

NOTICE OF SPECIAL MEETING OF THE COMMITTEE OF THE WHOLE

A Special Meeting of the Committee of the Whole is scheduled for
Tuesday, July 17, 2018, beginning at 6:00 p.m. in

Council Chambers
Village Hall of Tinley Park
16250 S. Oak Park Avenue
Tinley Park, Illinois

A copy of the agenda for this meeting is attached hereto.

Kristin A. Thirion
Clerk
Village of Tinley Park

MEETING NOTICE

VILLAGE OF TINLEY PARK

SPECIAL MEETING OF THE COMMITTEE OF THE WHOLE

NOTICE IS HEREBY GIVEN that a Special Committee of the Whole Meeting of the Village of Tinley Park, Cook and Will Counties, Illinois will be held on Tuesday, July 17, 2018, beginning at 6:00 p.m. in Council Chambers, located in the Tinley Park Village Hall, 16250 South Oak Park Avenue, Tinley Park, Illinois 60477.

The agenda is as follows:

1. CALL MEETING TO ORDER.
2. CONSIDER APPROVAL OF THE MINUTES OF THE SPECIAL COMMITTEE OF THE WHOLE MEETING HELD ON JUNE 19, 2018.
3. DISCUSS ELECTRICAL AGGREGATION PROGRAM.
4. DISCUSS HARP GROUP – TINLEY PARK CONVENTION CENTER.
5. DISCUSS SOUTH STREET RECONSTRUCTION.
6. RECEIVE COMMENTS FROM THE PUBLIC.

ADJOURNMENT

KRISTIN A. THIRION
VILLAGE CLERK

MINUTES
Special Meeting of the Committee of the Whole
June 19, 2018 - 6 p.m.
Village Hall of Tinley Park – Council Chambers
16250 S. Oak Park Avenue
Tinley Park, IL 60477

Members Present: B. Younker, President Pro-Tem
C. Berg, Village Trustee
W. Brady, Village Trustee
M. Glotz, Village Trustee - Arrived 6:35 p.m.
M. Pannitto, Village Trustee

Members Absent: None

Other Board Members Present: J. Vandenberg, President
K. Thirion, Village Clerk

Staff Present: D. Niemeyer, Village Manager
P. Carr, Assistant Village Manager
C. Faricelli, Interim Police Chief
F. Reeder, Fire Chief
B. Bettenhausen, Village Treasurer
D. Maiolo, Director of Human Resources
P. Wagener, Interim Human Resources Deputy Director
K. Workowski, Public Works Director
J. Urbanski, Assistant Public Works Director
P. Wallrich, Interim Community Development Director
P. Hoban, Economic Development Manager
P. Connelly, Village Attorney
L. Valley, Executive Assistant to the Manager and Trustees
R. Zimmer, Executive Assistant to the Mayor
L. Godette, Deputy Village Clerk
L. Carollo, Commission/Committee Secretary

Item #1 - The Special Committee of the Whole Meeting was called to order at 6:05 p.m.

Item #2 – CONSIDER APPROVAL OF THE MINUTES OF THE SPECIAL COMMITTEE OF THE WHOLE MEETING HELD ON JUNE 5, 2018 – Motion was made by Trustee Berg, seconded by Trustee Brady, to approve the minutes of the Special Committee of the Whole Meeting held on June 5, 2018. Vote by voice call. President Pro-Tem Younker declared the motion carried.

Item #3 – DISCUSS CHANGE ORDER WITH P.T. FERRO CONSTRUCTION COMPANY FOR THE FY-2019 PMP (PAVEMENT MANAGEMENT STREET RESURFACING PROGRAM) - A contract was awarded to P.T. Ferro Construction Company in the amount of \$2,279,464.95, for street resurfacing and maintenance of approximately 9 miles of streets within the Village at the Village Board Meeting held on March 20, 2018. Approximately 1.6 miles of streets included in the 9 miles designated for street resurfacing and maintenance are contained within the Odyssey Club residential subdivision, which was designed as a gated community with private streets. Per the 1990 Annexation Agreement and the Declarations for the Odyssey Club Golf Community, it was agreed the Village would perform street maintenance within this subdivision and a fee structure for compensation for the repairs was provided.

As the Odyssey subdivision has not been completely built out, the original scope of work in the FY-2019 PMP excluded what was considered the designated construction route and was intended to be deferred to a future year's PMP project. Representatives of the homeowner's associations expressed concerns about excluding at least portions of the designated construction route, specifically the entrance road. It was determined the best course of action was to complete the remaining streets in the subdivision as part of the current PMP project. Total additional cost to add these streets is estimated at \$215,000. B. Bettenhausen, Village Treasurer confirmed there is sufficient funding available in the Odyssey Street Maintenance Fund for the construction costs.

Staff Requested approval of a change order to the existing contract with P.T. Ferro Construction Company for the FY-2019 Pavement Management Program (PMP) in the amount of \$215,000.

Motion was made by President Pro-Tem Younker, seconded by Trustee Berg, to recommend approval of a change order to the existing contract with P.T. Ferro Construction Company for the FY-2019 Pavement Management Program (PMP) in the amount of \$215,000 be placed on the agenda for the next Village Board Meeting. Vote by voice. President Pro-Tem Younker declared the motion carried.

Item #4 – DISCUSS HARP GROUP - TINLEY PARK CONVENTION CENTER - The Village has been in discussions for approximately a year with the HARP group, the potential new owner of the Holiday Inn and convention center. The convention center is also managed by the hotel owner. The HARP group has significant experience in hotel development and management in the Chicago area. The HARP group plans on changing the Holiday Inn to a Sheraton or similar type of hotel with the possibility of expansion, which would increase business in the Village's hotels and restaurants, resulting in increased tax revenue for the Village.

Holiday Inn and the convention center was originally developed through creation of a (Tax Increment Financing) TIF and in order to keep the hotel competitive, the Village contributes towards maintenance (\$675,000) and capital improvements (\$185,000) of the convention center from the TIF, for a total tax offset subsidy of approximately \$860,000 yearly. However, the TIF expires this year, so this revenue source will no longer be available. The Village had been in discussions with the current owners regarding hotel and convention center viability once the TIF expires due to the subsidies ending in 2018, and in future the Village would no longer continue to fund capital improvements as previously. An agreement was reached with the HARP Group, capping the annual tax offset at \$750,000 yearly.

In an effort to keep the convention center and hotel financially viable for at least 20 years, a plan was developed in which two (2) school districts within the convention center's boundaries and the Village will contribute. High School District 159 and Grade School District 227 will receive significant increases in their assessed value and tax revenues collected when the TIF terminates.

Under Illinois state law, taxing bodies are allowed to abate real estate taxes as a business incentive for up to ten (10) years. The two school districts, the Village and the HARP group are currently negotiating an agreement by abating 50% of property taxes on the property for ten (10) years or \$4,000,000 from all three taxing bodies, whichever occurs first. The abatements are expected to generate approximately \$675,000 yearly and reach a cap of \$4,000,000 in seven (7) years. The abatement agreements with the school districts also include the HARP Group providing three (3) paid hospitality internships yearly, consultation on cooking facilities and discounted rates on three (3) school events yearly. District 227 approved this agreement on June 14, 2018.

