FUNDING AGREEMENT

THIS FUNDING AGREEMENT (the "Agreement") is entered into as of ____________, 2026 (the "Effective Date"), by and between the CITY OF ROCKFORD, an Illinois municipal corporation (the "City"), and THE LIVING WELL CENTER OF NORTHERN ILLINOIS, an Illinois not-for-profit corporation ("Recipient"), with a principal address of 1111 South Alpine Road, Suite 100. The City and Recipient are collectively referred to as the "Parties."

RECITALS

WHEREAS, the City recognizes the public benefit of providing older adults with opportunities for social connection, lifelong learning, wellness, recreation, and access to community resources; and

WHEREAS, Recipient proposes to establish and operate a senior center known as The Living Well Center of Northern Illinois at 1111 South Alpine Road, Suite 100, Rockford, Illinois (the "Center"); and

WHEREAS, Recipient is a separate entity from the Northwestern Illinois Area Agency on Aging ("NIAAA"), but intends to operate in partnership with NIAAA and other community organizations; and

WHEREAS, Recipient has submitted a first-year operating budget of Two Hundred Ten Thousand Dollars ($210,000), consisting of One Hundred Thousand Dollars ($100,000) in requested City funding and One Hundred Ten Thousand Dollars ($110,000) from non-City sources; and

WHEREAS, the City intends to provide up to Three Hundred Thousand Dollars ($300,000) from available casino-related revenues, payable in three annual installments of up to One Hundred Thousand Dollars ($100,000), to support operation of the Center during the three-year funding period;

NOW, THEREFORE, in consideration of the mutual promises contained in this Agreement, the Parties agree as follows:

1. RECITALS. The foregoing recitals are incorporated into and made part of this Agreement.

2. PROJECT.

A. Recipient shall establish and continuously operate the Center at 1111 South Alpine Road, Suite 100, Rockford, Illinois, substantially in accordance with the project description attached as Exhibit A and the annual operating budget attached as Exhibit B (collectively, the "Project").

B. The Center shall provide regular programming and services for older adults, including opportunities for social connection, lifelong learning, wellness, recreation, technology assistance, and community engagement. Membership and general registration shall be free to participants, except that Recipient may charge reasonable fees for optional special events, materials, meals, or third-party programs if disclosed in advance and applied consistently.

C. Recipient shall maintain all rights necessary to occupy and operate the Center at the Project location throughout the Term. Any relocation of the Center requires the City's prior written approval.

D. NIAAA is not a party to this Agreement. Recipient remains solely responsible for performance of this Agreement notwithstanding any partnership, contribution, or service arrangement with NIAAA or any other third party.

3. CITY FUNDING.

A. Subject to the terms of this Agreement, approval by the Rockford City Council, lawful appropriation, and availability of the identified funding source, the City shall provide Recipient an aggregate amount not to exceed Three Hundred Thousand Dollars ($300,000) (the "City Funds").

B. The City Funds shall be paid in three installments of up to One Hundred Thousand Dollars ($100,000) each: (i) the first installment following the Effective Date and satisfaction of the conditions in Section 4; (ii) the second installment approximately twelve (12) months after the first installment; and (iii) the third installment approximately twenty-four (24) months after the first installment.

C. No payment is earned merely by the passage of time. Each installment is conditioned on Recipient's continuing compliance with this Agreement and the City's acceptance of the documentation required for that installment.

D. The City's obligation shall not exceed the amount approved and available for the applicable funding year. Recipient acknowledges that the City has no obligation to provide funding beyond the maximum amount stated in this Agreement or after expiration or termination of this Agreement.

4. CONDITIONS TO PAYMENT.

A. Before the first installment, Recipient shall provide: (1) an executed Agreement; (2) evidence of its legal existence and authority to enter into this Agreement; (3) evidence of its federal tax-exempt status, if applicable; (4) evidence of a lease, license, or other enforceable right to occupy the Project location for the applicable funding period; (5) certificates of insurance required by Section 12; (6) an adopted annual operating budget; and (7) documentation reasonably acceptable to the City showing committed non-City funding of at least One Hundred Ten Thousand Dollars ($110,000) for the first funding year.

B. Before the second and third installments, Recipient shall provide the annual report required by Section 8, an updated annual operating budget, current insurance certificates, evidence of continued occupancy of the Project location, and documentation reasonably acceptable to the City demonstrating receipt or enforceable commitment of at least One Hundred Ten Thousand Dollars ($110,000) in non-City funding for the upcoming funding year.

C. The City may request reasonable supplemental documentation before approving any installment. The City's review or payment does not constitute approval of any expenditure that is inconsistent with this Agreement.

5. NON-CITY FUNDING.

A. Recipient shall secure at least One Hundred Ten Thousand Dollars ($110,000) in non-City funding for each funding year. Eligible non-City funding may include private philanthropic support, NIAAA partnership contributions, community campaign proceeds, corporate sponsorships, program and event revenue, and other lawful sources approved by the City.

