

MEMORANDUM OF UNDERSTANDING
Between the City of Bisbee and Naco Heritage Alliance, Inc.
Regarding Payment Processing for Camp Naco Projects

This Memorandum of Understanding ("MOU") is entered into by and between the **City of Bisbee, Arizona**, an Arizona municipal corporation ("City"), and **Naco Heritage Alliance, Inc.**, an Arizona nonprofit corporation recognized as tax-exempt under Section 501(c)(3) of the Internal Revenue Code, **EIN 27-1039885** ("NHA"). The City and NHA may be referred to individually as a "Party" and collectively as the "Parties."

Effective Date: July 21, 2026

1. Purpose

The purpose of this MOU is to establish a practical framework allowing Camp Naco-related project expenses to be paid through existing City channels when doing so is administratively, legally, financially, or operationally useful to the Parties. This MOU is intended to help further define the relationship between both parties alongside the MOU approved by City of Bisbee City Council effective July 1, 2025.

This MOU is intended to support the preservation, rehabilitation, improvement, operation, programming, and public benefit of Camp Naco by allowing the City, when appropriate and mutually agreed upon, to process certain payments, contracts, purchase orders, reimbursements, invoices, vendor payments, grant-related expenditures, or other project expenses through its existing financial, procurement, accounting, project management, or administrative systems.

2. Background

The Parties recognize that Camp Naco is a significant historic and community asset requiring coordinated preservation, rehabilitation, public access, programming, stewardship, and administrative support.

The Parties further recognize that certain Camp Naco projects may involve public funding, private funding, philanthropic support, grants, donations, reimbursements, restricted funds, vendor contracts, construction-related costs, professional services, or other expenditures that may be most efficiently handled through existing City channels.

This MOU is intended to provide flexibility while preserving appropriate oversight, documentation, compliance, and accountability.

3. Scope of Covered Projects and Expenses

This MOU may apply to expenses related to Camp Naco, including but not limited to:

- a. Preservation, rehabilitation, stabilization, restoration, construction, or capital improvement projects;
- b. Architectural, engineering, environmental, planning, design, consulting, legal, accounting, or other professional services;
- c. Site preparation, utilities, infrastructure, accessibility, safety, drainage, landscaping, equipment, or facilities expenses;
- d. Interpretation, exhibits, educational materials, public programming, community engagement, and event-related costs;
- e. Grant-funded or donor-funded Camp Naco projects;
- f. Vendor payments, contractor payments, reimbursements, deposits, retainage, match payments, or project-related administrative expenses; and
- g. Other Camp Naco-related expenses mutually approved in writing by the Parties.

4. Use of Existing City Channels

When mutually agreed upon, the City may use its existing administrative channels to support Camp Naco project payments. These channels may include, but are not limited to:

- a. City procurement processes;
- b. City accounts payable processes;
- c. City purchase orders;
- d. City vendor registration and payment systems;
- e. City project accounting or grant accounting systems;
- f. City contract administration procedures;
- g. City reimbursement or drawdown processes; and
- h. Other lawful City financial or administrative mechanisms.

Nothing in this MOU requires the City to use a particular payment method, procurement method, account structure, or administrative process if the City determines that doing so would be inconsistent with applicable law, City policy, grant requirements, accounting standards, procurement rules, or the City's administrative capacity.

5. Written Authorization and Approval

Before the City processes payment for a Camp Naco project expense under this MOU, the Parties shall confirm the expense in writing. Written confirmation may occur by email, letter, invoice approval, project authorization form, purchase order request, grant documentation, or another written method acceptable to both Parties.

Each written authorization should identify, when applicable:

- a. The project or purpose of the expense;
- b. The vendor, contractor, consultant, or payee;
- c. The amount or estimated amount;

- d. The funding source;
- e. Whether the expense is to be paid directly by the City, reimbursed to the City by NHA, paid from funds held by or available to the City, or handled through another approved arrangement;
- f. Any grant, donor, or restricted-fund requirements;
- g. Any documentation required for payment; and
- h. The designated City and NHA contacts responsible for coordination.

6. Funding and Reimbursement

Unless otherwise approved in writing by the City, this MOU does not obligate the City to advance, pledge, or expend unrestricted City funds for Camp Naco expenses.

Covered expenses may be paid through one or more of the following methods:

- a. Funds already awarded, appropriated, granted, donated, transferred, or otherwise made available to the City for Camp Naco purposes;
- b. Funds provided to the City by NHA for Camp Naco purposes;
- c. Reimbursement from NHA to the City for approved Camp Naco expenses;
- d. Grant or donor funds awarded to NHA but approved for payment through City channels, to the extent permitted by the funder and applicable law;
- e. Grant or donor funds awarded to the City for Camp Naco purposes; or
- f. Any other lawful funding method mutually approved in writing by the Parties.

If NHA is responsible for reimbursing the City, NHA shall reimburse the City within 30 days after receipt of appropriate documentation, unless another written schedule is approved by the Parties.

7. Compliance

All payments processed through City channels shall comply with applicable federal, state, and local laws, regulations, procurement requirements, public records requirements, audit requirements, grant conditions, donor restrictions, accounting standards, and City policies.