The difference in abatements and the \$750,000 yearly will consist of an increase in the Village hotel tax rate of 1% for all hotels in Tinley Park, which is expected to generate \$250,000 yearly. Once abatements reach the cap of \$4,000,000, the Village and HARP would negotiate a new abatement

agreement with the school districts. If unsuccessful, the Village would also include the entire 6% hotel tax rate generated only by the hotel and convention center property until the twentieth year of the agreement.

The new management agreement with the HARP Group will include a number of new provisions: The Village will no longer be responsible for funding the major capital improvements for the convention center. The Village will use \$400,000 from the TIF to resurface the convention center parking lot. The Village will get reduced rentals of up to 10 events yearly. The HARP Group must convert the hotel to a Sheraton or similar brand within 30 months or the Village will not pay incentives owed to HARP. The HARP Group will be responsible for paying 5% of gross receipts generated from the convention center into a capital improvement fund. In addition, if HARP receives any incentives from Cook County, they will be applied as credit against the tax abatements.

Peter Dumon, owner of the HARP Group was present and discussed additional plans relating to the hotel and convention center property. President Pro-Tem Younker asked if the Committee of the Whole had any questions. No one came forward.

Item #5 – DISCUSS EMPLOYEE PAY PLAN - The Village hired PayPoint in fall 2016 for the Village's first comprehensive pay plan revision and market survey in more than 10 years. The study included a review of all employees except for vacant and union positions, as well as select fire department positions. The study surveyed a number of comparative communities within 30 miles of Tinley Park, which were reviewed and approved by the Village Board. The Village Board determined the Village plan should compensate employees at the 60th percentile of the external market. A draft plan was presented to the Village Board in mid-2017, with recommendations for reclassifications and ranked positions above, at, or below the market. Concurrently, the Human Resources Department underwent transition with the director leaving and a temporary deputy director hired with the task of reviewing and verifying data. The PayPoint study provided a concise structure, but the goal was to ensure the new pay plan would be as accurate, fair and affordable as possible.

PayPoint Recommendation Changes:

- The PayPoint plan had 15 steps compared to the Village's 10 steps between each pay grade.
- Step differentials.
- Private sector comparisons were unreliable, resulting in inconsistent results.
- Insufficient sample size within a few data sets.
- No significant difference in merit component in comparison.

Non-management Recommendations:

- For employees on a step plan, the number of steps will remain at 10 and the distance between steps is at 3.8% for most positions.
- Increased emphasis on evaluating on merit with a points-based system.
- Depending on performance, employees can move a half step or full step.
- New bonus system focuses on performance.

Management Recommendations:

- Merit-based beginning May 1, 2019.
- Receive a final market wage adjustment for this fiscal year and a step increase if eligible (excluding Village Manager).
- New management-focused evaluation form, measuring performance on criterion.

A bonus plan will be developed for non-management employees. A non-management employee at top range (no steps) will receive annual market wage adjustment. This year's recommended is 2.5%. A non-management employee working through steps will receive annual market wage adjustment and where applicable no step increase, a half step increase at 1.9% or a full step increase at 3.8%. Police and Public Works union employees will continue to receive market wage adjustments and full step increases.

Several positions were listed as below market and adjustments were recommended for 34 employees; however, these are significantly reduced from the PayPoint recommendations, which estimated \$300,000 in the first year. The new plan first year cost would be \$24,209 yearly and \$142,459 for 4 years.

Next Steps:

- Finalize new Fire pay plan.
- Approve new plan and merit system along with a 2.5% market wage adjustment.
- Evaluation of new plan for a year and make appropriate changes.
- A 3-year comprehensive salary survey.

Item #6 – DISCUSS LAKOTA PLAZA AGREEMENT - As part of the Business, Programming and Marketing Action Plan initiated in May 2017, The Lakota Group led a yearlong collaborative effort between staff, leadership, key stakeholders and Tinley Park residents, which resulted in a concept for a 40,000 sq. ft. plaza located on North Street, east of Oak Park Avenue, including an operational business plan for year-round programming.

Scott Freres, Principal of Lakota Group presented the final plaza concepts along with recommendations for managing the proposed year-round venue with over 250 days of programming. Key topics included project design and planning process, final concept plan direction, business plan and programming, next steps/timeline and implementation.

After completion of the concept design and business plan for the plaza, the next step will be to refine the design and proceed to construction drawings. Phase 1 is expected to begin early spring 2019.

The Agreement with the Lakota Group provides for design refinement of the concept, field verification and team coordination, resulting in final construction documents ready for bidding purposes and includes assistance with the bidding process, construction, administration, observation and closeout. An amount not to exceed \$180,000 has been provided (estimate \$9000 in expenses) for the Lakota Group's work and an estimated range of \$260,000 to \$335,000 for specialty services. B. Bettenhausen, Village Treasurer confirmed there is sufficient funding available in the Capital Fund for planning and construction of the Plaza.

Item #7 – RECEIVE COMMENTS FROM THE PUBLIC - Diane Galante stated a concern with the Village having ownership in a venue and asked staff questions, which were satisfactorily answered. Nancy O'Connor asked for clarification on land ownership regarding the plaza and Teehan's Tavern. A Farmer's Market vendor asked for clarification on vendor location within the plaza.

ADJOURNMENT

Motion was made by President Pro-Tem Younker, seconded by Trustee Berg, to adjourn this Special Committee of the Whole Meeting. Vote by voice call. President Pro-Tem Younker declared the motion carried and adjourned the meeting at 7:27 p.m.

lc



Interoffice Memo

Date: July 13, 2018

To: Committee of the Whole

From: David Niemeyer, Village Manager *DN*

cc: Pat Carr, Assistant Village Manager

Subject: Electrical Aggregation

The Village's current electrical aggregation contract with Dynegy Energy is set to expire in October. The Northern Illinois Municipal Electric Collaborative (NIMEC) has conducted a formal bid process for aggregate electrical pricing on behalf of the Village. Bidding results provided by NIMEC (**Exhibit A**) have suggested the electrical pricing would not save residents money on electrical bills through the 12-month term of the contract. All of the prices are well above the current average ComEd rate of 7.75 cents. Because of this, NIMEC is offering a new option. The new option is a modified aggregation program, which will charge residents the ComEd rate, but the electricity provided will be 100% renewable. This was discussed with the Administration and Legal Committee held on Tuesday, June 26, 2018 (backup attached – **Exhibit B**). I have attached additional information regarding NIMEC's proposed renewable aggregation program and renewable energy certificates (RECs) that was requested at this meeting (**Exhibit C**).

