

FUNDING AGREEMENT

THIS FUNDING AGREEMENT (“AGREEMENT”), entered into this _____ day of _____, 2026, by and between the City of Rockford, an Illinois municipal corporation (“City”), and Angelic Organics Learning Center Inc., an Illinois not-for-profit corporation d/b/a Farmers Rising (“Farmers Rising”) 1936 Rockton Road, Caledonia, IL 61011-9572 (the “Parties”).

RECITALS

WHEREAS, the City has established a citywide framework to reduce food insecurity by improving access to healthy, affordable, and culturally appropriate food. The City recognizes that access to food is a basic human need and a fundamental component of public health, economic stability, and quality of life; and

WHEREAS, the City has determined that addressing food insecurity through coordinated municipal action, cross-sector partnerships, and strategic investment in community-based food systems is necessary, and works with various community partners to eliminate barriers to food access, particularly in neighborhoods identified as food deserts or disproportionately impacted by poverty and systemic inequities; and

WHEREAS, a fully equipped, movable retail unit that travels on a rotating or scheduled basis to underserved communities, food deserts, or target neighborhoods within the municipality to sell a consistent inventory of fresh, nutritious food, and essential household staples at affordable or subsidized prices (a “Mobile Grocery”) has been identified as one potential solution for access;

NOW, THEREFORE, BE IT RESOLVED, the City and Farmers Rising 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 four (4) years from date of execution of this Agreement.
3. **PAYMENTS.** Subject to the terms of this Agreement, applicable law, and appropriation by the City Council, during the term of this Agreement the City will provide funding to Farmers Rising in a total amount not to exceed Eight Hundred Twenty-Two Thousand Dollars (\$822,000), with \$372,000 directed to initial startup costs, and up to \$450,000 directed to operating costs over a three (3) year period, as more fully estimated in the Project Plan which is attached hereto as Exhibit “A” and incorporated herein by reference, pursuant to the following schedule:
 - (i) Within Sixty (60) days of the execution of this Agreement the City shall provide funds to Farmers Rising in the amount of Three Hundred Seventy-Two Thousand Dollars (\$372,000) for startup cost as identified in Exhibit A.

(ii) Within Sixty (60) days of written notification to the City by Farmers Rising that it has purchased and taken delivery of the “Fixed Assets” identified on Page 12 of Exhibit A, the City shall provide funds to Farmers Rising in the amount of One Hundred Fifty Thousand Dollars (\$150,000) for operational costs as identified in Exhibit A.

(iii) On the first anniversary of the start of operations of the Mobile Grocery Store (365 days following the placement into service of the equipment and personnel and the first offering of goods for sale to the general public as contemplated by this Agreement), Farmers Rising will be eligible for up to One Hundred Fifty Thousand Dollars (\$150,000) for operational costs as last dollar of funding raised, provided the Mobile Grocery Store has thereafter operated on a continuing and regular basis through such anniversary.

(iv) On the second anniversary of the start of operations of the Mobile Grocery Store (730 days following the placement into service of the equipment and personnel and the first offering of goods for sale to the general public as contemplated by this Agreement), Farmers Rising will be eligible for up to One Hundred Fifty Thousand Dollars (\$150,000) for operational costs as last dollar of funding raised, provided the Mobile Grocery Store has thereafter operated on a continuing and regular basis through such anniversary.

For purposes of this Section, temporary interruptions for maintenance, weather, or a Force Majeure Event under Section 24 shall not constitute a failure to operate on a continuing and regular basis.

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 Farmers Rising 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 Within Sixty (60) days of the receipt of the Three Hundred Thousand Seventy-Two Thousand Dollars (\$372,000) in funds per Section 3(i) Farmers Rising shall establish a Mobile Grocery Store consistent with Exhibit A and this Agreement.

5.2 All funds provided by the City pursuant to this Agreement will be held, managed and expended by Farmers Rising and shall be used solely for operation and capital costs in the operation of Mobile Grocery Store consistent with Exhibit A and this Agreement.

