

FUNDING AGREEMENT

THIS AGREEMENT (“AGREEMENT”), entered into this ____ day of _____, 2026, by and between the City of Rockford, an Illinois municipal corporation ("City"), and ZION WEST ENTERPRISE, NFP, an Illinois not-for-profit corporation (“Recipient”) at 404 North Avon Street, Rockford, (the "Parties”).

RECITALS

WHEREAS, the City 3% Cannabis Recreation Tax has a designated purpose of funding programs for economic and business development; education; youth programming; job training; health; or other financial assistance to individuals, businesses, and communities within the City of Rockford that have been disproportionately impacted by cannabis-related laws; and

WHEREAS, Recipient proposes to launch the 2026 Neighborhood Mowing Program, a comprehensive 10-week summer employment, violence prevention, and neighborhood beautification initiative designed to serve 10 at-risk youth from Rockford’s west side; and

WHEREAS, the program will provide participants with paid employment, mentorship, financial literacy education, entrepreneurship training, and practical workforce experience while improving the appearance and cleanliness of neighborhoods throughout the west side;

NOW, THEREFORE, BE IT RESOLVED, the City and Recipient mutually agree as follows:

1. **RECITALS.** The above recitals are incorporated by reference and made a part of this Agreement.
2. **TERM.** The term of this Agreement shall be for one (1) year from the date of execution of this Agreement.
3. **PAYMENTS.** Subject to the terms of this Agreement, applicable law, and appropriation by the City Council, the City shall provide funds to Recipient in one (1) installment of Twenty-Five Thousand Dollars (\$25,000) within 60 days of the execution of this Agreement for the expenses, activities and costs as more fully set forth in the document attached as Exhibit “A”, which is incorporated herein by reference.
4. **NON-APPROPRIATION.** Funding for this Agreement is subject to the availability of funds and their appropriation by the City Council. If no funds or insufficient funds are appropriated and budgeted in any fiscal period of the City for payments to be made under this Agreement, then the City will notify Recipient in writing of that occurrence, and this Agreement will terminate on the earlier of the last day of the fiscal period for which sufficient appropriation was made or whenever the funds appropriated for payment under this Agreement are exhausted. No payments will be made or be due under this Agreement beyond those amounts appropriated and budgeted by

the City to fund payments under this Agreement. The City's payment obligations under this Agreement shall constitute a current expense payable exclusively from legally available, unencumbered funds appropriated in the then-current fiscal year. Nothing in this Agreement shall constitute a pledge, loan, or extension of the City's faith and credit, general obligation, or taxing authority, nor shall it create any indebtedness, special fund, or multiple-fiscal year financial obligation within the meaning of any constitutional, statutory, or municipal code provision.

5. USE OF FUNDS.

5.1 All funds provided by the City pursuant to this Agreement will be held, managed and expended by Recipient and shall be used solely for operational and capital costs in the operation of the Neighborhood Mowing Program consistent with Exhibit A and this Agreement.

5.2 Upon the natural expiration or earlier termination of this Agreement, Recipient shall immediately cease all further expenditures of City funds. Within thirty (30) calendar days following such expiration or termination, Recipient shall conduct a final financial accounting of the program and return all unutilized or unexpended funds to the City. Any funds expended by Recipient in violation of this Agreement, or remaining unspent after the designated program period, shall constitute a debt owed to the City and must be repaid in full within the same thirty (30) day period.

6. DOCUMENTATION, RECORDS AND AUDIT.

6.1 The Recipient shall maintain detailed records and receipts for all expenditures funded by this Agreement for two (2) years following its termination. The Recipient shall provide a copy of these records to the City within ten (10) business days of a written request. If any funds are used for shared personnel or equipment, the Recipient must provide a clear allocation showing exactly how the City's funds were utilized. The City retains all legal rights to inspect the funded mowing program to ensure compliance.

6.2 No provision in this Agreement granting the City a right of access to records and documents is intended to impair, limit or affect any right of access to such records and documents which the City, or any other government agency, would have in the absence of such provisions.