At the March 2012 election, residents approved the authorization for the Village to operate an opt-out aggregation program via referendum. Subsequently, the Municipal Aggregation Program was created which has allowed the Village to take advantage of the economies of scale by negotiating pricing and protective terms from energy suppliers on behalf of the residents. The program is an option for residents who are interested in alternate electrical suppliers but do not want to act in the electrical market on their own. Features of the Village's program include:

- Residents are informed (via postal mail, paid for by the supplier) of new rates and terms prior to the rate change
- Resident may opt out of the program at any time, and will never incur a termination fee
- Unlike many individual offerings, there are no additional monthly fees, nor a variable floating rate
- The program offers fixed price certainty versus the ComEd default rate (set by the Illinois Power Agency), which can vary

- Ratepayers may save money vs. the ComEd rate; a Village program rate provides a benchmark against individual offers

In 2017, the Village worked with NIMEC and contracted Dynegy Energy who offered lower fixed-rate pricing compared to ComEd's annualized rate to residents. The contract with Dynegy is set to expire in October but a contract with a new supplier requires 70 days to implement. The Village has three options before them. The first two options are those which are presented every time the aggregation contract expires while the third option is new. The options are listed below:

1. Allow the program to expire – if the Village Board chooses, the program can be discontinued. This is not recommended as the Village incurs no hard costs to administer the program and residents may receive favorable rates as well as the benefits listed above
2. Standard aggregation – Accept the lowest bidder from NIMEC's formal bidding process. The bid results are attached. They are higher than what residents would pay with ComEd. This is not recommended.
3. Renewable Aggregation – New option offered by NIMEC. The supplier will charge the same rates as ComEd throughout the year and the supplier will offset their energy consumption by purchasing Renewable Energy Credits (RECs) for all accounts in the aggregation program. The Village would receive a designation as a US Environmental Protection Agency Green Power Community and all energy produced would be considered renewable energy. In this option, all residents would continue to be billed by ComEd. The profitable margins on the lower cost accounts enables the supplier to purchase RECs for the entire aggregation – including ratepayers who will not be enrolled, but who will remain with ComEd. All residents would receive notice of the program, with the explanation that 100% of their power is offset by RECs.

NIMEC has been the Village's electrical aggregation consultant since 2007. They are paid on a commission basis from the winning supplier, not the Village or the residents. Residents will always have the choice to opt out of the Village's program and conduct their search for suppliers. Attached is a fact sheet (**Exhibit D**) that NIMEC provided to the Village of Clarendon Hills which will be distributed to their residents on the 100% Green Aggregation Program. We will be putting something similar together for our residents if the Board approves this new program.

I have also attached an electric pricing chart for the last 11 years (**Exhibit E**). I have spoken with the chair of the Environmental Enhancement Commission (EEC), and he indicated he is supportive of the program and will get a formal motion to recommend this next Tuesday. I have included past minutes where this has been discussed. (**Exhibit F**)

If the Village Board decides to discontinue the aggregation program, no action is required. If the Village Board proceeds with the renewable aggregation program, staff seeks passage of an ordinance authorizing the Village Manager or designee to execute the attached contract (**Exhibit G**) on behalf of the Village for the renewal of the aggregation program.



Exhibit

“A”

VILLAGE OF TINLEY PARK
JULY 10, 2018: BID INDICATIONS ONLY

STANDARD AGGREGATION

Supplier	Term (months): Price in ¢ per kWh	Escape Clause	Early Termination Fees	Ownership	Total IL Programs (Max A/Cs served)	Power Sources	No pass-through charges
Constellation Energy Services	12: 8.476	Ind'l	\$0	Wholly owned by Exelon (NYSE: EXC)	110 (872,000)	Nuclear: 37% Coal: 33% Nat Gas: 25% Other: 5%	Yes
	24: 8.388						
	36: 8.271						
Dynegy Energy	12: 8.113	Ind'l	\$0	Wholly owned by Vistra Energy Corp (NYSE: VST)	510 (800,000)	Nuclear: 36% Coal: 33% Nat Gas: 27% Other: 4%	Yes
	24: 7.971						
	36: 7.912						
Eligo Energy	12: 8.320	Ind'l	\$0	Privately held by Eligo Energy, LLC, in energy space six years	25 (34,000)	Nuclear: 35% Coal: 32% Nat Gas: 28% Other: 5%	Yes
	24: 8.110						
	36: 8.022						
MC Squared	12: 8.200	Ind'l	\$0	Wholly owned by Wolverine Holdings	59 (140,000)	Nuclear: 36% Coal: 33% Nat Gas: 26% Other: 5%	12-24 mo: Yes
	24: 8.150						36 mo: No
	36: 8.100						
MidAmerican Energy Services	12: 8.480	Ind'l	\$0	Wholly owned by Berkshire Hathaway Energy	31 (38,000)	Nuclear: 29% Coal: 34% Nat Gas: 30% Other: 7%	Yes
	24: 8.300						
	36: 8.260						

Annualized ComEd default rate June 2018 to May 2019: 7.75 ¢ per kWh

100% GREEN AGGREGATION *

Supplier	Term (months): Price in ¢ per kWh	Escape Clause	Early Termination Fees	Ownership	Total IL Programs (Max A/Cs served)	Power Source	No pass-through charges
MC Squared 100% RECs for all of aggregation	12: ComEd rate	Ind'l	\$0	Wholly owned by Wolverine Holdings	59 (140,000)	100% Green-E Certified Wind RECs generated in the Midwest	Yes
	24: ComEd rate						
	36: ComEd rate						

* Village Receives Designation as a US EPA Green Power Community. Reduces CO2 emissions an estimated 70,000 tons per year



Exhibit

“B”



Interoffice Memo

Date: June 26, 2018

To: Administration and Legal Committee

From: David Niemeyer, Village Manager

Cc: Pat Carr, Assistant Village Manager
Patrick Connelly, Village Attorney

Subject: Electrical Aggregation

Since 2011, the Village has been part of an “opt out” electric aggregation program that was authorized by the State of Illinois several years ago. The Village goes out to bid for electric power and residents are automatically enrolled with the new supplier, unless they opt out after they receive a notification in the mail. Regardless of the electric provider, ComEd remains the distributor. This program has saved residents millions of dollars since its inception.

The contract with the current supplier, Dynegy, expires in October. The company that oversees the program for us, NIMEC, recently went out to bid for the new program. The results are attached.

For the first time, we did not get a supplier that will beat the ComEd default rate of 7.75c per kwh. This is due to changing market conditions. However, NIMEC is recommending a program with ComEd that is 100% renewable energy as explained in the attached information.

David Hoover with NIMEC will be at the Administration and Legal committee on Tuesday to explain the program. The committee will need to make a recommendation to approve this new program with final Board approval on July 17.

100% Green (Renewable) Power Municipal Aggregation

Proposal:

To implement a Municipal Aggregation program with 100% Renewable Energy Credits (RECs) for residents and small businesses *at no additional cost*. Residents and small businesses would be billed at the ComEd residential rate. In comparison, ComEd supply service provides 14.5% RECs.

History:

Municipal electric aggregation has achieved success and favorability across Illinois since 2011, saving cumulative hundreds of millions of dollars for residents in communities that have implemented the programs. Many communities are undertaking steps to reduce their collective carbon footprint by enacting community-wide sustainable practices and policies. One-third of Chicago metropolitan municipalities have adopted the Greenest Region Compact.

How it Works:

- Every electric account establishes unique usage consumption patterns. Factors such as volume, time of day, single family vs. multi-family, and usage during ComEd peak periods combine to create a complex power usage profile.
- The cost of producing electricity is highly variable. Generators are required, by law, to ensure it is perpetually available in full, and on demand.
- Therefore, suppliers analyze that variable cost to serve each account and price an account's individual rate.

When suppliers analyze a community for an aggregation program, they calculate the price for each individual account and will switch only those accounts for which power costs less than the ComEd default rate. The remainder of the accounts that are costlier to serve will remain on ComEd supply service. However, the entire aggregation, including those remaining on ComEd supply, receive 100% RECs for all power consumed.

All residents would continue to be billed by ComEd. All residents would pay the same ComEd default rate.