5.3 Upon the natural expiration or earlier termination of this Agreement, Farmers Rising shall immediately cease all further expenditures of City funds. Within thirty (30) calendar days following such expiration or termination, Farmers Rising shall conduct a final financial accounting of the program and return all unutilized or unexpended funds to the City. Any funds expended by Farmers Rising 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.

5.4 To secure Farmers Rising's obligations under this Agreement, Farmers Rising grants the City a security interest in the tractor, trailer, and equipment purchased with City funds. Farmers Rising authorizes the City to file a UCC financing statement covering that property and to be listed as a secured party/lienholder on the certificate(s) of title for the tractor and trailer, and Farmers Rising shall sign any documents and take any actions the City reasonably requests to do so. Within thirty (30) days after the later of the natural expiration of this Agreement and the satisfaction of Farmers Rising's obligations under Section 5.3, the City shall file a UCC-3 Financing Statement Amendment terminating its Financing Statement and shall release any liens it holds on the certificate(s) of title.

6. DOCUMENTATION, RECORDS AND AUDIT.

6.1 During the term of this Agreement and for a period of two (2) years following the final payment of any amount by the City pursuant to this Agreement Farmers Rising shall maintain documentation for all expenditures, including expense reports and evidence of expenditures, sufficient to reflect and verify all costs of whatever nature claimed to have been incurred and anticipated to be incurred for or in connection with the performance of this Agreement. This system of accounting must be in accordance with generally accepted accounting principles and practices. During the term of this Agreement Farmers Rising shall provide such documentation to the City on a quarterly basis and additionally within ten (10) business days of any request for such documentation by the City.

6.2 To the extent that Farmers Rising conducts any business operations separate and apart from the activities required under this Agreement using, for example, personnel, equipment, supplies or facilities also used in connection with this Agreement, then Farmers Rising must also maintain and make similarly available to the City detailed records supporting the allocation to this Agreement of the costs and expenses attributable to any such shared usages.

6.3 The City shall have the right to make physical inspections of Farmers Rising's equipment and premises to confirm the information reflected in the documentation provided and Farmers Rising's compliance with the terms of this Agreement. The City will make reasonable efforts, consistent with the City's reason for making such inspection(s), to provide Farmers Rising with advance notice and coordinate the scheduling of any such inspections with Farmers Rising.

6.4 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.** Farmers Rising 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 a Mobile Grocery Store.

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 Farmers Rising, or between the City and any of the Farmers Rising's directors, officers, employees, volunteers, contractors, vendors, customers, or agents. Farmers Rising shall not represent that it has authority to bind the City or that the City operates, controls, sponsors, endorses, or manages the mobile grocery store, except to the limited extent expressly stated in this Agreement. Farmers Rising shall perform as an independent contractor with sole control of the manner and means of performing this Agreement. Farmers Rising shall complete this Agreement according to Farmers Rising's own means and methods of work, which shall be in the exclusive charge and control of Farmers Rising and which shall not be subject to control or supervision by the City except as to the result of the work. Farmers Rising is, for all purposes arising out of this Agreement, an independent contractor, and neither Farmers Rising 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 Farmers Rising 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, Farmers Rising shall procure and maintain, at its sole cost and expense, insurance coverage sufficient to cover the risks arising from Farmers Rising's operation of the mobile grocery store 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, Farmers Rising shall maintain at least the following coverage:

(i) Commercial General Liability Insurance, written on an occurrence basis, including coverage for bodily injury, property damage, personal and advertising injury, contractual liability, premises/operations, products and completed operations, and liability arising from the handling, storage, distribution, or sale of food and grocery products, with limits of not less than \$1,000,000 per occurrence and \$2,000,000 general aggregate.

(ii) Business Automobile Liability Insurance, covering all owned, leased, hired, borrowed, and non-owned vehicles used in connection with the mobile grocery store or this Agreement, including the mobile grocery vehicle and loading/unloading activities, with a combined single limit of not less than \$1,000,000 per accident.

(iii) Workers' Compensation Insurance Statutory benefits in full compliance with the Illinois Workers' Compensation Act (820 ILCS 305/1 et seq.), as amended, and Employer's Liability Insurance with limits of liability of not less than \$500,000 per accident for bodily injury by accident, \$500,000 per employee for bodily injury by disease, and \$500,000 policy limit for bodily injury by disease, unless Farmers Rising has no employees and is exempt under applicable law.

