

Memorandum of Understanding for Fiscal Sponsorship
Between
Food Systems Economic Partnership
And
Repasts, Present and Future

This Memorandum of Understanding (Memorandum) is made as of the Effective Date (defined in Paragraph 1 below) between Food Systems Economic Partnership (FSEP), a Michigan nonprofit corporation, whose address is 705 N. Zeeb Road, Ann Arbor, MI 48103, and Repasts, Present and Future (RPF), an unincorporated association, whose address is 722 Soule Blvd., Ann Arbor, MI 48103.

RECITALS

- A. RPF is presently a fiscally sponsored project of Slow Food Huron Valley (SFHV).
- B. RPF has requested that FSEP serve as fiscal sponsor of RPF.
- C. FSEP's board of directors, after reviewing RPF's goals and activities, has determined that the mission of RPF is in line with the vision of FSEP, and, as such, is prepared to act as the fiscal sponsor of RPF.
- D. As fiscal sponsor of RPF, SFHV will transfer assets of RPF to FSEP and FSEP will receive future assets and incur liabilities for RPF, beginning on the Effective Date, and FSEP will use such assets to pursue the objectives for which RPF has been established.
- E. RPF desires to come under legal control and authority of FSEP as a Fiscally sponsored project of FSEP for the term of this Memorandum.

NOW, THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS

I. Purpose of Memorandum:

The purpose of this Memorandum is to affirm RPF as a Fiscally sponsored project of FSEP and to affirm the general principles, which will govern the RPF Project. RPF will become a fiscally sponsored project of FSEP as of the date SFHV, FSEP and RPF execute Attachment B and SFHV delivers the funds referenced in Attachment B to FSEP (Effective Date). Attachment A, which is hereby incorporated by reference into this Memorandum lists FSEP's and RPF's responsibilities to each other as well as their mutual obligations. These responsibilities are also summarized

below. In the event of any conflict or confusion as between the text of this Memorandum and Attachment A, this Memorandum shall govern.

II. FSEP Fiscal Sponsorship:

FSEP will support the programmatic activities of RPF and other projects that FSEP's board of directors determines to be appropriate for fiscal sponsorship, FSEP will provide general management, financial, administrative and human resources support as needed. FSEP will exercise full legal and managerial control over RPF. FSEP has the authority to set and change fiscal, human resources, and other administrative policies at any time. However, FSEP agrees to consult with RPF's advisory board (as described in Paragraph V below) prior to making changes in policies. There will be an annual review of the memorandum of understanding, including fees for service.

III. Employment and Project Management:

If, in the future, RPF has employees, FSEP will be the employer for all staff members of RPF's fiscally sponsored project, with final decision-making authority for hiring and termination of such employees. All such employees shall be at-will. FSEP has responsibility for all projects undertaken by RPF and FSEP must review and approve all contracts, grants, loans, and other legal documents of RPF. RPF's fiscally sponsored project will be assigned a primary point of contact between FSEP and RPF for all management issues. Initially, the primary point of contact for FSEP is the Executive Director, Jennifer Fike and the primary point of contact for RPF is Jeff McCabe. When conflicts arise, RPF is expected to keep the point person informed of the situation.

IV. Day-To-Day Management, Authority and Fundraising

- a. The FSEP board of directors has governing authority over and legal and fiduciary responsibility for RPF. RPF will be a direct activity of FSEP, carrying out programmatic activities, which contribute to the health and wellbeing of the RPF community in accordance with RPF's mission. As of the Effective Date, FSEP appoints Jeff McCabe as the individual responsible for the day-to-day operations of RPF; subject however, to oversight, management and removal by the board of directors of FSEP.
- b. As a project of FSEP, RPF must comply with all federal and state laws and regulations governing nonprofit activities. RPF will be responsible for raising sufficient funds to cover operating expenses. FSEP and RPF understand and agree that except for overhead administrative expenses, funds raised by

and on behalf of RPF shall be used only in support of RPF – related activities.