The profitable margin on the favorable (lower cost) accounts enables the supplier to purchase RECs for the entire aggregation—including all ratepayers who remain with ComEd. All residents receive notice of the program, with the explanation that 100% of their power consumption is offset by RECs. The RECs are derived from wind energy in the Midwest, thus supporting local renewable power generators.

Ratepayers may opt out or leave with no early termination fee at any time for any reason. Ratepayers who have already chosen their own individual supplier contract are not included in the program.

This program, 100% Green Aggregation, enables the community to receive the designation of US EPA Green Power Community.



EPA's

Green Power Partnership

An Environmental Choice for Your Organization



The Green Power Partnership is a free, voluntary program of the U.S. Environmental Protection Agency (EPA) that assists organizations with procuring electricity generated from renewable resources and promoting their green power leadership.

Why Join EPA's Green Power Partnership?

- **Credibility** – Joining the Partnership provides credibility to your green power purchase. It signifies that your organization's green power use meets nationally accepted standards supported by EPA.
- **Publicity and Recognition** – Partnership with EPA can help bring positive attention to your environmental and sustainability initiatives and differentiate your organization and brand from the competition (see sidebar for examples).
- **Communication Tools and Resources** – EPA can assist you in communicating the economic and environmental benefits of your green power use to stakeholders, including providing press release templates, social media suggestions, and quotes from EPA officials.
- **Network of Like-minded Organizations** – As a Green Power Partner, your organization is affiliated with other renewable energy market leaders including Fortune 500® companies, colleges & universities, and national retailers. Partners share their green power success stories and communications strategies in newsletters, emails, webinars, via social media, and at conferences.

How Can My Organization Join EPA's Green Power Partnership?

To join, organizations procure green power at a level that meets or exceeds Partnership benchmarks (see below), sign a simple Partnership Agreement, and agree to update EPA on their green power use annually.

Partnership Benchmarks

Your Organization's Baseload	Minimum Usage Requirements
If your annual electricity use in kilowatt-hours is...	You must, at a minimum, use this much green power:
≥ 100,000,001 kWh	3% of your electricity use
10,000,001 – 100,000,000 kWh	5% of your electricity use
1,000,001 kWh – 10,000,000 kWh	10% of your electricity use
≤ 1,000,000 kWh	20% of your electricity use

Promoting Your Green Power Leadership



Identify yourself as a Green Power Partner by displaying the Partner mark (above) on websites, annual and CSR reports, and marketing materials.



Garner publicity, recognition, and EPA awards!



Join Now and Position Your Organization for the Future

www.epa.gov/greenpower



100% Renewable Municipal Aggregation

History:

Municipal electric aggregation has achieved success and favorability across Illinois since 2011, saving cumulative hundreds of millions of dollars for residents in communities that have implemented the programs. In recent years, the ComEd default rate dropped, narrowing the margin of savings.

Proposal:

To implement a Municipal Aggregation program with 100% Renewable Energy Credits for all residents and small businesses with no additional cost. All residents and small businesses would be billed at the ComEd residential rate.

Background:

1. Every electric account establishes unique usage consumption patterns. Factors such as volume, time of day, single family vs. multi-family, and variability of usage across seasons combine to create a complex power usage profile.
2. The cost of producing electricity is highly variable. Generators are required, by law, to ensure it is perpetually available in full, and on demand.
3. Therefore, suppliers price out each resident/small business with their own individual rate.

When suppliers price out aggregations, they price out each individual account in a municipality and will switch only those accounts for which power costs less than the ComEd default rate. (This may be 30-60% of the population.) The remainder of the accounts that are costlier to serve would remain on ComEd default supply rate.

All residents would continue to be billed by ComEd. All residents would pay the same ComEd default rate.

The profitable margin on the favorable (lower cost) accounts enables the supplier to purchase sufficient Renewable Energy Credits (RECs) for the entire aggregation—including all ratepayers who remain with ComEd. All residents would receive notice of the program, with the explanation that 100% of their power consumption is offset by Renewable Energy Credits (possibly to be sourced in Illinois or Midwest, thus supporting local renewable power generators.)

Ratepayers who have already chosen their own individual supplier contract are not included in the program. Ratepayers may opt out or leave with no early termination fee at any time for any reason.

This program, 100% Renewable Aggregation, enables the community to receive the designation of **US EPA Green Power Community (GPC)**.





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Your Organization's Baseload	Minimum Usage Requirements
If your annual electricity use in kilowatt-hours is...	You must, at a minimum, use this much green power:
≥ 100,000,001 kWh	3% of your electricity use
10,000,001 – 100,000,000 kWh	5% of your electricity use
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≤ 1,000,000 kWh	20% of your electricity use

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VILLAGE OF TINLEY PARK
 Bid indications May 20, 2018

ComEd default rate June 2018 to May 2019 7.75¢ per kWh

	Term (months): Price in ¢/kWh	Escape Clause	Early Termination Fees	Ownership	Total Programs (Max A/Cs per year)	Power Sources	No penalty through changes
Constellation Energy Services	12: 8.476 24: 8.388 36: 8.271	Ind'l	\$0	Wholly owned by Exelon (NYSE: EXC)	110 (872,000)	Nuclear: 37% Coal: 33% Nat Gas: 25% Other: 5%	Yes
Dynegy Energy	12: 8.181 24: 8.031 36: 7.970	Ind'l	\$0	Wholly owned by Vistra Energy Corp (NYSE: VST)	510 (800,000)	Nuclear: 36% Coal: 33% Nat Gas: 27% Other: 4%	Yes
Eligo Energy	12: 8.290 24: 8.110 36: 8.090	Ind'l	\$0	Privately held by Eligo Energy, LLC, in energy space six years	25 (34,000)	Nuclear: 35% Coal: 32% Nat Gas: 28% Other: 5%	Yes
MC Squared	12: 8.200 24: 8.150 36: 8.100	Ind'l	\$0	Wholly owned by Wolverine Holdings	59 (140,000)	Nuclear: 36% Coal: 33% Nat Gas: 26% Other: 5%	12-24 mo: Yes 36 mo: No
MidAmerican Energy Services	12: 8.476 24: 8.388 36: 8.271	Ind'l	\$0	Wholly owned by Berkshire Hathaway Energy	31 (38,000)	Nuclear: 29% Coal: 34% Nat Gas: 30% Other: 7%	Yes

FAQ: 100 % Renewable Energy Certificates (RECs) – Green Energy

Q: Where does green energy come from?

A: Wind generation sites are the primary source of renewable green energy in the State of Illinois, followed by solar, hydro, and methane gas from landfills. Nuclear and natural gas are not considered renewable green resources for power generation.

Q: If we buy 100% green energy, will our homes be powered by the actual electricity that is generated by windmills, solar, hydro, etc.?

A: No. The industry doesn't have the capabilities of routing specific power to specific municipalities or individual consumers. Those end users (residents and businesses) who purchase green power typically pay a premium to support green energy through the purchase of Renewable Energy Certificates (RECs). The premium paid for RECs is used to subsidize and support the cost of those companies that actually generate the green power.

Q: So how do we know we are buying renewable green power?

A: When a power supplier sells a "green energy" product in the marketplace, that supplier is required to purchase and retire RECs to support their green products. The supplier is also required to document these transactions, and report such to State and Federal agencies.

