

MEMORANDUM OF UNDERSTANDING (MOU)

BETWEEN

The Aurora East Education Foundation (AEEF), East Aurora School District 131 and East Aurora High School Athletics Department

EFFECTIVE DATE: August, 2026

1. PURPOSE

The purpose of this Memorandum of Understanding (MOU) is to establish a formal agreement between the Aurora East Education Foundation, an Illinois not-for-profit corporation (AEEF), the East Aurora School District 131, an Illinois public school district (the "District"), and the East Aurora High School Athletics Department, an operational division of the District acting through its authorized representative for purposes of this MOU ("High School Sports"), regarding the collection, allocation, and distribution of revenue generated from corporate sponsorships, and related promotional partnerships.

2. REVENUE RECOGNITION

This agreement applies to all revenue generated from sponsorships including, but not limited to:

- Stadium signage/banners
- Digital advertisements (website, livestreaming, and scoreboards)
- Event-specific sponsorships (tournaments, half-time shows, etc.)
- Other Static signage/banners

3. ROLES AND RESPONSIBILITIES

- **The District agrees to:** Provide the physical and digital spaces for sponsorship placement and ensure all advertisements comply with District policy and community standards.
- **AEEF agrees to:** Act as the primary fiscal agent for specific major sponsorship accounts, processing funds and issuing tax-deductible receipts to sponsors where applicable. AEEF will manage and ensure that the funds contributed and entrusted to it are properly accounted for and applied, and will maintain and protect its own finances in all respects, including but not limited to keeping complete and accurate financial records and will abide by applicable District policies and applicable laws.

- **High School Sports agrees to:** Assist in identifying potential sponsors, maintaining physical signage, and promoting sponsor visibility during athletic events.

4. REVENUE SHARING ALLOCATION

All gross sponsorship revenues collected under this initiative shall be distributed on a quarterly basis according to the following agreed-upon breakdown:

- **25% to High School Sports:** Deposited directly into the athletic department's account to fund equipment, uniforms, travel, and tournament fees.
- **25% to the AEEF Foundation:** Retained by the foundation to support broader district-wide educational grants, scholarships, and programs.
- **50% to the District:** Allocated to the District general or maintenance fund to cover the overhead costs of facilities, lights, etc.

5. ADMINISTRATION AND DISBURSEMENT

- **Fiscal Agent:** AEEF will serve as the central bookkeeper for these funds.
- **Financial Reporting:** A complete financial ledger detailing all sponsorships secured, and funds collected will be shared with all three Parties by August 30th of each calendar year.
- **Disbursement Schedule:** Payouts to the respective entities not previously distributed will occur no later than 30 days following the close of the fiscal year/sports season.

6. TERM AND TERMINATION

This MOU shall remain in effect for a period of five (5) years from the effective date. It may be renewed, amended, or extended at any time by mutual written consent of all three Parties. The District or AEEF may terminate this agreement with 60 days of written notice.

7. INDEMNIFICATION

The District and the Foundation will both indemnify, defend, and hold each other harmless from all third-party claims, demands, causes of action, losses, liabilities, damages, penalties, fines, and expenses, including reasonable attorney's fees and court costs, which are incurred by the indemnified party, to the extent arising from the indemnifying party's breach of this MOU or negligence. The requirements of this paragraph will survive the termination of this MOU. Nothing in this paragraph may be interpreted to waive any statutory or common law grants of privilege or immunity.

8. NO ASSIGNMENT OR DELEGATION

Each Party represents that it has not and will not assign, sublet or transfer any rights or obligations under this MOU. Nothing in this MOU will be construed as creating any personal liability on the part of any officer or agent that may not be a Party, nor will it be construed as giving any right or benefits to anyone other than the Parties. Nothing in this MOU will be



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construed to create a partnership, joint venture, or employment relationship between the Parties.

9. GOVERNING LAW

The Parties will comply with all federal, state, county, and municipal laws, rules and regulations that apply to the performance of each Party's respective obligations under this MOU. This MOU is governed by and construed in accordance with the laws of the State of Illinois.

10. AUTHORITY TO EXECUTE

Each of the undersigned represents in his/her individual capacity that he/she has the authority to execute this MOU on behalf of the Party represented.

11. ENTIRE AGREEMENT

This MOU contains the entire agreement between the Parties, and there are no promises or agreements, either oral or written, express or implied, between them other than as set forth here. This MOU supersedes and nullifies any prior verbal or written representation or agreement between the Parties concerning the subject matter of this MOU, except as contained in this MOU. This MOU may be modified only through a written amendment signed by all Parties. This MOU may be executed in counterparts.

SIGNATURES

By signing below, the Parties indicate their approval and acceptance of the terms outlined in this Memorandum of Understanding.

For the East Aurora School District 131:

Andrew Allen, Superintendent / Authorized Official

Date: _____

For the AEEF Foundation:

Mark Michelini, Chairman

Date: _____

For East Aurora High School Athletics Department, A division of East Aurora School District 131:

Noel De La Mar, Athletic Director

Date: _____