- c. RPF may solicit gifts, contributions, and grants on behalf of FSEP that are earmarked for the activities of RPF. RPF's choice of funding sources to be approached and the text of RPF's letters of inquiry, grant applications, and other fundraising materials are subject to approval by FSEP. FSEP's executive director must co-sign all original letters of inquiry, grant proposals, and grant agreements. All grant agreements, pledges, or other commitments with funding sources to support RPF shall be executed by FSEP. The cost of any reports or other compliance measures required by such funding sources shall be borne by RPF.

V. Advisory Board

RPF will maintain an advisory board to provide accountability and support to FSEP in the performance of FSEP's duties under this Memorandum. The advisory board of RPF will have no legal or governing authority, but it will provide assistance to FSEP in policy development, fundraising and organizational development of RPF's fiscally sponsored project. The advisory board of RPF will also support, monitor and evaluate the individual appointed by FSEP to manage the day-to-day operations of RPF. Additionally, the advisory board will help to facilitate and maintain communication between FSEP and RPF, providing advice and recommendations regarding personnel, financial, and administrative matters as well as other issues related to RPF.

VI. Administrative Expenses

FSEP's allocation for overhead charges is 2% of RPF expenses, exclusive of any/all payroll and other employment expenses. In the event of paid RPF staff, FSEP will charge 10% overhead on all payroll and other direct employment expenses. RPF may not submit proposals or accept funding sources with different indirect rates without prior approval from FSEP. FSEP, in further fulfillment of its exempt purpose, may also offer consulting, training, and other capacity-building programs and meeting facilities outside the scope of Attachment A: Sponsorship Services, Expectations and Collaboration. The cost of such programs, if utilized by RPF, shall be borne out of RPF funds. Any RPF expenses attributable to FSEP offerings that fall outside of the scope of Attachment A shall not be subject to FSEP's standard allocation for overhead expenses. Any costs associated with FSEP obtaining additional liability insurance coverage to cover the RPF project activities will be borne by RPF. All loans currently made to

Jeff McCabe/RPF will transfer to FSEP as part of this agreement. RPF is responsible for any defaulted loans made by RPF or Jeff McCabe and costs associated with defaulted loans will be borne by RPF.

VII. Legal Counsel

- a. If RPF wishes to retain legal counsel, whether paid or pro bono, it must notify the primary point of contact for FSEP in advance to make certain the counsel has sufficient understanding of FSEP's corporate structure and policies.
- b. Any time that RPF becomes aware of an actual potential claim or dispute that may involve legal action, RPF must inform the primary point of contact for FSEP of the nature of the claim or dispute; furnishing the primary point of contact for FSEP with a brief description of the issue as soon as possible. RPF is responsible for the costs of all legal consultation or litigation. RPF shall cooperate with FSEP in the defense of such claim. FSEP shall have sole control and authority over the defense/resolution of any such claim/dispute.

VIII. Property Rights

- a. All property rights, title and interest, including all intellectual property rights developed by RPF in connection with this Memorandum shall vest in FSEP. No such property shall be the subject of an application for copyright, trademark or patent registration and/or protection by or on behalf of RPF without the prior written consent of FSEP's executive director. All proceeds received by FSEP from monetization for materials or methods development of RPF, including licensing fees and royalties, shall be allocated to support RPF's purpose.
- b. Within 30 days of a legal separation between FSEP and RPF, FSEP agrees upon written request of RPF, and subject to all applicable laws and regulations, to assign to a Successor (as defined in Paragraph IX below) all property rights developed in connection with or as a result of this Memorandum.
- c. The advance written approval of FSEP's executive director is required prior to the publication by RPF of any electronic or hard-copy information about RPF, except that any of the following types of publications shall not require such advance approval (but RPF shall promptly provide FSEP with copies of all such publications):

- i. Routine updates of RPF materials, including routine updates on RPF's website (repastspresentandfuture.org).

In cases where advance written approval is required, RPF shall provide the material to be reviewed to FSEP's executive director sufficiently in advance to allow reasonable time for review, but in no case less than 3 business days in advance. FSEP's executive director shall review and respond promptly to any such request.

- d. RPF agrees to consult with FSEP's executive director regarding printing FSEP's name and/or logo on RPF publications, but FSEP does not require such recognition. RPF shall note on its website that it is a fiscally sponsored project of FSEP.

