

Ordinance No. 99-01

**AN ORDINANCE APPROVING A MANAGEMENT AGREEMENT
PERTAINING TO THE CHATHAM DEPOT**

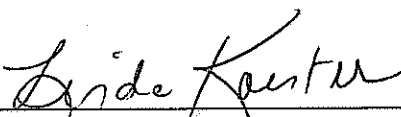
*BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE
VILLAGE OF CHATHAM, SANGAMON COUNTY, ILLINOIS, AS FOLLOWS:*

SECTION 1: That certain management agreement between the Village of Chatham and the Chicago and Illinois Midland Chapter of the National Railway Historical Society, a not-for-profit corporation, a copy of which is attached hereto, is hereby approved.

SECTION 2: Upon its execution by a proper officer of the Chicago and Illinois Midland Chapter of the National Railway Historical Society, and presentation of a resolution of the board of directors of that corporation authorizing this transaction, the Village President is hereby authorized to execute said contract, and the proper officers of the Village are hereby authorized to carry out the contract according to its terms.

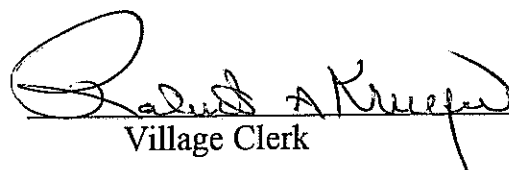
SECTION 3: This Ordinance is effective immediately.

PASSED this 26th day of JANUARY, 1999.



VILLAGE PRESIDENT

ATTEST:



Village Clerk

AYES:

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NAYS:

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PASSED:

1-26-99

APPROVED:

1-26-99

ABSENT:

Gray, Miller

MANAGEMENT AGREEMENT

This Agreement is between the Village of Chatham, Illinois, an Illinois municipal corporation, and the Chicago and Illinois Midland Chapter of the National Railway Historical Society, an Illinois not-for-profit corporation ("Society"), and is effective the 26th day of January, 1999.

WHEREAS, the Village is the owner of a railway depot, the legal description of which is attached hereto as Exhibit A ("the Chatham Depot");

WHEREAS, the Chatham Depot is of historical significance, as an outstanding example of late 19th Century railway architecture;

WHEREAS, the Chatham Depot is an appropriate site for a museum of railroading history, and development as such would provide educational, cultural and social opportunities for the citizens of Chatham and surrounding areas;

WHEREAS, pursuant to § 11-45.1-1 of the Illinois Municipal Code, the Village may establish cultural centers devoted to the establishment of museums and exhibition of historical objects;

WHEREAS, pursuant to Article 7, Section 10 of the Illinois Constitution of 1970, the Village may contract and otherwise associate with individuals, associations, and corporations in any manner not prohibited by law or by ordinance.

WHEREAS, the Society has the expertise and willingness to develop and manage the Chatham Depot as a cultural center for use as a museum and exhibition of historical objects, and is willing to house its own collection of railroad memorabilia therein;

WHEREAS, the Society acknowledges that as a public facility, the Chatham Depot is subject to laws and regulations pertaining to public facilities and is willing to abide by such laws and regulations;

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants contained herein, the Village and the Society agree as follows:

1. Development of Depot as a Museum

A. The Society shall, on or before February 15, 1999, deliver to the Village Board for its review and approval, a plan of development of the Chatham Depot as a museum to be known as the "Chatham Railroad Museum", which plan shall include, as a minimum, the following elements:

1. A site plan;
2. Preliminary plans and specifications of any alterations or modifications of a permanent nature which the Society proposes to make to the Chatham Depot, together with a cost estimate and a statement of the source, whether contract or volunteer, of any labor necessary for such modifications;
3. A plan of anticipated furnishings which are not of a permanent nature (e.g, display cases, bookshelves, window treatments, etc.);
4. A statement, as required by the Illinois Accessibility Code, by a licensed architect or engineer that all proposed modifications meet the requirements thereof;
5. A statement of the source of funds for the Society's alterations and modifications, and a statement that all contract labor shall be subject to the Prevailing Wage

Act;

B. Within 30 days of submission of a development plan, the Village Board shall approve, reject or approve the plan with modifications.

C. Upon approval of the development plan, the Village shall turn physical custody of the Chatham Depot over to the Society. Thereafter, the Society shall develop the museum in accordance with the plan. The opening day for the museum shall be no later than June 26, 1999.

