**Section 899.40 Conditions of Contract**

As contractors with DHS, the Lekotek centers must agree to comply with:

a) the rules set forth in 89 Ill. Adm. Code 525 (Grants and Contracts) and

b) the conditions set forth in the National Lekotek Center's licensing agreement, which require:

1) that the center acknowledge NLC's exclusive right, title and interest in and to the marks (i.e. the name "Lekotek" and the "BlockLogo") and agrees not to contest the validity of the marks of NLC's ownership thereof and agrees not to be a party, directly or indirectly, to any act disputing the validity or ownership of the marks, or tending to impair the value of the marks or the good will associated therewith;

2) that the center will become qualified for not-for-profit status under the regulations of the Internal Revenue Service, 26 U.S.C. 501(c);

3) that the center will abide by the Lekotek Manual;

4) that the center agrees any and all personnel dealing directly with children and families in teaching, leading or instructional situations must be certified as Lekotek Leaders by NLC;

5) that the client intake procedures approved by NLC will be followed;

6) that NLC's Lekotek Library system, or any other system approved by NLC will be used to maintain the center's library inventory, and that an inventory of library materials will be made at least once a year;

7) that the center will submit a written report containing information on the operations of the center to NLC on a semi-annual basis;

8) that the center consents to periodic evaluation visits by NLC upon reasonable advance notice;

9) that all advertising and promotional material shall be of a style, appearance, and quality consistent and commensurate with NLC's reputation and shall be suitable for public distribution;

10) that the center shall automatically become a member of the National Council of Lekoteks;

11) that the center will pay NLC an annual assessment;

12) that the center shall acquire and maintain insurance from a nationally recognized insurance company which encompasses not only normal and bodily injury and property damage, but also contractual liability coverage for all obligations assumed by the center;

13) that the center agrees to indemnification stipulations;

14) that the center will promptly communicate to NLC all games, ideas, inventions or designs which it develops, created and uses in rendering its services under the marks and in connection with the agreement signed by NLC and the center;

15) that the center will notify NLC any time it becomes aware of use by a third party of the marks;

16) that the center will keep accurate books of account and records covering all financial transactions relating to its operation under the license granted by the NLC.