IX. Term and Project Closure

- a. RPF shall be a fiscally sponsored project of FSEP until the relationship is terminated. Either party may terminate this Memorandum by giving ninety (90) days written notice of such termination to the other party. In addition, FSEP may terminate this Memorandum at any time if RPF has engaged in unauthorized or illegal activities or materially violated any FSEP policies or any of the terms and provisions of this Memorandum.
- b. If RPF will continue to exist, but one of the parties desires to terminate this Memorandum, the following terms and conditions shall apply. Another nonprofit corporation that is tax-exempt under IRC Section 501(c)(3) and is not classified as a private foundation under Section 509(a) will be identified or established sponsor RPF (Successor). In addition, any other organizational structure that is willing to sponsor RPF and is permitted by IRS tax code at the time of termination will be allowed. When Successor is established, the balance of assets held by FSEP for RPF, together with any other assets held or liabilities incurred by FSEP in connection with RPF, shall be transferred to the Successor at the end of the notice period or any extension thereof, subject to the approval of any third parties (including funding sources) that may be required. If RPF has formed a new organization qualified to be a Successor as set forth in this Paragraph IX b, such organization shall be eligible to receive all such assets and liabilities so long as such organization has received a determination letter from the Internal Revenue Service which states the new organization is exempt from federal tax under section 501(c)(3) of the Internal Revenue Code no later than the end of the notice

period or any extension thereof. If no Successor is found, after a time deemed reasonable to accomplish these tasks, FSEP may allocate RPF's assets and liabilities in any manner consistent with applicable tax and charitable trust laws and other obligations.

X. Protection of Tax-Exempt Status

RPF agrees not to use funds received from FSEP in any way that would jeopardize the tax-exempt status of FSEP. RPF agrees to comply with any written request by FSEP that it cease activities that might jeopardize FSEP's tax status, and further agrees that FSEP's obligation to make funds available to RPF is suspended in the event that RPF fails to comply with any such request. Any changes in the purpose for which grant funds are spent must be approved in writing by FSEP before implementation. FSEP retains the right, if RPF breaches this Memorandum, or if RPF jeopardizes FSEP's legal or tax status, to withhold, withdraw, or demand immediate return of grant funds.

IN WITNESS WHEREOF, FSEP and RPF have caused this Memorandum to be executed by their duly authorized representatives as of the day and year first written above.

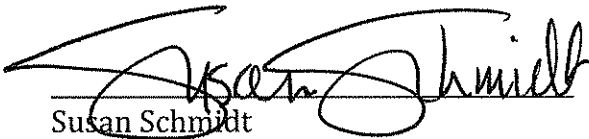
Food System Economic Partnership:



Jennifer Fike
Executive Director

4/6/11

Date

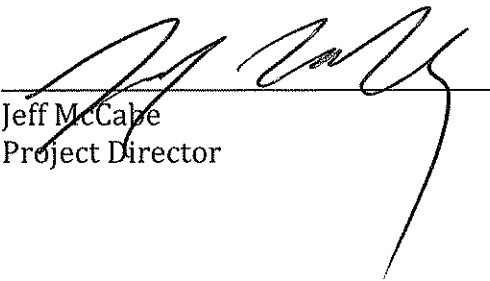


Susan Schmidt
Board Chair

4/6/11

Date

Repasts, Present And Future:



Jeff McCabe
Project Director

4/6/11

Date

Attachment A: Sponsorship Services, Expectations and Collaboration

FSEP's staff will provide the following fiscal sponsorship services to RPF:

Legal and Corporate

- Serve as corporate home for RPF, including 501[c]3 status
- Serve as legal employer, including compliance with all relevant government regulations and reporting requirements
- Provide commercial property and general liability insurance
- Sign commercial contracts, grants, leases, and other legal documents on behalf of RPF

Financial Management

- Maintain books and prepare monthly financial reports
- Maintain a separate bank account for RPF funds
- Execute basic banking transactions
- Include RPF in FSEP tax reporting
- Upon receipt of funding or other revenue commitments, advance cash to cover program needs
- Upon receipt of written request from RPF, prepare and execute subcontracts with vendors and consultants
- Receive foundation, corporate and government funding on behalf of RPF
- Prepare and submit financial reports, invoices and required backup materials to funders
- Monitor receivables
- Receive and acknowledge (for tax purposes) donations on behalf of RPF including online donations

