

FUNDING AGREEMENT

This Funding Agreement (the "Agreement") is made and entered into as of _____, 20____, by and between Ojai Valley Defense Fund ("OVDF") and the undersigned recipient organization ("Recipient").

RECITALS:

WHEREAS, OVDF was organized to preserve and protect the environmental quality of Ojai Valley for the general public; and

WHEREAS, OVDF furthers this purpose by providing funds to pay the legal fees and costs incurred by organizations who undertake legal action to preserve and protect the environmental quality of Ojai Valley as determined by the OVDF board of directors; and

WHEREAS, Recipient has completed and submitted a Grant Application Form ("Application") (a copy of which is attached hereto as Exhibit A and incorporated herein by reference) to the OVDF board of directors for its consideration to fund the legal undertaking as defined by the Recipient in the Application ("Legal Action"); and

WHEREAS, based on the review of the Application and after deliberation and discussion by the OVDF board of directors, the OVDF board of directors has agreed to provide funds to the Recipient and the Recipient has agreed to accept such funds pursuant to the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the mutual covenants and conditions hereinafter set forth, and for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereby agree as follows:

AGREEMENT

1. Payment of Legal Fees:

(a) OVDF shall discharge and pay the Recipient's reasonable legal fees and out-of-pocket costs ("Fees") which are directly incurred by the Recipient in order to effectively meet the objectives of the Legal Action to the law firm identified on Schedule 1 hereto (the "Attorneys") or such successor attorneys that the Recipient shall engage, subject to OVDF's reasonable approval.

(b) OVDF shall pay such Fees within thirty (30) days of receipt of a copy of Attorneys' billing statement; provided, however, OVDF's obligation to pay the Attorneys' Fees will in no event exceed the sum set forth on Schedule 1 ("Maximum Fees"), and further, provided, OVDF's obligation to pay Attorneys Fees shall not include any obligation to pay any sanctions ordered and or awarded against Attorneys or Recipient by a court or other agency having jurisdiction over the Legal Action.

(c) Recipient agrees to promptly forward Attorneys' billing statements to OVDF upon receipt.

2. Term.

(a) The obligation to commence payment of the Fees described above, shall commence on the date set forth above and shall terminate on the date that a final decree or order is made by the agency and or court having jurisdiction over the matter without regard to appellate rights that may ensue after such final ruling ("Termination Date").

(b) In the event that the Maximum Fee is incurred by the Recipient and expended by OVDF prior to the Termination Date, OVDF will have no further obligation to discharge the Attorneys Fees incurred during the term.

3. Communication with Attorneys.

(a) OVDF shall be entitled to contact the Attorneys directly in order to ascertain the answers to any questions it might have concerning the billing or other matter connected to the Legal Action.

(b) Recipient will instruct Attorneys that it is permissible for the Attorneys to communicate with OVDF on issues, including billing questions that OVDF may have with respect to the Legal Action. To the extent that the Attorneys do not divulge information that may violate attorney client privilege between Attorneys and Recipient, Recipient will instruct Attorneys that it is permissible for the Attorneys to communicate with OVDF on matters related to the subject

matter and procedural matters of the Legal Action. Said information shall be used by OVDF solely to evaluate the Attorneys' Fees and the merits of the Legal Action.

4. Termination.

(a) In the event that OVDF and Recipient should, at some point prior to the Termination Date, disagree as to the merits of the Legal Action, OVDF shall have the option to terminate its financial support upon thirty (30) days written notice to Recipient. OVDF shall not be responsible for the payment of any Attorneys' Fees incurred after such date.

(b) In the event that OVDF and Recipient should, at some point prior to the Termination Date, disagree as to tactics taken by the Recipient in pursuing the Legal Action, Recipient shall have the option to terminate the Agreement upon thirty (30) days written notice to OVDF. OVDF shall not be responsible for the payment of any Attorneys' Fees incurred after such date.

5. Reimbursement. In the event, Recipient is awarded attorneys fees and or costs by a court or other agency having jurisdiction over the Legal Action, Recipient agrees that recovery of any such fees or costs awarded shall be first applied and paid to OVDF up to the amount funded by OVDF to Attorneys under this Agreement or any amendment hereto.

6. No Third Party Beneficiaries. Attorneys are not a third-party beneficiary to this Agreement. Recipient is solely responsible for the payment of any attorneys' fees and costs incurred by Recipient in pursuing the Legal Action. Attorneys' fees and costs are paid directly by OVDF to Attorneys solely to enable OVDF to oversee the distribution of funds to ensure that said funds are being used for the purposes described herein.