7. PERMITTING AND CODES. Recipient shall comply with all applicable federal, state, county, municipal or administrative laws, ordinances, rules, regulations, codes and orders relating in any way to the operation of the Neighborhood Mowing Program.

8. NO AGENCY, PARTNERSHIP, JOINT VENTURE, OR EMPLOYMENT RELATIONSHIP. NO THIRD-PARTY BENEFICIARY. Nothing in this Agreement, including the City's funding of the program, review of documentation, right to monitor grant compliance, or approval of payment requests, shall be construed to create an agency, partnership, joint venture, employment, borrowed-servant, franchise, or other representative relationship between the City and Recipient, or between the City and any of the Recipient's directors, officers, employees, volunteers, contractors, vendors, customers, or agents. Recipient shall not represent that it has authority to bind the City or that the City operates, controls, sponsors, endorses, or

manages the Neighborhood Mowing Program, except to the limited extent expressly stated in this Agreement. Recipient shall perform as an independent contractor with sole control of the manner and means of performing this Agreement. Recipient shall complete this Agreement according to Recipient's own means and methods of work, which shall be in the exclusive charge and control of Recipient and which shall not be subject to control or supervision by the City except as to the result of the work. Recipient is, for all purposes arising out of this Agreement, an independent contractor, and neither Recipient employees nor its affiliates, assigns, agents or subcontractors shall be deemed an employee, agent, partner, or joint-venturer of the City, by reason of this Agreement. Nothing contained in this Agreement or any act of the City or Recipient shall be deemed or construed by any of the Parties hereto, or third persons, to create any relationship of third-party beneficiary.

9. **REQUIRED INSURANCE.**

9.1 During the Term of this Agreement, and for any longer period required by the applicable policy or this Agreement, Recipient shall procure and maintain, at its sole cost and expense, insurance coverage sufficient to cover the risks arising from Recipient's Neighborhood Mowing Program and performance of this Agreement. Such insurance shall be issued by insurers authorized to do business in the State of Illinois and reasonably acceptable to the City. Unless otherwise approved in writing by the City's risk manager or authorized representative, Recipient shall maintain at least the following coverage:

- (i) Commercial General Liability Insurance, written on an occurrence basis for bodily injury and property damage arising from mowing operations, with limits of not less than \$500,000 per occurrence.
- (ii) Automobile Liability Insurance coverage for all vehicles used in connection with the program, with limits matching at least the State of Illinois statutory minimums, or a combined single limit of \$300,000, whichever is greater.
- (iii) Workers' Compensation Insurance benefits in full compliance with the Illinois Workers' Compensation Act (820 ILCS 305/), unless the Recipient has no employees and qualifies for a legal exemption under Illinois law.

9.2 *Evidence of Insurance.* Before receiving funds or commencing funded activities, and upon each renewal thereafter, Recipient shall provide the City with certificates of insurance evidencing the required coverage. Upon request, Recipient shall also provide copies of applicable additional-insured endorsements or blanket additional-insured policy provisions. A certificate of insurance, by itself, shall not be deemed to amend, extend, or create coverage not otherwise provided by the applicable policy or endorsement.

9.3 *Notice of Cancellation or Material Change.* Recipient shall not allow any required insurance to lapse and shall promptly replace any cancelled, non-renewed, or materially reduced coverage. Recipient shall provide written notice to the City within five (5) business days after Recipient receives notice of any cancellation, non-renewal, lapse, or material reduction of any insurance required under this Agreement

10. **INDEMNIFICATION.** Recipient agrees to release, defend, indemnify, and hold harmless the City of Rockford, its representatives, officers, agents and employees from any and all claims, causes of action, demands for damages, suits, either in law or in equity, or expenses or liabilities of any kind, arising out of or by virtue of the execution and performance of this Agreement or any other agreement entered into pursuant to this Agreement. Recipient shall ensure that all subcontracts executed in connection with this Agreement contain a provision requiring the subcontractor to defend, indemnify, and hold harmless the City to the same extent required of Recipient herein. In the event that any action or proceeding is brought against the City, or its representatives, officers, agents and/or its employees, by reason of any such claim or demand, Recipient will at its sole cost and expense, resist or defend such action or proceeding.