Human Resource Management

- Administer payroll and benefits
- Administer personnel policies
- Provide advice on recruitment and compensation
- Provide advice and consultation on employee relations issues
- Notify RPF when annual staff evaluations are due
- Monitor and report to RPF on staff leave balances

FSEP's fiscal sponsorship team and RPF will work together on the following:

- Prepare RPF budgets
- Prepare funding proposals
- Communicate with each other on regular basis
- Assist with developing job descriptions and posting recruitment ads

RPF assumes the following responsibilities with FSEP:

- Bring RPF's mission and core values to the community
- Comply with all terms and conditions of grants, contracts, and other awards received on behalf of RPF, including preparing narrative reports to funders
- Plan, implement and manage program activities
- Secure program funds
- Recruit staff
- Conduct annual evaluations of all staff
- Designate a staff member as primary liaison with FSEP's fiscal sponsorship coordinator
- Maintain and provide FSEP's fiscal sponsorship coordinator with documentation necessary for financial and human resources transactions
- Assure that all subcontracted work is completed as required; inform FSEP's fiscal sponsorship coordinator of any issues needing attention
- RPF is prepared to do its own data entry for accounting through Quickbooks upon request of FSEP
- Provide contact information to the FSEP Executive Director or designee of RPF hoop house recipients, so that FSEP may offer business counseling services to assist the recipients and provide support as needed including assistance in generating institutional sales

Attachment B: Letter from Slow Food Huron Valley

[Date]

Food Systems Economic Partnership
705 N. Zeeb Road
Ann Arbor, MI 48103
Attention: Jennifer Fike, Executive Director

Re: Repasts, Present and Future

Dear Jennifer:

Repasts, Present and Future (RPF) is presently a fiscally sponsored project of Slow Food Huron Valley (SFHV). RPF has requested that SFHV transfer the duties and responsibilities of fiscal sponsor of RPF to FSEP.

To induce FSEP to serve as the successor fiscal sponsor for RPF, SFHV represents and agrees as follows:

1. SFHV is tax-exempt under IRC Section 501(c)(3) and is not classified as a private foundation under Section 509(a).
2. The assets held by SFHV for RPF as of the date hereof are set forth on the attached Schedule A (Assets).
3. The liabilities incurred by SFHV on behalf of RPF as of the date hereof are set forth on the attached Schedule B (Liabilities).
4. SFHV hereby transfers all right, title and interest that SFHV has in and to the Assets to FSEP as of the date hereof, subject to the Liabilities, but free and clear of any liens or encumbrances of any kind.
5. The approvals of third parties (including funding sources), as well as the approval of the board of directors of SFHV, required to give effect to the transfer of the Assets and the Liabilities to FSEP has been obtained by SFHV.
6. SFHV has kept the books and records of RPF in accordance with generally accepted accounting principles and hereby transfers such books and records to FSEP.
7. SFHV has no knowledge of any acts or omissions of RPF that would jeopardize the tax-exempt status of SFHV or FSEP.

To induce SFHV to transfer the fiscal sponsorship of RPF, FSEP represents and agrees as follows:

1. FSEP is tax-exempt under IRC Section 501(c)(3) and is not classified as a private foundation under Section 509(a).
2. FSEP acknowledges receipt of the Assets as of the date hereof.
3. FSEP accepts the Liabilities incurred by SFHV on behalf of RPF and will discharge such Liabilities in accordance with the terms and provisions of a Memorandum of Understanding for Fiscal Sponsorship between FSEP and RPF with an Effective Date of even date with this letter.
4. The approval of the board of directors of FSEP, required to give effect to the transfer of the Assets and the Liabilities has been obtained by FSEP.

SFHV and FSEP agree to cooperate with each other and to take such further action as either party shall reasonably request to give effect to this letter agreement.