7. Discretion and Control. Notwithstanding anything else set forth herein, Recipient shall have full discretion and control over the direction of the Legal Action without interference or input by OVDF. OVDF is not a party to the Legal Action, and Recipient shall not represent to any third party that OVDF is a party to the Legal Action.

8. Invalidity. In case any one or more of the provisions of this Severance Agreement shall be invalid, illegal, or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions contained in this Severance Agreement will not in any way be affected or impaired.

9. Governing Law. This Agreement will be construed and interpreted in accordance with the laws of the State of California, without regard to conflicts of laws principles.

10. Entire Agreement. This Agreement constitutes the entire agreement between OVDF and Recipient with respect to the funding of the Legal Action contemplated herein. This Agreement may not be changed orally, but only in writing signed by both parties. No breach of any provision of this Agreement can be waived by the undersigned party unless in writing. Waiver of any one breach by an undersigned party shall not be deemed to be a waiver of the same or any other provision of this Agreement.

11. Successors and Assigns. This Agreement may not be assigned by Recipient without the express written consent of OVDF which consent OVDF may withhold in its sole judgment and discretion. At the election of OVDF and as permitted by law, Recipient agrees to assign any and all claims it may have against Attorneys arising out of Attorneys representation of Recipient in the Legal Action, including but not limited to claims of malpractice and excessive fees, to OVDF.

12. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

13. Disputes Resolution.

(a) The parties agree that any and all disputes, claims or controversies arising out of or relating to this Agreement shall be submitted to JAMS, or its successor, for mediation, and if the matter is not resolved through mediation, then it shall be submitted to JAMS, or its successor, for final and binding arbitration pursuant to the arbitration clause set forth above. Either party may commence mediation by providing to JAMS and the other party a written request for mediation, setting forth the subject of the dispute and the relief requested. The parties will cooperate with JAMS and with one another in selecting a mediator from JAMS panel of neutrals, and in scheduling the mediation proceedings. The parties covenant that they will participate in the mediation in good faith, and that they will share equally in its costs. All offers, promises, conduct and statements, whether oral or written, made in the course of the mediation by any of the parties,

their agents, employees, experts and attorneys, and by the mediator or any JAMS employees, are confidential, privileged and inadmissible for any purpose, including impeachment, in any arbitration or other proceeding involving the parties, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation. Either party may initiate arbitration with respect to the matters submitted to mediation by filing a written demand for arbitration at any time following the initial mediation session or 45 days after the date of filing the written request for mediation, whichever occurs first. The mediation may continue after the commencement of arbitration if the parties so desire. Unless otherwise agreed by the parties, the mediator shall be disqualified from serving as arbitrator in the case. The provisions of this Clause may be enforced by any Court of competent jurisdiction, and the party seeking enforcement shall be entitled to an award of all costs, fees and expenses, including attorneys' fees, to be paid by the party against whom enforcement is ordered.

(b) Any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope or applicability of this agreement to arbitrate, shall be determined by arbitration in Santa Monica, California, before one arbitrator. The arbitration shall be administered by JAMS pursuant to its Streamlined Arbitration Rules and Procedures. Judgment on the Award may be entered in any court having jurisdiction. This clause shall not preclude parties from seeking provisional remedies in aid of arbitration from a court of appropriate jurisdiction. The arbitrator may, in the Award, allocate all or part of the costs of the arbitration, including the fees of the arbitrator and the reasonable attorneys' fees of the prevailing party.

IN WITNESS WHEREOF, this Agreement has been executed as of the day and year above written.

"OVDF"

"RECIPIENT"

OJAI VALLEY DEFENSE FUND

[Name of Recipient]

By: _____

By: _____

We, the Attorneys, acknowledge that we have read this Agreement and agree that we are not a third party beneficiary to this Agreement and that OVDF is not a client of the Attorneys, and, as such, OVDF is not and shall not be liable in any manner to Attorneys for the payment of any legal fees or costs incurred by Attorneys in representing Recipient in the Legal Action.

Dave 9/11/09 10:41 AM

Deleted: .

"ATTORNEYS"

By: _____

Its: _____

**EXHIBIT A
TO
FUNDING AGREEMENT**

**SCHEDULE 1
TO
FUNDING AGREEMENT**

1. Attorneys: Firm Name:
Lead Attorney's Name:
Attorneys' Address:

Attorneys' Telephone No.

2. Maximum Fees: \$