Q: Are RECs legitimate?

A: Yes. RECs represent the benefits and attributes of renewable green energy. RECs are monitored by the Federal Energy Regulatory Commission. Renewable generation sites are registered. As energy is generated from each site, generation owners sell the RECs, which are numbered within a tracking system. RECs can be resold in the marketplace, but are only used once, and then must be retired. Anyone who claims they purchase renewable power either has on-site renewable generation such as a windmill or solar panels, or they must purchase RECs to support green power development.

FAQ: 100 % renewable

Q: Where does green energy come from?

A: Wind is the primary source of green energy in Illinois, followed by solar, hydro and methane gas from landfills. Nuclear and natural gas are not considered green.

Q: If we buy 100% green energy, will our homes be powered by the electricity that is generated by windmills, hydro, etc?

A: No. The industry doesn't have the capabilities of routing specific power to particular municipalities. Those end users (residents and businesses) that purchase green power are paying a premium. That premium is used to subsidize the cost of those companies that actually generate the green power.

Q: So how do we know we are buying renewable power?

A: When a power supplier purchases renewable power from a green generator, the buyer also receives one Renewable Energy Certificate (REC) for each Megawatt it purchases. Those RECs can be traded and/or resold to other suppliers, subsidizing the cost of the power. Any supplier providing 100% renewable power must purchase a corresponding number of RECs.

Q: Are REC's legitimate?

A: Yes. REC's are monitored by the Federal Energy Regulatory Commission. They are numbered and can only be used once, as they are 'retired' when the eventual customer uses the power. Anyone who states that they purchase renewable power must either have a windmill or solar panels on their roof, or they purchase RECs. There is no other way to supply renewable power.

Exhibit

“C”



Interoffice Memo

Date: July 6, 2018
To: David Niemeyer, Village Manager
From: Hannah Lipman, Management Analyst
Subject: Electrical Aggregation

As discussed in the Administration and Legal Committee on June 26, 2018, the Renewable Aggregation option presented by the Northern Illinois Municipal Electric Collaborative (NIMEC) would charge Tinley Park residents the ComEd rate but the electricity provided would be 100% renewable. The profitable margins on the lower cost accounts enables the supplier to purchase renewable energy certificates (RECs) for the entire aggregation.

As requested, I conducted some additional research on NIMEC's proposed renewable aggregation program and RECs.

One REC represents the actual generation of one megawatt hour of electricity. RECs are essentially the currency of the renewable energy market. They allow anyone, anywhere to purchase renewable energy. Each REC is uniquely numbered and therefore can be tracked. The certificate is independently verified and audited and can only be used one time. Green-E is the leader in clean energy certification. By setting the high standards for renewable energy sold to consumers and businesses in the U.S., and through robust verification procedures that ensure transparency, Green-E has helped make the U.S. retail REC market a significant support for new renewable energy facilities. Through purchasing of RECs, additional renewable energy projects are supported. REC prices vary over time and across the country based on a variety of factors, including the type of technology, whether there are state requirements for utilities to purchase certain types of RECs, and demand from voluntary purchasers. The current cost of RECs is hard to determine—it can range from nearly \$400 in one state, to \$4 per REC in another state based on the market.

Exhibit

“D”

Village of Clarendon Hills 100% Green Aggregation

Following the passage of an April 2011 voter referendum, the Village of Clarendon Hills contracted to procure electric supply in a municipal electric aggregation program for residents and small businesses. The average participating ratepayer has saved several hundred dollars in power costs, for a cumulative Village savings over \$500,000.

Savings margins have narrowed; the Village has now implemented a 100% Green Aggregation Program. All ratepayers (except those with an individual supplier contract or on ComEd's hourly rate program) will receive 100% Green power via Renewable Energy Credits (RECs) for their entire power consumption at zero added cost. All ratepayers will be charged the ComEd rate.

Background: The cost of serving each electric account varies greatly, depending on usage patterns. Some resident accounts will switch to ComEd supply service because the cost of generation for their consumption profile exceeds the ComEd rate. Others will switch to the new supplier, MC Squared Energy Services, and will pay the same ComEd rate, but because their consumption profile is a lower cost, the margin allows MC Squared to purchase RECs for all ratepayers in the **Clarendon Hills Aggregation Community**.

This program will reduce CO2 emission by approximately 16,500 tons annually. RECs purchased for the Village's energy consumption will be sourced from wind power generators in the Midwest.

Every residential account not enrolled with their own individual supplier, nor on an hourly rate will receive a notice in August informing them that 100% of their energy consumption will be offset by green power generation. These Green-E audited certificates represent wind generation. See more detail in FAQs below.

There is never an enrollment fee, an early termination fee, nor any added monthly fees. The program begins at October 2018 meter read dates and is for a one-year term.

PROGRAM FAQs

1. What is the ComEd rate?

The summer ComEd rate is 7.358¢ per kWh and will rise to 7.941¢ beginning October. This is comprised of electricity supply, transmission services and the Purchased Electricity Adjustment (PEA) that varies monthly. The same ComEd rate including the PEA charge or credit, will be charged to all participants in the Clarendon Hills Community Aggregation, whether enrolled with MC Squared or whether receiving supply service via ComEd. To learn more about rates, visit pluginillinois.org.

2. Where does green energy come from?

Wind generation sites are the primary source of renewable green energy in the State of Illinois, followed by solar, hydro, and methane gas from landfills. Nuclear and natural gas are not considered renewable green resources for power generation.

3. If we buy 100% green energy, will our homes be powered by the actual electricity that is generated by windmills, solar, hydro, etc.?

No. The power grid maintained by ComEd that serves your community cannot route specific power directly to your home. Those who purchase green power typically pay a premium to support green energy through the purchase of Renewable Energy Certificates (RECs). The premium paid for RECs is used to subsidize the cost of those companies that actually generate the green/renewable power.

4. How can we be certain we are buying green / renewable power?

When a power supplier sells a "green energy" product in the marketplace, that supplier is required to purchase and retire RECs to support their green products. The supplier must document and report those transactions to State and Federal agencies.

5. Are RECs legitimate?

Yes. RECs represent the benefits and attributes of renewable green energy. RECs are monitored by the Federal Energy Regulatory Commission (FERC). As energy is generated, the generation owners sell the RECs, which are numbered within an audited tracking system. RECs may be resold and only used once and then must be retired. Anyone who claims they purchase renewable power either has on-site renewable generation such solar panels or a windmill directly hooked up to their home, or they must purchase RECs to support green power development.

6. How can I enroll in the program?

During the initial three-week opt out period, you need do nothing if you received a notice at your ComEd billing address; you will automatically be enrolled unless you opt out. The notice will detail whether your account will be switched to ComEd or to MC Squared. You need do nothing, and all of your power consumption over the next 12 months will be offset by Renewable Energy Credits, sourced from wind generation in the Midwest.

7. What is an eligible resident or small commercial account?

Any resident who is currently with ComEd and has not already switched to an Alternative Retail Electric Supplier (ARES) or who is not enrolled in a special Residential Real-Time Pricing (RRTP) program is eligible, and small commercial accounts are eligible. You must also have a residence or business located within the Village limits.

8. What if I don't want to participate?

You may opt out before the program begins. You may leave the program after it begins, and you will never incur a fee.