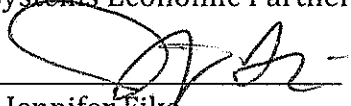
Please acknowledge the agreement of FSEP to the terms and provisions of this letter agreement by executing a copy of this letter agreement and returning it to the undersigned.

Slow Food Huron Valley

By: _____
Name: _____
Title: _____

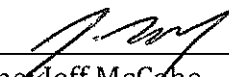
Acknowledged and agreed to:

Food Systems Economic Partnership

By: 
Name: Jennifer Fike
Title: Executive Director

Acknowledged:

Repasts, Present and Future

By: 
Name: Jeff McCabe
Title: project director

Schedule A (Assets)

[Prepare list of Assets, including, funds on deposit in bank accounts]

Schedule B (Liabilities)

[Prepare list of Liabilities]

[Provide FSEP with copies of all documents evidencing/securing the Liabilities]



Slow Food®

Huron Valley

March 15, 2011

Food Systems Economic Partnership
705 N. Zeeb Road
Ann Arbor, MI 48103
Attention: Jennifer Fike, Executive Director

Re: Repasts, Present and Future

Dear Jennifer:

Repasts, Present and Future (RPF) is presently a fiscally sponsored project of Slow Food Huron Valley (SFHV). RPF has requested that SFHV transfer the duties and responsibilities of fiscal sponsor of RPF to FSEP.

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6. SFHV has kept the books and records of RPF in accordance with generally accepted accounting principles and hereby transfers such books and records to FSEP.
7. SFHV has no knowledge of any acts or omissions of RPF that would jeopardize the tax-exempt status of SFHV or FSEP.



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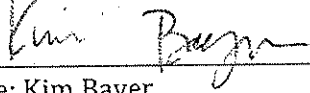
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4. The approval of the board of directors of FSEP, required to give effect to the transfer of the Assets and the Liabilities has been obtained by FSEP.

SFHV and FSEP agree to cooperate with each other and to take such further action as either party shall reasonably request to give effect to this letter agreement.

Please acknowledge the agreement of FSEP to the terms and provisions of this letter agreement by executing a copy of this letter agreement and returning it to the undersigned.

Slow Food Huron Valley

By: 
Name: Kim Bayer
Title: President

Acknowledged and agreed to:

Food Systems Economic Partnership

By: 
Name: Jennifer Fike
Title: Executive Director

Acknowledged:

Repasts, Present and Future

By: _____
Name: Jeff McCabe
Title: _____

Schedule A (Assets)

Slow Food Huron Valley transferred the following assets to the Food System Economic Partnership on 3/15/11:

Asset	Description
\$12,799.23	Bank balance
Total assets transferred:	\$12,799.23

Schedule B (Liabilities)

RPF issued nine loans in 2009 and 2010. The loans were made in the amount of the materials required to build a hoop house on the farmers' property.

Loan Recipient	Loan date	Loan amt	First pmt date	Remaining principle (as of 01/01/11)*
Greg Willerer, Brother Nature Farm	08/01/09	\$6,000.00	01/01/10	\$4,387.04 ✓
Tomm Becker, Sunseed Farm	09/25/09	\$10,000.00	01/01/10	\$6,766.05 ✓
Kathleen Devlin,	05/08/10	\$5,100.00	01/01/11	\$5,100.00 ✓
Tomm Becker, Sunseed Farm	05/22/10	\$6,850.92	07/01/10	\$1,792.79 ✓
Beverly Ruesink, Needle Lane Farm	06/05/10	\$9,168.67	01/01/11	\$9,168.67 ✓
Jennifer Kangas, Capella Farm	08/28/10	\$9,647.19	01/01/11	\$9,647.19 ✓
Shannon Brines, Brines Farm	09/25/10	\$9,569.57	01/01/11	\$9,569.57 ✓
Stephanie Phillips,	11/13/10	\$8,259.55	04/01/11	\$8,259.55 ✓
Kari Smith,	11/13/10	\$8,259.55	04/01/11	\$8,259.55 ✓

Total liabilities transferred:

~~\$62,950.41~~ 62,869.81

* Does not include interest due, which may vary with payment plan.

SFHV provided FSEP with copies of all loan agreements made between Jeff McCabe and the above listed loan recipients.