(iv) Property, Equipment, Cargo, Spoilage, or Similar First-Party Coverage, as appropriate, covering vehicles, equipment, fixtures, refrigeration units, inventory, supplies, and other property used in the mobile grocery store operation, including loss or damage from theft, fire, refrigeration failure, spoilage, transit, or other risks reasonably associated with the funded program.

(v) Farmers Rising shall require any subcontractor, vendor, vehicle operator, food supplier, or other third party materially involved in the operation of the mobile grocery store to maintain insurance appropriate to that party's role and the risks of its activities.

9.2 *Evidence of Insurance.* Before receiving funds or commencing funded activities, and upon each renewal thereafter, Farmers Rising shall provide the City with certificates of insurance evidencing the required coverage. Upon request, Farmers Rising 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.* All insurance policies shall provide that they may not be cancelled or modified, except for increase in coverage, without thirty (30) days prior-written notice to the City. Farmers Rising shall provide written notice to the City within five (5) business days after Farmers Rising receives notice of any cancellation, non-renewal, lapse, or material reduction of any insurance required under this Agreement. Farmers Rising shall not allow any required insurance to lapse and shall promptly replace any cancelled, non-renewed, or materially reduced coverage.

10. **INDEMNIFICATION.** Farmers Rising 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 Farmers Rising's performance or failure to perform under this Agreement, the operation of the Mobile Grocery Store, or the acts or omissions of Farmers Rising or its officers, employees, agents, volunteers, contractors, or vendors. Farmers Rising 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 Farmers Rising 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, Farmers Rising will at its sole cost and expense, resist or defend such action or proceeding.

11. **NON-ASSIGNABILITY.** Farmers Rising 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, Farmers Rising may use ordinary-course vendors, suppliers, employees, volunteers, or contractors in connection with the mobile grocery program, provided that Farmers Rising remains solely responsible for performance of this Agreement and for the acts and omissions of such persons or entities.

12. **LEGAL COMPLIANCE.** Farmers Rising 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.** Farmers Rising 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. Farmers Rising, 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 Farmers Rising: (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 Farmers Rising breaches any obligation or covenant, the City shall issue a written notice of default. If Farmers Rising 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, Farmers Rising 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 Farmers Rising remains fully liable for all resulting damages.

15.4 *Collateral.* In addition to its other remedies, upon any termination of this Agreement Pursuant to 15.1 or 15.2, or upon Farmers Rising's failure to satisfy its obligations under Section 5.3, the City may proceed against the collateral as a secured party and lienholder under Section 5.4 and applicable law, including repossessing and disposing of it.

15.5 *Suspension Pending Cure.* In lieu of, or prior to, exercising its rights under Sections 15.1 through 15.3, the City may suspend or reduce further disbursements upon written notice to Farmers Rising identifying any failure to comply with this Agreement and the steps necessary to cure it. Suspended or reduced disbursements shall resume promptly upon cure. A suspension under this Section is not itself a termination and does not limit the City's right to thereafter issue a notice of default under Section 15.2 or terminate this Agreement if the failure remains uncured.

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 Development. 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 ANGELIC ORGANICS LEARNING CENTER INC., AN ILLINOIS NOT-FOR-PROFIT CORPORATION D/B/A FARMERS RISING:

Angelic Organics Learning Center, Inc.
1545 Rockton Road
Caledonia, IL 61011-9572

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 Farmers Rising 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 Farmers Rising 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. Angelic Organics Learning Center Inc., an Illinois not-for-profit corporation d/b/a Farmers Rising 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 Angelic Organics Learning Center Inc., an Illinois not-for-profit corporation d/b/a Farmers Rising, enforceable in accordance with its terms and provisions.

IN WITNESS WHEREOF, the City and Farmers Rising 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 _____

Angelic Organics Learning Center Inc.,
an Illinois not-for-profit corporation d/b/a Farmers Rising

BY: _____
Date _____