B. In-kind contributions shall not count toward the annual non-City funding requirement unless the City approves them in writing and Recipient provides a reasonable valuation and supporting documentation.

C. Recipient shall promptly notify the City if any material source of non-City funding is withdrawn, materially reduced, restricted in a manner inconsistent with the Project, or otherwise becomes unavailable. The City may reduce, defer, or withhold a future installment if Recipient does not satisfy the annual non-City funding requirement.

6. USE OF CITY FUNDS.

A. Recipient shall use City Funds solely for reasonable and necessary operating costs of the Center consistent with Exhibit B, including personnel, payroll taxes and benefits, occupancy costs, program supplies, hospitality, insurance, accounting and compliance, legal services, communications, outreach, office supplies, volunteer support, equipment maintenance, and an operating contingency.

B. Recipient shall not use City Funds for: (1) costs incurred before the Effective Date unless specifically approved in writing by the City; (2) costs unrelated to the Center; (3) debt service, fines, penalties, judgments, or late fees; (4) political activity, lobbying, or contributions; (5) religious worship, instruction, or proselytization; (6) distributions to officers, directors, members, or affiliated entities other than reasonable compensation or reimbursement for documented services; or (7) any unlawful purpose.

C. Recipient may reallocate amounts among budget categories when reasonably necessary to operate the Center, provided that any material change to the scope of the Project or any reallocation exceeding twenty percent (20%) of a budget category requires prior written approval by the City Administrator or designee.

D. Any City Funds remaining unspent at expiration or termination, or determined by the City to have been used contrary to this Agreement, shall be returned to the City within thirty (30) days after written demand.

7. TERM AND OPERATIONS.

A. The term of this Agreement begins on the Effective Date and continues until ninety (90) days after the third anniversary of the first installment, unless earlier terminated in accordance with this Agreement (the "Term").

B. Recipient shall open the Center to the public within [____] days after the Effective Date and thereafter maintain regular and reliable hours of operation appropriate to the Project. Recipient shall promptly notify the City of any closure lasting more than five (5) consecutive business days, other than customary holidays or temporary closures caused by emergencies.

C. Recipient shall administer the Project in a prudent and fiscally responsible manner and shall use commercially reasonable efforts to sustain operation of the Center after expiration of City funding.

8. REPORTING AND PERFORMANCE.

A. Within sixty (60) days after each anniversary of the first installment, and within sixty (60) days after the end of the Term, Recipient shall submit a report to the City describing Project activities during the preceding year.

B. Each report shall include, at a minimum: (1) a narrative summary of programs and services; (2) operating hours and material closures; (3) aggregate participation and attendance information; (4) a schedule of City Funds received and expended by budget category; (5) a schedule of non-City funding received or committed; (6) material partnerships and volunteer participation; (7) an explanation of material variances from the annual budget; and (8) any other information reasonably requested by the City to evaluate compliance and public benefit.

C. Recipient shall promptly report any material adverse event affecting the Project, including loss of occupancy, suspension of operations, loss of tax-exempt status, insolvency, dissolution, significant litigation, fraud, theft, or misuse of Project funds.

9. RECORDS, INSPECTION, AND AUDIT.

A. Recipient shall maintain complete and accurate books, records, invoices, receipts, payroll records, bank records, contracts, and other documentation sufficient to verify compliance with this Agreement and the use of City Funds. Recipient shall maintain City Funds in a manner that permits them to be separately identified in Recipient's accounting records.

B. Recipient shall retain Project records for at least five (5) years after the later of final payment or termination of this Agreement, or longer if required by law or if an audit, claim, or dispute remains pending.

C. Upon reasonable notice, the City and its authorized representatives may inspect the Center and examine, copy, and audit Project records. Recipient shall cooperate fully with any review or audit. If an audit identifies unsupported or ineligible expenditures, Recipient shall reimburse the City for those amounts and, if the unsupported or ineligible amount exceeds five percent (5%) of the installment reviewed, for the City's reasonable audit costs.

10. COMPLIANCE WITH LAWS AND PERMITS.

A. Recipient shall comply with all applicable federal, state, and local laws, ordinances, rules, regulations, permits, and licensing requirements in operating the Center and performing this Agreement, including requirements concerning employment, accessibility, public accommodations, charitable organizations, health and safety, and protection of personal information.

B. Recipient is solely responsible for obtaining and maintaining all permits, approvals, inspections, certificates of occupancy, and licenses necessary for the Center. The City's execution of this Agreement does not constitute zoning, building, licensing, or regulatory approval.

