007 (the "First Amendment") and as amended by that certain Second Amendment, dated June 21, 2010 (the "Second Amendment") for the Contractor to provide youth arts services (the "Services"). The Original Agreement, First Amendment and Second Amendment are collectively referred to herein as the "Agreement."

B. The Town has determined that it is necessary to extend the Agreement with the Contractor for the Services.

C. The Town and the Contractor desire to enter into this Third Amendment to (i) extend the term of the Agreement, (ii) include a renewal provision, (iii) change the payment provision, (iv) modify the scope of work of the Agreement and (v) provide compensation to the Contractor for the Services.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated herein by reference, the following mutual covenants and conditions and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Town and the Contractor hereby agree to amend the Agreement as follows:

1. Term. The term of the Agreement is hereby extended until June 30, 2012 (the "Initial Term"). This Agreement may be renewed for up to two consecutive one-year terms (each a "Renewal Term") if deemed in the best interest of the Town and subject to availability and appropriation of funds for renewal in each subsequent year. Such renewal shall occur upon the Town's written notice to the Contractor given not later than 30 days prior to the end of the then-current term. The Initial Term and any Renewal Terms are collectively referred to herein as the "Term." Upon renewal, the terms and conditions of the Agreement shall remain in full force and effect.

2. Scope of Work. The Contractor shall provide the Services as set forth in Scope of Work attached hereto as Exhibit A.

3. Compensation. For the Initial Term the Town shall pay Contractor an annual aggregate amount not to exceed \$72,240.00 for the Services as set forth in the Scope of Work attached hereto as Exhibit A.

4. Payments. Section 4, Payments, of the Agreement is hereby deleted in its entirety and replaced with the following:

4. Payments. The Town shall pay the Contractor for the Services within 30 days upon receipt of invoices and expenditure reports.

5. Agreement Subject to Appropriation. This Third Amendment and the Agreement are subject to the provisions of ARIZ. CONST. ART. IX, § 5 and ARIZ. REV. STAT. § 42-17106. The provisions of this Third Amendment and the Agreement for payment of funds by the Town shall be effective when funds are appropriated for purposes of this Third Amendment and the Agreement and are actually available for payment. The Town shall be the sole judge and authority in determining the availability of funds under this Third Amendment and the Agreement and the Town shall keep the Contractor fully informed as to the availability of funds for this Third Amendment and the Agreement. The obligation of the Town to make any payment pursuant to this Third Amendment and the Agreement is a current expense of the Town, payable exclusively from such annual appropriations, and is not a general obligation or indebtedness of the Town. If the Town Council fails to appropriate money sufficient to pay the amounts as set forth in this Third Amendment and the Agreement during any immediately succeeding fiscal year, this Third Amendment and the Agreement shall terminate at the end of then-current fiscal year and the Town and the Contractor shall be relieved of any subsequent obligation under this Third Agreement and the Agreement.

6. Effect of Amendment. In all other respects, the Agreement is affirmed and ratified and, except as expressly modified herein, all terms and conditions of the Agreement shall remain in full force and effect.

7. Non-Default. By executing this Third Amendment, the Contractor affirmatively asserts that (i) the Town is not currently in default, nor has been in default at any time prior to this Third Amendment, under any of the terms or conditions of the Agreement and (ii) any and all claims, known or unknown relating to the Agreement and existing on or before the date of this Third Amendment are forever waived.

8. Conflict of Interest. This Third Amendment and the Agreement may be cancelled by the Town pursuant to ARIZ. REV. STAT. § 38-511.

[SIGNATURES ON FOLLOWING PAGES]

IN WITNESS WHEREOF, the parties hereto have executed this instrument as of the date and year first set forth above.

“Town”

TOWN OF FOUNTAIN HILLS, an Arizona municipal corporation

J. A. Ghetti  
Julie Ghetti, Interim Town Manager

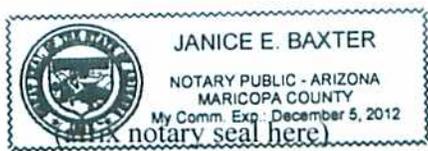
ATTEST:

Bevelyn J. Bender  
Bevelyn J. Bender, Town Clerk

(ACKNOWLEDGEMENT)

STATE OF ARIZONA        )  
  ) ss.  
COUNTY OF MARICOPA    )

This instrument was acknowledged before me on October 10, 2011, by Julie Ghetti, Interim Town Manager of the TOWN OF FOUNTAIN HILLS, an Arizona municipal corporation, on behalf of the Town of Fountain Hills.



Janice E. Baxter  
Notary Public in and for the State of Arizona

“Contractor”

FOUNTAIN HILLS COMMUNITY THEATER, INC.,  
an Arizona corporation

By: Val Stasik

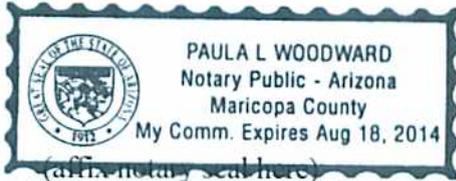
Name: VAL STASIK

Its: Executive Director

(ACKNOWLEDGEMENT)

STATE OF ARIZONA        )  
  ) ss.  
COUNTY OF MARICOPA )

This instrument was acknowledged before me on September 28, 2011,  
by Val Stasik as executive Director of FOUNTAIN HILLS  
COMMUNITY THEATER, INC., an Arizona corporation, on behalf of the corporation.



Paula L. Woodward  
Notary Public in and for the State of Arizona

EXHIBIT A  
TO  
THIRD AMENDMENT  
TO  
PROFESSIONAL SERVICES AGREEMENT  
BETWEEN  
THE TOWN OF FOUNTAIN HILLS  
AND  
FOUNTAIN HILLS COMMUNITY THEATER, INC.

[Scope of Work]

See following page.

## SCOPE OF WORK – COMMUNITY CONTRACTS

### FOUNTAIN HILLS COMMUNITY THEATER

The Town will underwrite losses for the following performances:

Beauty and the Beast	August 26 – September 11, 2011
Legends in the Attic	October 7 – October 23, 2011
Elves and the Shoemaker	December 2 – December 18, 2011
Seussical Jr.	February 3 – February 19, 2012
Chapters YABOY Production	March 16 – April 1, 2012

The Town will fully underwrite the following performances:

Crazy for You	February 24 – March 11, 2012
Mame Season Finale	

The Town name and logo will be prominently displayed and acknowledged on all advertising and promotional material as either a partial or full sponsor of each production.

#### Reporting:

A report after each production will be provided to the Town that includes number of attendees, per ticket price and number of performances.