9. Why is the Village doing this?

A Municipal Electric Aggregation Program was approved by a simple majority in a voter referendum allowing the Village to seek pricing from an ARES for residents and small commercial accounts. The Village is committed to environmental sustainability, and in this instance, there is zero additional cost to procure green energy for the Village's residents—a win-win.

10. Will I get two bills, one from ComEd and another from the new supplier?

No. ComEd will continue to bill you for electric supply, delivery and taxes.

11. Whom do I call if I have service problems?

Always call ComEd with reports of outages or downed power lines at 800-334-7661. For questions about your supply, you can call the customer service number for Constellation. This will be listed under "Electric Supply Services" on your ComEd bill.

12. If I am automatically enrolled in the program now, can I leave the program at any time?

Yes, you can later leave the program and move your account back to ComEd or another Supplier. There is no early termination fee to leave.

13. I am enrolled in low-income assistance program. Will that be affected?

No. If you currently receive assistance via PIPP or LIHEAP, that status will not change and you can continue to get these benefits for your ComEd bill.

14. I'm on ComEd's budget billing plan. Will that change? Can I still have my payment automatically deducted from my checking account as I do now?

Your participation in the budget billing plan won't change. The way you pay your ComEd bill will not change.

15. Will someone come to my home or call to sign me up?

No. You need do nothing to automatically be enrolled in the program. If someone calls or visits your home claiming to be the Village's power supplier you may file a complaint with the ICC at <http://www.icc.illinois.gov/consumer/complaint>.

For more information about energy supply choices, visit the ICC site at pluginillinois.org.

For questions about your electric account, do not call Village Hall; call Clarendon Hills's aggregation program supplier, MC Squared, at 877-622-7697. If you require additional assistance, call NIMEC at 800-727-3820 to leave your question and callback number. You will be contacted within 24 hours regarding the issue.

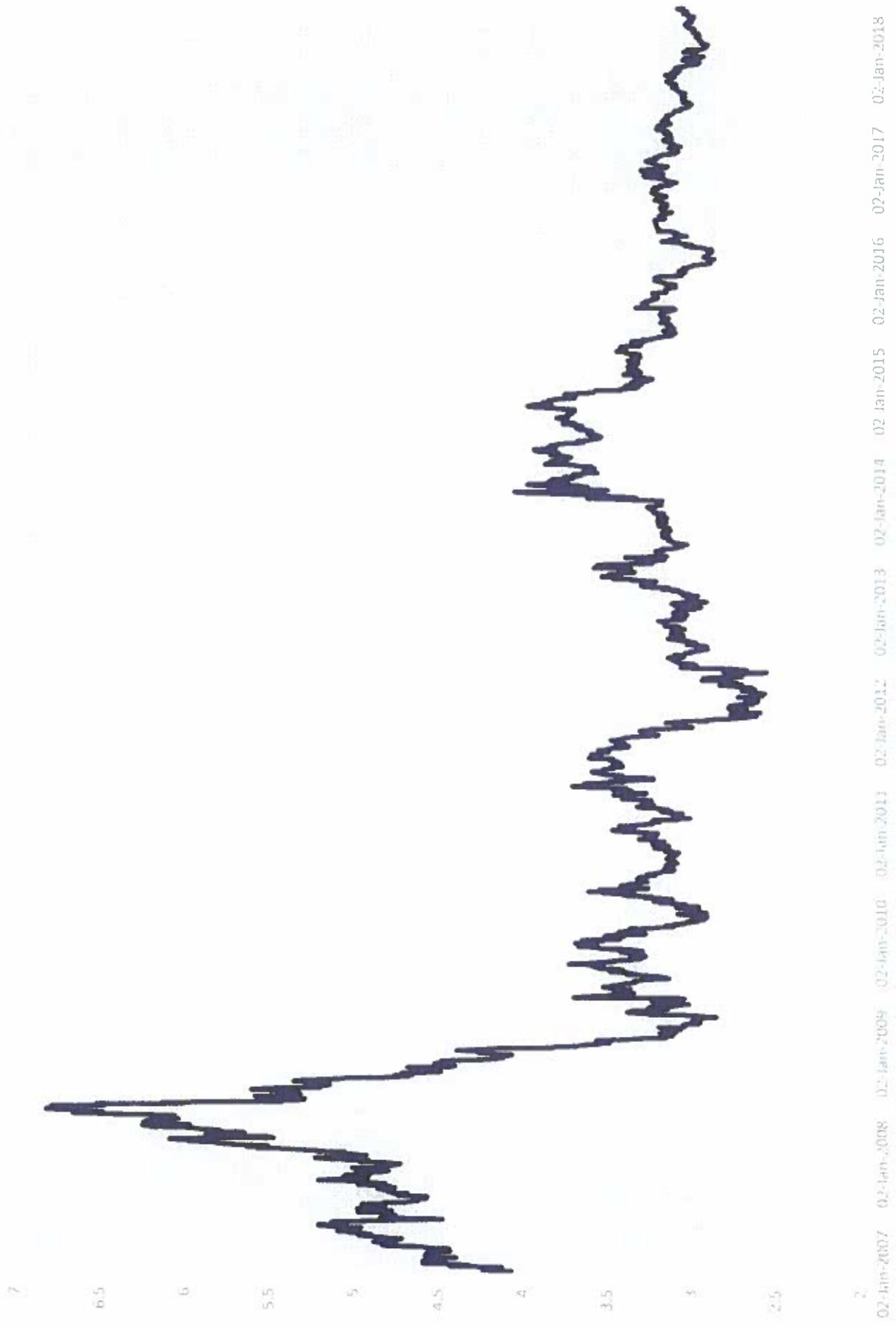
To report an electrical outage, or for questions pertaining to your ComEd bill, call ComEd at 800-334-7661.

###

Exhibit

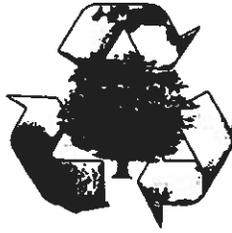
“E”

Electric Pricing: 2007 - Present



Exhibit

“F”



**Meeting Minutes for the Environmental Enhancement Commission
Tuesday, August 15, 2017 - 7:00 p.m.
Tinley Park Village Hall – Kallsen Center
16250 S. Oak Park Avenue
Tinley Park, IL 60477**

ROLL CALL

Present and responding to roll call were the following:

- Members:** Chairman Antonio Halek
Jeff Mech
Frank Markowicz
Aireen Arellano
Jeffery Loftus
- Absent:** Village Trustee Brian Younker

CALL TO ORDER

The regular meeting of the Environmental Enhancement Commission was called to order by Antonio Halek at 7:02 p.m. in the Fulton Conference Room. Motion to open the meeting and approve the agenda made by Aireen Arellano, seconded by Frank Markowicz. Motion to approve the July 18, 2017 minutes made by Frank Markowicz, seconded by Jeffery Loftus. Approved by voice vote.

Correspondence

No correspondence. Antonio Halek congratulated the newest commissioners, Aireen Arellano and Jeffery Loftus.

Reports

No budget report.

Old/Ongoing Business:

Solar Farm

Jeff Mech stated that the EEC wants to take an official vote.

Aireen Arellano stated that we are all aligned and in agreement regarding the solar farm. Ryan is invaluable, he has a lot of compelling arguments for it which would really strengthen our position.