2. Management of the Museum

After opening day and for the remainder of this Agreement and any renewal thereof, the Society shall manage the museum. The Society shall adhere to the following performance guidelines:

A. The museum shall be open to the public at least one Sunday per month for two hours.

B. In addition, the museum shall be open at reasonable times and on reasonable notice to groups, such scouting groups, youth groups, and similar groups organized for educational, youth or cultural purposes;

C. No admission shall be charged for the museum, although the Society may solicit donations on museum premises solely to help defray the cost of operation, upkeep and maintenance of the museum; if donations are solicited, there shall be a sign stating clearly that donations are voluntary and will be used by the Society solely for the operation, upkeep and maintenance of the museum.

D. The museum shall not discriminate in its admission policies in any way which would be contrary to State or Federal law;

E. The museum may operate on volunteer, unpaid labor; however, if the Society elects to pay its workers, the Society shall observe all State and Federal laws and regulations pertaining to wages, hours, overtime, worker safety, and Unemployment and Workers Compensation insurance. All workers shall be required, upon hiring or volunteering, to acknowledge in writing that while engaged in the business of the Society, they are not acting as employees or agents of the Village of Chatham.

F. The Society shall promptly make, at its expense, all needed repairs to the Depot other than those set forth in Paragraph 3(A) of this Agreement. No member of the Society or its governing board shall be interested, directly or indirectly, in any contract of the Society for maintenance on the Depot.

G. The museum shall be operated in accordance with all applicable laws and ordinances.

H. No for-profit activities, or activities which would jeopardize the Chatham Depot's exemption from real estate taxation, shall be carried on at the Chatham Depot. This provision does not prohibit fund raising by the Society or the sale of refreshments, souvenirs or gift items, the net proceeds of which are used exclusively for the operation and maintenance of the Chatham Depot.

I. The Village may, upon reasonable notice, use the Chatham Depot for official functions of the Village Board.

J. At all times during this Agreement, the Society shall maintain its status as a not-for-profit corporation. It shall attempt to secure tax-exempt status under Section 501(c) of the Internal Revenue Code.

K. No alcoholic beverages shall be sold, possessed or consumed in the Chatham Depot without the express and prior written consent of the Chatham Village Board.

L. In its literature, in displays, and otherwise, the Society shall disclose to the public that the museum is owned by the Village of Chatham and operated by the Society as an independent contractor.

M. Annually, the Society shall make a report to the Village Board of the activities of the museum for the previous year, including attendance figures and a financial report.

N. The Society may use the museum for its meetings, as long as those meetings are open to the public. The Society may make the museum available for meetings by other persons and groups, but only pursuant to a written policy which has been expressly approved by the Village.

3. Utilities, Repairs and Insurance

A. The Village shall pay all utilities charged to or used by the Chatham Depot. The Village shall make all reasonable repairs to the structure, foundation, roof, and HVAC, electric and plumbing systems of the Chatham Depot upon reasonable notice thereof by Society. Such repairs shall be at the Village's expense, except that the Society shall reimburse the Village with the cost of any repair which was necessitated by the negligence of the Society or acts of visitors to the Chatham Depot which could have reasonably been

prevented by the Society.

B. Except as specifically stated in subparagraph A hereof, all costs and expenses for maintenance, upkeep and operation of the Chatham Depot shall be the sole responsibility of the Society. Upon vacation of the Chatham Depot by the Society at the expiration or termination of this Agreement, the Society shall be liable for any damages to the Chatham Depot, other than the items set forth in subparagraph A, and fair wear and tear.

C. The Society shall maintain fire and casualty insurance for the contents of the Chatham Depot; the Village shall maintain fire and casualty insurance, or self-insurance, for the building and any fixtures permanently attached thereto. The Society shall procure liability insurance to protect against personal injury claims of any third parties with respect to the museum, and shall name the Village as an additional insured thereunder.

4. Term; Renewals

The initial term of this Agreement shall be until midnight, July 31, 2001. Thereafter, this Agreement shall automatically renew in successive four year terms, each ending on July 31 of years in which there is an election for Village President for a four year term, unless at least 60 days prior to the expiration of the original term or any renewal date, one party gives to the other notice of intention not to renew, or unless this Agreement terminated for cause in accordance with Paragraph 5.

5. Termination for Cause

This Agreement may be terminated by either party for cause. "Cause" shall be limited to the following:

A. The material breach by a party of any term of this Agreement, which breach is not corrected by that party within 10 days written notice by the non-breaching party;

B. The dissolution of Society;

C. The filing by either party for relief under the bankruptcy laws of the United States;

D. Fire or other casualty or act of God which damages the Chatham Depot to an extent of more than 50% of its replacement value. In such event, the Village may in its sole discretion elect to rebuild the Depot or demolish it. In the event the Village elects demolition, Society may terminate this Agreement;

E. The failure of Society to secure approval by the Village Board of a development plan as set forth in Paragraph 1 of this Agreement.