NHA shall provide information reasonably necessary for the City to determine whether an expense is properly authorized, adequately documented, and consistent with applicable funding restrictions.

The City shall retain discretion to decline, delay, or request additional documentation for any payment if the City determines that the payment may be inconsistent with applicable requirements or insufficiently documented.

Nothing in this MOU authorizes the City to expend funds except as permitted by applicable law and any required appropriation. Nothing in this MOU authorizes the City to enter into any procurement, contract, or financial obligation except in accordance with applicable law, grant requirements, accounting standards, and City policies. This MOU is intended solely to provide

an administrative framework for processing certain Camp Naco-related payments and does not create independent spending or contracting authority.

8. Records and Documentation

The Parties shall maintain appropriate records related to Camp Naco project payments processed under this MOU.

Records may include invoices, receipts, contracts, purchase orders, payment confirmations, reimbursement requests, grant agreements, donor restrictions, written approvals, project budgets, reports, and correspondence.

The Parties agree to cooperate in providing documentation reasonably needed for audits, grant reporting, financial reporting, donor reporting, public records requests, board review, City review, or other lawful administrative purposes.

9. No Transfer of Ownership or Control

This MOU is limited to administrative coordination and payment processing for Camp Naco-related projects.

Nothing in this MOU transfers ownership of property, creates a lease, grants exclusive control over Camp Naco, transfers legal responsibility for the site, or modifies any separate agreement between the Parties unless expressly stated in a separate written agreement approved by both Parties.

10. Independent Status of the Parties

The Parties remain separate and independent entities. Nothing in this MOU creates a partnership, joint venture, employment relationship, agency relationship, or fiduciary relationship between the Parties, except that the City may, in its sole discretion and consistent with applicable law, process approved payments on behalf of Camp Naco projects as described in this MOU. Nothing herein authorizes either Party to bind the other except through separately authorized written approvals.

Neither Party may bind the other to any contract, debt, obligation, or expenditure unless specifically authorized in writing by the other Party.

11. Administrative Fees

The City may process Camp Naco-related payments under this MOU without an administrative fee unless otherwise agreed in writing.

If the City determines that a particular project requires significant staff time, financial administration, grant management, procurement support, or other administrative work, the Parties may mutually agree in writing to an administrative fee, cost allocation, or reimbursement arrangement.

12. Insurance, Liability, and Indemnification

Each Party shall be responsible for its own acts, omissions, employees, officials, agents, representatives, contractors, and volunteers to the extent provided by law.

To the extent permitted by Arizona law, each Party agrees to cooperate in good faith to address claims, disputes, losses, damages, or liabilities that may arise from activities conducted under this MOU.

Nothing in this MOU shall be construed as a waiver of any defense, immunity, limitation, or protection available to either Party under Arizona law.

13. Term

This MOU shall begin on the Effective Date and shall remain in effect until terminated by either Party under Section 15, unless replaced or superseded by a later written agreement.

The Parties may review this MOU periodically and may amend it as needed to reflect changing project needs, funding requirements, administrative procedures, or legal requirements.

14. Termination

Either Party may terminate this MOU upon thirty days' written notice to the other Party.

Termination shall not relieve either Party of obligations incurred before the effective date of termination, including reimbursement obligations, documentation requirements, reporting obligations, audit cooperation, or obligations tied to previously approved Camp Naco project expenses.

15. Amendments

This MOU may be amended only by written agreement signed by authorized representatives of both Parties.

16. Non-Appropriation

Any financial obligation of the City under this MOU is subject to lawful appropriation and availability of funds. Nothing in this MOU shall be construed to require the City to expend funds not lawfully available or appropriated.

17. Entire Understanding

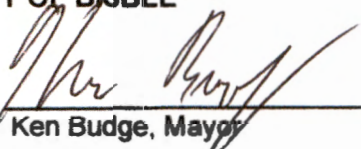
This MOU represents the Parties' general understanding regarding the use of existing City channels for certain Camp Naco-related payments. It does not replace, amend, or supersede any separate grant agreement, lease, intergovernmental agreement, contract, funding agreement, construction agreement, or other binding legal document unless expressly stated in writing.

18. Signatures

The Parties indicate their understanding and acceptance of this MOU by the signatures below.

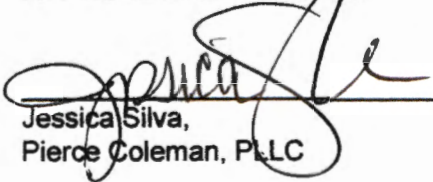
IN WITNESS WHEREOF, the Parties hereto have entered into this Memorandum of Understanding on the date first written above.

CITY OF BISBEE

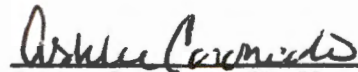
By: 

Ken Budge, Mayor

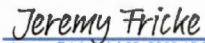
APPROVED AS TO FORM:


Jessica Silva,
Pierce Coleman, PLLC

ATTEST:


Ashlee Coronado, City Manager

NACO HERITAGE ALLIANCE, INC.
EIN 27-1039885

By: 

Jeremy Fricke (Jul 22, 2026 15:07:01 CDT)

Jeremy Fricke, Executive Director