

AGREEMENT

This Agreement made and entered into as of the ~~23rd~~ day of ~~November~~, 20~~09~~10, between the City of Rochelle, an Illinois municipal corporation (“City”) and the Rochelle Area Chamber of Commerce, an Illinois not-for-profit corporation (“Chamber”):

WITNESSETH

THAT WHEREAS, the City is engaged in economic development activity, including efforts to persuade retail commercial businesses to locate in the City, or to expand facilities already located in the City (“Retail Commercial Development”); and

WHEREAS, the City has established an economic development department, one of the functions of which is Retail Commercial Development, and has assigned duties related to Retail Commercial Development to Peggy Friday, a City employee (“Employee”); and

WHEREAS, the Chamber has, for many years, engaged in the same or similar activities with respect to Retail Commercial Development, and has assigned that function to its executive director, with the assistance of Chamber members; and

~~**WHEREAS**, the Chamber is currently without an executive director; and~~

WHEREAS, the City and the Chamber have heretofore determined that it would be in their mutual best interests to combine their activities related to Retail Commercial Development, and have agreed that an efficient method of accomplishing this goal would be for the Chamber to undertake sole responsibility for Retail Commercial Development, thereby relieving the City of that responsibility, in exchange for which the City would

loan the Employee to the Chamber, to serve as the Chamber's executive director, on the terms set forth herein; and

WHEREAS, the parties have entered into an agreement dated March 23, 2009, providing terms to accomplish the foregoing objective, and now wish to replace that agreement with this agreement; and

WHEREAS, the parties acknowledge that the terms of their agreement, and the Employee's duties and activities as the Chamber's executive director, may be subject to certain provisions of the Illinois Constitution and Statutes, including without limitation the following: (i) Article 8, Section 1(a) of the Illinois Constitution, which provides that "public funds, property or credit shall be used only for public purposes"; (ii) the Illinois Local Government Employees Political Rights Act, the State Officials and Employees Ethics Act, and ordinances of the City adopting said Act, which prohibit City employees from engaging in any prohibited political activity during any time for which they are being compensated by the City; and (iii) Section 1(a) (4) of the Illinois Worker's Compensation Act, which governs certain issues related to liability for injury to loaned employees;

NOW THEREFORE, in consideration of the mutual agreements contained herein, the parties agree as follows:

1. Chamber to Engage in Retail Commercial Development. The Chamber shall engage in Retail Commercial Development to benefit the City throughout the term of this Agreement, including all such functions and activities in which the City and/or the Chamber were engaged prior to the Commencement Date of this Agreement. The

manner of carrying out such functions and activities, and the day-to-day management of same, shall be in the sole discretion of the Chamber.

2. Loan of Employee; Terms. During the term of this Agreement, the City shall loan the Employee to the Chamber, to serve as the Chamber's executive director, on the following terms:

(a) the Employee's salary shall be paid by the City in the same amount and in the same manner as the employee's salary was paid prior to the commencement of ~~the this~~ Agreement dated March 23, 2009;

(b) in addition to salary, the Employee shall receive from the City all benefits to which the Employee was entitled prior to the commencement of this Agreement (whether or not subsidized by the City in whole or in part), including without limitation health insurance, life insurance/AD&D, IMRF, SSI, Medicare, Unemployment, Section 125 Plan, Outlook Vision Plan, AFLAC Plans, and ICMA (deferred compensation) Plan ;

(c) the Employee shall report to the Board of Directors of the Chamber;

(d) the Employee shall be subject to all ethics laws of the State and the City governing the activities of public employees, including without limitation the Local Government Employees Political Rights Act, 50 ILCS, 135/1, *et seq.*, the State Officials and Employees Ethics Act, 5 ILCS 430/1-1 *et seq.*, and Sections 2-241 and 2-242 of the Rochelle Municipal Code, and in particular, the Employee shall not engage in any prohibited political activity, as defined in any of said laws, during any time for which the Employee is being compensated by the City;

(e) the Chamber shall maintain the Employee on the Chamber's worker's compensation insurance, which insurance shall be the policy with primary liability in the event of a compensable accidental injury to the Employee.

3. Chamber not Subsidiary Body. The parties agree that the Chamber is a private corporation which has a legal existence independent of any action by the City, and that the City exercises no control over the activities of the Chamber, except to the extent set forth in this Agreement. Accordingly, it is the intent of this Agreement that the Chamber shall not be deemed to be a "subsidiary body" of the City subject to the Illinois Open Meetings Act.

4. Financial Reports and Projections. During the term of this Agreement, the Chamber shall provide current financial statements to the City Manager of the City no less frequently than quarterly, and also upon request of the City Manager. Additionally, the Chamber shall provide to the City Manager, promptly after the execution of this Agreement, a three (3)-year financial budget projection for the Chamber.

45. Term of Agreement. This Agreement shall commence on November 23, 2010, the date set forth above ("Commencement Date") and shall remain in effect for ~~two~~ (2)three (3) years following the Commencement Date, ~~and shall be renewed for successive periods of one (1) year thereafter unless either party gives at least thirty (30) days written notice to the other party of its intent that the Agreement not be renewed;~~ provided, however, that the City shall have the right to terminate this Agreement at any time for good cause, as determined in the City's reasonable discretion, upon 30 days written notice to the Chamber.

56. Non-Assignability. This Agreement may not be assigned by either party.

67. Authority. The City Manager of the City represents that all necessary action by the Corporate Authorities of the City has been taken to authorize the City Manager to execute this Agreement on behalf of the City. The Chairman and Secretary of the Board of Directors of the Chamber represent that all necessary action by the Board of Directors of the Chamber has been taken to authorize them to execute this Agreement on behalf of the Chamber.

78. Notices. Any notices to be given under this Agreement shall be directed as follows, until further notice:

City: Rochelle City Manager
420 North 6th Street
Rochelle, IL 61068

Chamber: Rochelle Area Chamber of
Commerce
350 May Mart Drive
Rochelle, IL 61068
Att'n: Executive Director

9. Replacement of Earlier Agreement. This Agreement shall replace the earlier agreement between the parties, dated March 23, 2009, as of the Commencement Date.

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IN WITNESS WHEREOF, the parties, by their authorized representatives, have executed and delivered this Agreement as of the date set forth above.

THE CITY OF ROCHELLE, an
Illinois municipal corporation

THE ROCHELLE AREA CHAMBER OF
COMMERCE, an Illinois not-for-profit
Corporation

BY: _____
City Manager

BY: _____
Chairman

ATTEST: _____
City Clerk

ATTEST: _____
Secretary, Board of Directors

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