Antonio Halek stated we will entertain a motion to support and take a stance on solar proposal. Motion made by Frank Markowicz to support the solar proposal, seconded by Jeff Mech. All in favor.

- Vote for 'Solar Proposal' at the TPMHC site (per Antonio's approval). "Do you (EEC members) support installing a solar panel farm and an EV charging station, taking advantage of the proximity to I-80, on 100 of the 280 acres at the Tinley Park Mental Health Center site?" All Commissioners agreeable to entertaining a vote.

Frank Markowicz thinks we can be more flexible about the hundred acres. Thinks it is a lot of land. Jeff Mech thinks that if we go high they can always talk us down. Frank Markowicz thinks we should make it more negotiable so that we can get something out of the deal. Aireen Arellano agreed that something is better than nothing. Jeff Mech stated that sizeable to them might be five acres.

Aireen Arellano thinks 50-100 is fair. Frank Markowicz thinks 100 might scare people off, don't know if it's feasible. Jeff Mech is ok with 50-100 but still likes the 100 better. This makes us sound strong. We want this to be big. This is a proposal, don't think it will scare people off at this point.

Antonio Halek explained that the proposal will be sent to Brian Younker and then it has to be proposed.

Jeff Mech explained to keep in mind too that it is not just a solar farm but also the electrical charging stations, utility roads, lines to be serviced, etc. Out of the 100 acres it might only be 45 acres for the solar panels.

Frank Markowicz stated that Brian Younker had a good point on development for that area. Across the street is Will County and the tax base is much different. Maybe we can attract more business by making it a TIF district or have different taxes.

Aireen Arellano suggested changing the wording to "up to 100 acres" to show we can negotiate.

Jeff Mech agreed that the wording "up to 100 acres" is better than 50 acres but still thinks we need to think big while we have the chance.

Jeffery Loftus thinks it puts a stake in that ground though. Up to 100 acres provides us with a definite idea of what is in our heads. Helps as we go down the path to proposals.

Antonio Halek thinks something to soften up the 100 acres would be better. Motion to vote on the verbiage of the 100 acres. Motion made by Jeff Mech, seconded by Frank Markowicz.

All in favor for 100 acres as stated: “Do you (EEC members) support installing a solar panel farm and an EV charging station, taking advantage of the proximity to I-80, on 100 of the 280 acres at the Tinley Park Mental Health Center site?”

Frank Markowicz stated that after further thought he is not opposed to the 100 acres.

Motion to vote on the solar proposal made by Jeff Mech, seconded by Frank Markowicz.

All in favor of the language as discussed above.

Electrical Aggregation

Jeff Mech explained we need to spread the word about it because the contract is up and the village purchased a new contract. Jeff distributed the new flyer that was approved by the village lawyer. We have permission to print copies. Thinking of printing about 100 copies to start and the format might be changed by Aireen but the wording would stay the same.

Aireen Arellano questioned where we plan on passing out these flyers.

Jeff Mech stated the flyers would be distributed at EEC events. The village did not purchase renewable like we encouraged them to but people have the option to opt in to renewable and we want to encourage them to do so. Jeff would like to see the information in *The Exchange*.

EWorks Event

Aireen Arellano stated we need to figure out the date. Dates fill up quick.

Jeffery Loftus stated that Brian Younker has been very happy with the event they had out in Orland and would like to continue the event in Tinley.

September 23rd, September 30th, or October 7th suggested dates by Antonio Halek. If those dates don't work, maybe October 14th or 15th.

Motion to host an Eworks event by Jeffery Loftus, seconded by Frank Markowicz.

Motion to hold the event on September 30th or October 1st as first choice or if not then October 14th or 15th as second choice. All in favor of those possible dates depending on EWorks availability.

Jeffery Loftus reminded everyone that they charge for the truck usage.

Antonio Halek suggested a motion to vote on the expenditure for the EWorks recycling event so we can move ahead with the event if the dates work out.

Antonio Halek made a motion to allocate \$1,000.00 of our budget towards the EWorks recycling event, seconded by Aireen Arellano. All present in agreement.

Exhibit

“G”

THE VILLAGE OF TINLEY PARK

Cook County, Illinois

Will County, Illinois

**RESOLUTION
NO. 2018-R-054**

**A RESOLUTION APPROVING A CONTRACT BETWEEN THE VILLAGE OF TINLEY PARK
AND MC SQUARED ENERGY SERVICES, LLC FOR AN ELECTRICAL AGGREGATION
PROGRAM**

**JACOB C. VANDENBERG, PRESIDENT
KRISTIN A. THIRION, VILLAGE CLERK**

**MICHAEL J. PANNITTO
BRIAN H. YOUNKER
CYNTHIA A. BERG
WILLIAM P. BRADY
MICHAEL W. GLOTZ
JOHN A. CURRAN
Board of Trustees**

RESOLUTION NO. 2018-R-054

A RESOLUTION APPROVING A CONTRACT BETWEEN THE VILLAGE OF TINLEY PARK AND MC SQUARED ENERGY SERVICES, LLC FOR AN ELECTRICAL AGGREGATION PROGRAM

WHEREAS, the Village of Tinley Park, Cook and Will Counties, Illinois, is a Home Rule Unit pursuant to the Illinois Constitution of 1970; and

WHEREAS, the Corporate Authorities of the Village of Tinley Park, Cook and Will Counties, Illinois, have considered entering into an Agreement with MC Squared Energy Services, LLC, a true and correct copy of such Agreement being attached hereto and made a part hereof as **EXHIBIT 1**; and

WHEREAS, the Corporate Authorities of the Village of Tinley Park, Cook and Will Counties, Illinois, have determined that it is in the best interests of said Village of Tinley Park that said Agreement be entered into by the Village of Tinley Park;

NOW, THEREFORE, Be It Resolved by the President and Board of Trustees of the Village of Tinley Park, Cook and Will Counties, Illinois, as follows:

Section 1: The Preambles hereto are hereby made a part of, and operative provisions of, this Resolution as fully as if completely repeated at length herein.

Section 2: That this President and Board of Trustees of the Village of Tinley Park hereby find that it is in the best interests of the Village of Tinley Park and its residents that the aforesaid "Agreement" be entered into and executed by said Village of Tinley Park, with said Agreement to be substantially in the form attached hereto and made a part hereof as **EXHIBIT 1**.

Section 3: That the President and Clerk of the Village of Tinley Park, Cook and Will Counties, Illinois are hereby authorized to execute for and on behalf of said Village of Tinley Park the aforesaid Agreement.

Section 4: That this Resolution shall take effect from and after its adoption and approval.

ADOPTED this ____ day of _____, 20__, by the Corporate Authorities of the Village of Tinley Park on a roll call vote as follows:

AYES:

NAYS:

ABSENT:

APPROVED this _____ day of _____, 20__, by the President of the Village of Tinley Park.

Village President

ATTEST:

Village Clerk

EXHIBIT 1

**MC SQUARED ENERGY SERVICES, LLC
AGREEMENT**

STATE OF ILLINOIS)
COUNTY OF COOK) SS
COUNTY OF WILL)

CERTIFICATE

I, KRISTIN A. THIRION, Village Clerk of the Village of Tinley Park, Counties of Cook and Will and State of Illinois, DO HEREBY CERTIFY that the foregoing is a true and correct copy of Resolution No. 2018-R-054, "A RESOLUTION APPROVING A CONTRACT BETWEEN THE VILLAGE OF TINLEY PARK AND MC SQUARED ENERGY SERVICES, LLC FOR AN ELECTRICAL AGGREGATION PROGRAM," which was adopted by the President and Board of Trustees of the Village of Tinley Park on _____, 2018.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the Village of Tinley Park this _____ day of _____ 2018.