11. INDEPENDENT ENTITY; NO AGENCY.

A. Recipient is an independent entity and not an officer, employee, agent, partner, joint venturer, or representative of the City. Recipient has exclusive control over its employees, contractors, volunteers, methods, and operations, subject to the results and requirements stated in this Agreement.

B. Recipient shall not represent that the City manages, sponsors, endorses, or is responsible for the day-to-day operation of the Center, except that Recipient may accurately acknowledge the City's financial support.

12. INSURANCE.

A. Throughout the Term, Recipient shall maintain, at its expense, insurance issued by insurers authorized to do business in Illinois, including: (1) commercial general liability insurance with limits of not less than $1,000,000 per occurrence and $2,000,000 aggregate; (2) workers' compensation insurance as required by law and employers' liability insurance with limits of not less than $500,000; (3) automobile liability insurance with a combined single limit of not less than $1,000,000 if vehicles are used in connection with the Project; and (4) directors and officers or management liability insurance with limits of not less than $1,000,000.

B. The City and its officials, officers, employees, and agents shall be named as additional insureds on the commercial general liability and automobile liability policies, on a primary and noncontributory basis, to the extent available. Recipient shall provide certificates of insurance and, upon request, copies of relevant endorsements. Policies shall provide at least thirty (30) days' prior written notice of cancellation or material reduction in coverage, except ten (10) days for nonpayment of premium, to the extent permitted by the insurer.

13. INDEMNIFICATION.

To the fullest extent permitted by law, Recipient shall defend, indemnify, and hold harmless the City and its officials, officers, employees, and agents from claims, damages, liabilities, losses, and reasonable attorney fees arising out of or relating to Recipient's operation of the Center or performance of this Agreement, but only to the extent caused by the negligent or wrongful acts or omissions of Recipient or its officers, employees, contractors, agents, or volunteers. This Section survives expiration or termination of the Agreement.

14. NONDISCRIMINATION.

Recipient shall not discriminate in employment, participation, membership, services, or benefits on any basis prohibited by applicable federal, state, or local law. Recipient shall make the Center and its programs reasonably accessible to persons with disabilities as required by law.

15. CONFLICT OF INTEREST.

Recipient shall maintain and enforce a written conflict-of-interest policy applicable to its directors, officers, employees, and agents. Recipient shall promptly disclose to the City any actual or potential conflict of interest involving the Project or City Funds and shall take corrective action reasonably required by the City. No City official or employee shall have a prohibited financial interest in this Agreement.

16. DEFAULT AND REMEDIES.

A. An event of default occurs if Recipient: (1) uses City Funds for an unauthorized purpose; (2) fails to perform a material obligation under this Agreement; (3) submits materially false or misleading information; (4) ceases operation of the Center without City approval; (5) loses the legal right to occupy the Project location; (6) becomes insolvent, dissolves, or files or has filed against it a bankruptcy proceeding that is not dismissed within sixty (60) days; or (7) violates applicable law in a manner materially affecting the Project or the City.

B. Except where immediate action is reasonably necessary to protect public funds or safety, the City shall provide written notice of default and thirty (30) days to cure. If a default cannot reasonably be cured within thirty (30) days, Recipient shall begin cure within that period and diligently complete it within a time approved by the City.

C. Upon default, the City may suspend or withhold payments, require corrective action, reduce future installments, terminate this Agreement, recover improperly used or unsupported City Funds, exercise setoff, or pursue any other remedy available at law or in equity. Remedies are cumulative.

17. TERMINATION.

A. The City may terminate this Agreement for default as provided in Section 16. The City may also terminate this Agreement upon thirty (30) days' written notice if City Funds become legally unavailable or if continued performance would violate applicable law.

B. Recipient may request termination by written notice explaining the basis for the request and providing a closeout accounting. Termination by Recipient is effective only upon written acceptance by the City.

C. Upon termination, Recipient shall cease incurring costs chargeable to City Funds, provide a final report and accounting, return all unspent or improperly used City Funds, and preserve records as required by this Agreement. Termination does not release either Party from obligations accrued before termination.

18. ASSIGNMENT AND SUBCONTRACTING.

Recipient shall not assign this Agreement, transfer control of the Project, or delegate substantially all Project responsibilities without the City's prior written approval. Recipient remains responsible for the acts and omissions of its contractors, partners, and other third parties.

19. NOTICES.

All formal notices under this Agreement shall be in writing and delivered personally, by nationally recognized overnight carrier, or by certified United States mail, return receipt requested, to the following addresses, or to any replacement address designated by written notice:

If to the City:	If to Recipient:
City Administrator City of Rockford 425 East State Street Rockford, Illinois 61104 with a copy to: Legal Director City of Rockford 425 East State Street Rockford, Illinois 61104	The Living Well Center of Northern Illinois Attn: [________________] [_________________________] [_________________________]

20. GENERAL PROVISIONS.

A. Entire Agreement. This Agreement, including its exhibits, constitutes the entire agreement between the Parties regarding the City Funds and supersedes prior discussions, proposals, and understandings concerning the same subject.

