

THIS FUNDING AGREEMENT is made between the **CITY OF ROCKFORD**, a municipal corporation (hereinafter referred to as "City") and the **ROCKFORD AREA ARTS COUNCIL**, an Illinois not-for-profit corporation (hereinafter referred to as the "RAAC").

WHEREAS, the terms of Section 5-47 of the Rockford Code of Ordinances allow the proceeds of the City's "Redevelopment Fund" to be used to obtain, under contracts, the delivery of services and related activities which provide for the economic development of the City of Rockford; and

WHEREAS, the City has supported the work of the RAAC as the lead organization for leveraging arts and culture as a catalysts for community, economic and educational development; and

WHEREAS, the City supports the RAAC in the operation of advancing arts and culture to bring people downtown and as a means to incubate business throughout Rockford; and

WHEREAS, the services provided under the RAAC's 2026-2028 Work Program" (the "Work Program") constitutes valuable economic development services that will promote the welfare of the citizens of the City of Rockford.

NOW THEREFORE, the City and RAAC do mutually agree as follows:

1. **SCOPE OF SERVICES.** The RAAC shall provide its special knowledge, services, skills, and support to operate, program and grow arts and culture as provided for in RAAC's Work Program, which is attached hereto and incorporated herein as Exhibit "A". The City and RAAC agree that the Work Program and budget provides a summary of the scope of services that shall be provided by RAAC to the City. The RAAC shall collaborate with other City-supported entities. Such collaborative efforts will be made toward aligning the goals and objectives of the RAAC with the aforementioned agencies in order to improve efficiencies and increase economic development in Rockford.
2. **TERM.** The term of this Agreement shall be from January 1, 2026, through December 31, 2028.
3. **PAYMENTS.** In consideration of the services provided by the RAAC, the City agrees to pay to the RAAC from its Redevelopment Fund up to a sum of One Hundred Twenty-Five Thousand Dollars (\$125,000) per year for a maximum amount of Three Hundred Seventy-Five Thousand Dollars (\$375,000) over the three years of the agreement. The initial payment will be a lump sum payment payable on or before February 28, 2026. Second and third year payments will be lump sum payments within 60 days of the RAAC's annual report of achievements to the City.
4. **INFORMATION AND REPORTS.** The RAAC shall submit to the City an annual report of achievements no later than February 1, of each year of the agreement. The RAAC shall also submit any other information the City may reasonably require concerning the services provided under this Agreement. City Council may request a presentation by RAAC to the Planning and Development Committee on its annual report or from time to time.
5. **INDEPENDENT CONTRACTOR.** It is agreed that the City is interested only in the results obtained and that the RAAC shall perform as an independent contractor with sole control of the manner and means of performing the services requires\under this Agreement. The RAAC shall complete this Agreement according to the RAAC's own means and methods of work, which shall be in the exclusive charge and control of the RAAC and which shall not be subject to control or supervision by the City except as to the result of the work. The RAAC is, for all purposes arising

out of this Agreement, an independent contractor, and neither the RAAC nor the RAAC employees shall be deemed an employee of the City, by reason of this Agreement.

6. INDEMNIFICATION AND INSURANCE. RAAC, its subcontractors and agent(s), hereby release and convey and agree to indemnify and save 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. In the event that any action or proceeding is brought against the City, its representatives, officers, agents and/or its employees by reason of any such claim or demand, RAAC will, at its sole cost and expense, resist or defend such action or proceeding.

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. All insurance requires hereunder shall be by a company or companies licensed to conduct business in the State of Illinois.

7. NON-ASSIGNABILITY. This Agreement and the monies to become due and services provided hereunder shall not be assignable, either by action of the RAAC or by operation and execution of this Agreement.
8. SUBCONTRACTS. The RAAC shall not be allowed to subcontract all or any part of its rights or obligations under this Agreement without the express written consent of the City's Central Services Manager and the City's Community and Economic Development Deputy Director.
9. CONFLICT OF INTEREST. The City and the RAAC hereby covenant and agree:
 - A. No member of the City Council, nor any other public official who exercises any functions or responsibilities with respect to this program during the individual's term or for one year thereafter, shall have any personal or financial interest, direct or indirect, or the proceeds thereof, to be performed in connection with the program assisted under this Agreement.
 - B. The provisions of subparagraph A shall also apply to employees of the RAAC.

10. TERMINATION.

- A. Events Causing Termination. This Agreement shall terminate upon any of the following events:
 - i. Voluntary or involuntary dissolution of the RAAC, or a request from the RAAC, granted by the City, to terminate its duties under this Agreement.
 - ii. Termination by the City for cause pursuant to subparagraph (b) of this paragraph.
 - iii. 111. The City reserves the right to terminate or reduce the payment under this contract if for any reason beyond its control insufficient revenues are available from the Redevelopment Fund to pay for the services to be provided by the RAAC.

- B. Termination for Cause. If, through any cause, the RAAC shall fail to fulfill in timely and proper manner its obligations under this Agreement, or if the RAAC shall violate any of the covenants, agreements or stipulations of this contract, the City shall give written notice to the RAAC of such violation. In the event that the RAAC neglects or refuses to correct or cure said violation to the satisfaction of the City within sixty (60) days of its receipt of notice, then to the extent that a material or substantive breach of this Agreement still exists as of said date, this Agreement shall be void and the parties shall be subject to the liabilities set forth below.
- C. Liabilities Upon Termination. In the event of termination, the RAAC shall be entitled to receive just and equitable compensation for any satisfactory work or services rendered, or expenses properly incurred under the scope of services, prior to termination. Notwithstanding the above, the RAAC shall not be relieved of liability to the City damages sustained by the City by virtue of any breach of this Agreement, and the City may withhold any payments to the RAAC for the purpose of set off until such time as the exact amount of damages due the City from RAAC is determined.
- D. Remedies Other Than Termination. Should review of the RAAC's performance show nonconformance to the Scope of Services, Budget or any other terms or conditions herein, the RAAC shall be in breach of this Agreement, and the City may take appropriate actions as it deems necessary, including but not limited to temporary withholding or reduction of payment, or suspension of program operations. The selection of a remedy other than termination shall not prevent the City from subsequently terminating this Agreement as described herein.
11. 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 Deputy Director.
12. 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

AS TO THE RAAC:

Executive Director
Rockford Area Arts Council
713 E State St
Rockford, IL 61104

13. 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.

The City or the RAAC may request changes in the Scope of Services to be performed hereunder. Such changes, including any increase or decrease in the amount of compensation for the RAAC, which are mutually agreed upon by and between the City and the RAAC shall be incorporated in written amendments to this Agreement.

14. 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.

15. 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.

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

CITY OF ROCKFORD
A Municipal Corporation

BY: _____
Thomas P McNamara, Mayor

Date

ATTEST: _____
Angela Hammer, Legal Director

Date

ROCKFORD AREA ARTS COUNCIL
An Illinois not-for-profit Corporation

BY: _____
Mary McNamara-Bernsten, Executive Director

Date