6. Control of the Chatham Depot

Upon approval of the development plan and thereafter during the term of this agreement, Society shall have the exclusive right to control access to the Chatham Depot, and shall maintain security at the Chatham Depot, except as follows:

A. As of the date of execution of this agreement, there are several nonprofit groups which use the Depot for various activities with the consent of the Village. Except for the Chatham Food Pantry, these nonprofit groups may continue with such use until March 1, 1999. The Food Pantry shall attempt to vacate the Depot by March 1, 1999, but may remain in the premises until May 1, 1999.

B. The Village Police Department shall be furnished with one copy of every key

used for access to any part of the Chatham Depot; if any digital lock or alarm system is installed, the Police Department shall be furnished with the combination. The Police Department will use the keys or combination only in event of an emergency.

7. Rights of the Parties Upon Termination or Expiration

Upon termination or expiration of this agreement, Society shall have 60 days to vacate the Chatham Depot and to remove its moveable property from the Chatham Depot. As used in this paragraph, "moveable property" refers to all items which are not permanently affixed to the Chatham Depot. All property which is permanently affixed to the Chatham Depot shall remain the property of the Village.

8. Indemnification

The Society shall defend, indemnify, and hold harmless the Village from all claims and causes of action (including the Village's attorneys fees) brought by any third party arising from the operation of the museum or from personal injuries sustained by any person on the Chatham Depot premises after the date the Society assumes physical custody thereof in accordance with paragraph 1(C) of this agreement, and until the date the Society vacates the Chatham Depot. In any such litigation, the Village may, at its option, retain separate counsel at the expense of the Society or the Society's insurer, if any. The duties of the Society pursuant to this paragraph shall survive any termination or expiration of this agreement.

9. Miscellaneous Provisions

A. The Society is an independent contractor. Neither the Society, nor any officer, director, member or employee thereof, is an agent or employee of the Village for any purpose whatsoever, nor shall they hold themselves out as such.

B. In the event of material breach of this agreement by the Village, the Society's rights shall be limited to termination of the agreement for cause, or a suit for specific performance. In no event shall the Village be liable to the Society for any damages whatsoever.

C. The Society shall not seek historical landmark designation for the Chatham Depot without prior consultation with, and approval of, the corporate authorities of the Village.

D. This Agreement shall be governed by Illinois law and shall be enforced only in the Circuit Court of the Seventh Judicial Circuit, Sangamon County, Illinois.

E. This is the entire agreement between the parties with respect to its subject matter, and all prior oral and written representations are expressly disclaimed. All amendments to this agreement shall be in writing.

F. This agreement, and any amendments thereto, shall be effective only upon its approval by the corporate authorities of the Village and the Board of Directors of the Society, and its execution by the Village President and the President of the Society.

G. The Society is a separate and distinct corporation and organization from the National Railway Historical Society, Inc., a Maryland not-for-profit corporation. This agreement is entered into solely by the Society, and not by the National Railway Historical

Society, Inc., a Maryland not- for- profit corporation.

AGREED:

THE VILLAGE OF CHATHAM, ILLINOIS.
an Illinois municipal corporation

By: Linda Kest
Its President

Attest: Robert A Krueger
Its Clerk



CHICAGO AND ILLINOIS MIDLAND
CHAPTER OF THE NATIONAL RAILWAY
HISTORICAL SOCIETY,
an Illinois not-for-profit corporation

By: William H. Stearns
Its President

Attest: Duane B. Carrell
Its Secretary

ORDINANCE CERTIFICATE

STATE OF ILLINOIS)
) SS.
COUNTY OF SANGAMON)

I, the undersigned, do hereby certify that I am the duly qualified and acting Village Clerk of the Village of Chatham, Sangamon County, Illinois.

I do further certify that the ordinance attached hereto is a full, true, and exact copy of Ordinance No. 99-___, adopted by the President and Board of Trustees of said Village on the _____ day of _____, 1999, said Ordinance being entitled:

**AN ORDINANCE APPROVING A MANAGEMENT AGREEMENT
PERTAINING TO THE CHATHAM DEPOT**

I do further certify that prior to the making of this certificate, the said Ordinance was spread at length upon the permanent records of said Village, where it now appears and remains.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of said Village this ___ day of _____, 1999.

Village Clerk

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