B. Amendments. This Agreement may be amended only by a written instrument executed by authorized representatives of both Parties and approved as required by law.

C. Waiver. A waiver is effective only if in writing and applies only to the specific matter waived. Delay or failure to enforce a provision does not waive future enforcement.

D. Severability. If any provision is held invalid or unenforceable, the remaining provisions remain in effect to the fullest extent permitted by law.

E. Governing Law and Venue. Illinois law governs this Agreement. Venue for any action arising from this Agreement shall lie in the Circuit Court of Winnebago County, Illinois, or the federal district court having jurisdiction over Winnebago County, as applicable.

F. No Third-Party Beneficiaries. This Agreement is for the benefit of the Parties only and creates no rights in any third party, including NIAAA, Project participants, contractors, donors, or partners.

G. Counterparts and Electronic Signatures. This Agreement may be executed in counterparts and by electronic signature, each of which is deemed an original and all of which constitute one instrument.

H. Authority. Each person signing this Agreement represents that the person is authorized to bind the Party on whose behalf the signature is made.

I. Order of Precedence. If there is a conflict among this Agreement and its exhibits, the body of this Agreement controls, followed by Exhibit B and then Exhibit A.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

CITY OF ROCKFORD, **an Illinois municipal corporation**	**THE LIVING WELL CENTER OF** **NORTHERN ILLINOIS**
By: ______________________________ Thomas P. McNamara, Mayor	By: ______________________________ Name: ____________________________ Title: _____________________________

ATTEST:

____
Angela Hammer, Legal Director

ATTEST:

____
Name/Title: ________________________

EXHIBIT A

PROJECT DESCRIPTION

The Living Well Center of Northern Illinois will operate as a community-based senior center at 1111 South Alpine Road, Suite 100, Rockford, Illinois. The Center is intended to provide a welcoming location where older adults can build social connections, participate in lifelong learning, support physical and emotional wellness, obtain practical assistance, and engage with community partners.

A. CORE PROGRAM ELEMENTS.

1. Regular weekday programming, with periodic evening or weekend events and seminars.

2. Social and recreational activities, including conversation groups, games, clubs, arts, music, and community meals or refreshments.

3. Wellness activities, including age-appropriate movement, fitness, healthy aging education, and related community presentations.

4. Lifelong-learning opportunities, including lectures, technology assistance, financial education, travel or cultural programming, and creative workshops.

5. Community-resource connections and programming delivered with NIAAA, local educational institutions, health-care providers, nonprofits, volunteers, and other partners.

6. Free membership and general registration, subject to reasonable optional fees permitted by Section 2.B of the Agreement.

B. OPERATIONAL APPROACH.

Recipient anticipates a lean staffing model supported by volunteers and community partnerships. Programming may evolve based on participant needs, available partnerships, and demonstrated demand, provided that the Center continues to deliver the core public benefits described above.

C. FACILITY.

The Center is expected to include accessible gathering, program, hospitality, and classroom or meeting areas appropriate for the activities described in this Exhibit. Conceptual images and sample calendars supplied during the City’s review are illustrative and do not create a warranty or fixed design requirement unless separately approved in writing by the City.

EXHIBIT B

FIRST-YEAR OPERATING BUDGET AND REVENUE PLAN

Operating Budget	Annual Cost
Executive Director	$75,000
Receptionist	$37,000
Payroll Taxes & Benefits	$13,500
Rent, Utilities & Cleaning Services	$29,000
Coffee Bar Equipment Lease	$5,500
Program Supplies & Activity Materials	$8,000
Coffee, Refreshments & Hospitality	$5,000
Insurance (Liability, D&O, Property, Workers' Compensation)	$9,000
Accounting & Annual Compliance	$4,000
Legal Services	$2,500
Internet & Phone	$2,500
Marketing & Community Outreach	$5,000
Office Supplies	$1,500
Staff Development & Volunteer Support	$2,500
Equipment Maintenance	$2,500
Operating Reserve & Contingency	$7,500
TOTAL OPERATING BUDGET	**$210,000**

Revenue Source	Amount
City of Rockford Investment	$100,000
Committed Private Philanthropic Support	$50,000
NIAAA Partnership Contribution	$17,500
Founding Community Campaign	$25,000
Corporate Sponsorship Initiative	$10,000
Program & Event Revenue	$5,000
Community Support & Merchandise Sales	$2,500
TOTAL REVENUE	**$210,000**

Budget Notes. This first-year budget is incorporated for purposes of identifying anticipated eligible costs and revenue sources. Recipient shall submit an updated budget before each subsequent installment. The City's annual contribution shall not exceed $100,000, and Recipient's required annual non-City funding shall be not less than $110,000 unless amended in writing.