11. **NON-ASSIGNABILITY.** Recipient shall not assign, transfer, convey, pledge, delegate, subcontract, or otherwise dispose of this Agreement, any interest in this Agreement, any right to receive funds under this Agreement, or any duty or obligation under this Agreement, in whole or in part, without the prior express written consent of the City. Any attempted assignment, transfer, delegation, or subcontracting without such prior written consent shall be void and shall constitute a material breach of this Agreement. For purposes of this section, an assignment includes, without limitation, any transfer of this Agreement or program responsibilities to another entity, any transfer of the right to receive payment, and any merger, consolidation, dissolution, reorganization, change in control, or other transaction that results in a material change in the entity responsible for performance under this Agreement. Notwithstanding the foregoing, Recipient may use ordinary-course vendors, suppliers, employees, volunteers, or contractors in connection with the mobile grocery program, provided that Recipient remains solely responsible for performance of this Agreement and for the acts and omissions of such persons or entities.

12. **LEGAL COMPLIANCE.** Recipient shall comply with all applicable federal, state and local laws, codes, rules and regulations in performing its duties, responsibilities and obligations pursuant to this Agreement.

13. **NON-DISCRIMINATION.** Recipient shall comply, and shall cause its officers, directors, employees, agents, volunteers, contractors, subcontractors, vendors, and any other persons or entities acting on its behalf to comply, with all applicable federal, state, and local non-discrimination, equal opportunity, civil rights, fair employment, public accommodation, accessibility, language-access, and anti-retaliation laws, ordinances, rules, regulations, executive orders, grant conditions, and funding-source requirements, including, without limitation, the Illinois Human Rights Act, 775 ILCS 5/1-101 *et seq.*; applicable rules and regulations of the Illinois Department of Human Rights; applicable federal civil rights laws and regulations; and, to the extent applicable, the City of Rockford Code of Ordinances, including the City's Equal Opportunity Employment requirements, in its operation and provision of services contemplated by this Agreement.

14. **CONFLICT OF INTEREST.** No member of the Rockford City Council, nor any other public official or employee who exercises any functions or responsibilities with respect to this program during their tenure or for one year thereafter, shall have any personal or financial interest,

direct or indirect (other than employee salary), in this Agreement or its proceeds. Recipient, including its employees, successors, and assigns, shall strictly comply with all applicable conflict of interest laws, including the Illinois Public Officer Prohibited Activities Act (50 ILCS 105/0.01 *et seq.*), the Illinois Municipal Code (65 ILCS 5/1-1-1 *et seq.*), and the City of Rockford Code of Ordinances. The obligations and restrictions of this Section shall survive the expiration or earlier termination of this Agreement.

15. TERMINATION.

15.1 *Events of Termination.* The City may terminate this Agreement immediately upon written notice if Recipient: (i) undergoes voluntary or involuntary dissolution; (ii) requests termination in writing, subject to the City's sole approval; or (iii) fails to cure a default under Section 15.2.

15.2 *Termination for Cause.* If Recipient breaches any obligation or covenant, the City shall issue a written notice of default. If Recipient fails to cure the default to the City's sole satisfaction within thirty (30) calendar days of receiving notice, the City may terminate this Agreement immediately.

15.3 *Liabilities upon Termination.* Upon termination, Recipient is entitled only to reimbursement for eligible, non-refundable expenses properly incurred before receiving the termination notice. The City may permanently withhold or set off any remaining grant funds to cover damages caused by the breach, and Recipient remains fully liable for all resulting damages.

15.4 *Alternative Remedies.* Instead of or prior to termination, the City may temporarily withhold, reduce, or suspend funding for any nonconformance. Exercising an alternative remedy does not waive the City's right to subsequently terminate this Agreement.

16. **WAIVER.** Either party to this Agreement may elect to waive any remedy hereunder, provided that such waiver shall be in writing. No such waiver shall operate or be construed as a waiver of any other right or remedy, nor shall it constitute a continuing waiver of any subsequent, separate, or ongoing breach.

17. **ADMINISTRATION.** The terms and provision of this Agreement shall be administered on behalf of the City by its Director of Community and Economic Development or designee. Unless law otherwise requires, all necessary notices, submissions, and approvals shall be given to or by the Director.

18. **NOTICES.** All notices, approvals, demands, requests, or other documents required or permitted under this Agreement, other than routine communications necessary for the day-to-day operation of this program, shall be deemed properly given if hand delivered or sent by United States registered mail, postage prepaid, at the following addresses:

AS TO THE CITY:

Director,
Community & Economic Development Department

City of Rockford
425 E. State Street
Rockford, Illinois 61104

With copies to:
Legal Director
City of Rockford
425 E State Street
Rockford, Illinois 61104

AS TO ZION WEST ENTERPRISE, NFP, AN ILLINOIS NOT-FOR-PROFIT CORPORATION:

Zion West Enterprises
404 N. Avon Street
Rockford, IL 61101

19. **AMENDMENTS.** This Agreement may be amended by written instrument executed by the Parties hereto, acting therein by their duly authorized representatives. Any amendment(s) hereto must be approved by the City Council of the City of Rockford by resolution.

20. **SEVERABILITY.** If any term or provision of this Agreement or the application thereof to any person or circumstances, shall to any extent, be held invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be effected thereby, and each remaining term and provision hereof shall be deemed valid and be enforced to the fullest extent permitted by law.

21. **GOVERNING LAW.** This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois and the Ordinances of the City of Rockford.

22. **COUNTERPARTS.** This Agreement may be signed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

23. **ENTIRE AGREEMENT.** This Agreement, including any exhibits or attachments hereto, constitutes the entire agreement between the Parties regarding its subject matter and supersedes all prior or contemporaneous oral or written agreements, understandings, representations, or negotiations.

24. **FORCE MAJEURE.** Neither party shall be liable or responsible to the other party, or be deemed to have defaulted under or breached this agreement, for any failure or delay to fulfill its obligations under this Agreement when and to the extent such failure or delay is caused by or results from acts beyond the impacted party's reasonable control, including, but not limited to, the following force majeure events: acts of God, acts of the public enemy, wars, invasions, hostilities,

state or federal governmental action, laws, orders, or rules, acts of terrorism, fires, floods, earthquakes, epidemics, pandemics, quarantine restrictions, national or regional emergencies, labor difficulties, freight embargoes, and transportation shortages. The party claiming excuse from performance (“Claiming Party”) must take reasonable efforts to remove the cause of its inability to perform or its delay in performance. The Claiming Party must give prompt written notice to the other party of the Force Majeure Event, specifying its nature and anticipated duration, and provide an estimate of when performance may continue.

25. AUTHORITY.

25.1 *Actions.* The City covenants to Recipient and agrees that the City will take such actions as may be required and necessary to enable the City to execute this Agreement and to carry out fully and perform the terms, covenants, agreements, duties, and obligations on its part to be kept and performed as provided by the terms and provisions hereof.

25.2 *Powers.* The City hereby represents and warrants to Recipient that the City has full constitutional and lawful right, power, and authority under currently applicable law to execute, deliver, and perform the terms and obligations of this Agreement, and all of the foregoing have been or will be duly and validly authorized and approved by any necessary City proceedings, findings, and actions. Accordingly, this Agreement constitutes the legal, valid and binding obligation of the City, is enforceable in accordance with its terms and provisions, and does not require the consent of any other governmental authority. Zion West Enterprise, NFP, an Illinois not-for-profit corporation hereby represents and warrants that it is a duly organized, validly existing Illinois corporation and that it has the right, power, and authority to execute, deliver, and perform the terms and obligations of this Agreement, and that this Agreement constitutes the legal, valid, and binding obligation of Zion West Enterprise, an Illinois not-for-profit corporation, enforceable in accordance with its terms and provisions.

IN WITNESS WHEREOF, the City and Recipient have executed this Agreement on the date above first written.

CITY OF ROCKFORD
A Municipal Corporation

BY: _____
Thomas P. McNamara, Mayor Date

ATTEST: _____
Angela L. Hammer, Legal Director Date

[Recipient]

BY: _____ Date

Title: _____