KRISTIN A. THIRION, VILLAGE CLERK

MASTER POWER SUPPLY AGREEMENT

AGREEMENT BY AND BETWEEN THE VILLAGE OF TINLEY PARK AND MC SQUARED ENERGY SERVICES, AN ILLINOIS LIMITED LIABILITY COMPANY TO PROVIDE FULL-REQUIREMENTS ELECTRICITY SUPPLY AND RELATED SERVICES FOR AN ELECTRIC AGGREGATION PROGRAM

This Agreement (hereinafter the "Agreement"), is entered into as of the **Date** (hereinafter the "Effective Date") between the Village of Tinley Park, Illinois, an Illinois municipal corporation (hereinafter the "Municipality") and MC Squared Energy Services, LLC (hereinafter the "Supplier") (each a "Party" and collectively, the "Parties").

RECITALS

- A. The Municipality has established an Electricity Aggregation Program (hereinafter the "Program") pursuant to the Aggregation Ordinance and the Aggregation Statute, and will conduct the Program as an opt-out program pursuant to the Aggregation Ordinance and the Aggregation Statute.
- B. In order to identify suppliers of electricity for the Program, the Municipality conducted a Request for Qualifications and/or Power Supply Bid process.
- C. The purpose of this Agreement is for the Supplier to provide the Full-Requirements Electricity Supply Services and the Program Implementation Services as defined herein (collectively, the "Services") to all Eligible Customers who choose not to opt out of the Program throughout the Term of this Agreement at the Price established in this Agreement.
- D. The Supplier acknowledges and agrees that it has all certifications, authorizations, qualifications, and approvals necessary pursuant to the Requirements of Law to sell Full-Requirements Electricity Supply to Eligible Customers pursuant to this Agreement, including without limitation that:
 1. Supplier is certified by the Illinois Commerce Commission as a Retail Electric Supplier and is authorized to sell Full-Requirements Electricity Supply to customers in the State of Illinois utilizing the existing transmission and distribution systems of ComEd within the service areas of ComEd;
 2. Supplier is currently registered with ComEd to serve residential and small commercial customers under Rate RESS - Retail Electric Supplier Service with Rider PORCB - Purchase of Receivables and Consolidated Billing; and
 3. Supplier acknowledges and agrees that it will provide the Services, including without limitation Full-Requirements Electricity Supply to all Participating Customers, pursuant to the Bid Package, the Bid Response, this Agreement, and the Requirements of Law.
 4. The Municipality desires to enter into this Agreement with Supplier for the provision by the Supplier of Full-Requirements Electricity Supply to all Eligible Customers pursuant to the Program unless exceptions are clearly stated on the RFP response.

AGREEMENT

In consideration of the mutual covenants and agreements contained herein, the Municipality and the Supplier agree as follows:

ARTICLE 1
RECITALS

- 1.1 The foregoing recitals are, by this reference, fully incorporated into and made part of this Agreement.

ARTICLE 2
DEFINITIONS

The following terms shall have the meanings ascribed to them in this section:

- 2.1 "Aggregate" means the total number of Eligible Customers that are within the jurisdictional boundaries of the Municipality.
- 2.2 "Aggregation Ordinance" means that certain ordinance adopted by the Municipality authorizing the Program.
- 2.3 "Aggregation Statute" means the Illinois Power Agency Act, 20 ILCS 3855/1-92 and applicable rules and regulations of the Illinois Commerce Commission.
- 2.4 "Billing Services" means those services described in Section 4.4 of this Agreement, including all subsections of Section 4.4.
- 2.5 "ComEd" means Commonwealth Edison.
- 2.6 "Compliance Services" means those services identified in Section 4.5 of this Agreement, including all subsections of Section 4.5.
- 2.7 "Confidential Information" means the information defined in Section 9 of this Agreement.
- 2.8 "Customer Information" means certain information that the Electric Utility or Former Aggregation Supplier is required by statute (including the Aggregation Statute), regulation, tariff, or contract to provide to the Corporate Authorities of the Municipality, including without limitation those names and addresses and Electric Utility account numbers of residential and small commercial retail customers in the Aggregate area that are reflected in the Electric Utility or Former Aggregation Supplier's records at the time of the request.
- 2.9 "Data" has the same meaning as in Section 9 of this Agreement.
- 2.10 "Electric Utility" means ComEd.
- 2.11 "Eligible Customers" means residential and small commercial electricity customers receiving Full-Requirements Electricity Supply within the Municipality who are eligible to participate in the Program pursuant to the Aggregation Statute and the Requirements of Law, and as determined by the parameters defined in Exhibit C of this Agreement by the supplier and mutually agreed to by Supplier and Municipality.
- 2.12 "Energy" means generated electricity.
- 2.13 "Enrollment Services" means those services described in Section 4.3 of this Agreement, including all subsections of Section 4.3.
- 2.14 "Extended Term" means the term defined in Section 5.1 of this Agreement.
- 2.15 "Force Majeure Event" means the circumstances defined in Section 7.1 of this Agreement.

- 2.15.5 "Former Aggregation Supplier" means the RES that supplied the Program of the Municipality immediately prior to Supplier under this Agreement. If Former Aggregation Supplier as defined would be Supplier or ComEd, then no Former Aggregation Supplier is considered to exist.
- 2.16 "Full-Requirements Electricity Supply" means all services or charges necessary to provide the continuous supply of electricity to all Participating Customers, including, without limitation, Energy, capacity, losses, renewable portfolio standard (RPS) charges, imbalances, load factor adjustments, transmission costs, congestion charges, marginal losses, ancillary services, taxes applicable only to the Supplier, and any additional necessary services or charges.
- 2.17 "Full-Requirements Electricity Supply Services" means those portions of the Services described in Section 4.1 of this Agreement, including all subsections of Section 4.1.
- 2.18 "ICC" means the Illinois Commerce Commission.
- 2.19 "Independent System Operator" or "ISO" means that certain independent system operator for the Electric Utility established pursuant to the Public Utilities Act, 220 ILCS 5/16-626.
- 2.20 "Power Supply Bid" means the bidding process conducted by the Municipality.
- 2.21 "New Customers" means the customers defined in Section 4.3.9 of this Agreement.
- 2.22 "Opt-Out Notice" means the notices described in Section 4.2.1.1 of this Agreement and provided to Eligible Customers informing them of their ability to opt-out of the Program pursuant to the Requirements of Law.
- 2.23 "Opt-Out Period" means the time prior to the implementation of the Program during which Eligible Customers may choose not to participate in the Program pursuant to the Requirements of Law.
- 2.24 "Opt-Out Process" means the process defined in Section 4.2.1 of this Agreement.
- 2.25 "Participating Customers" means those Eligible Customers who do not opt out of the Program and are not Special Billing Customers, and New Customers.
- 2.26 "Plan of Governance" or "POG" means that certain Plan of Operation and Governance approved by The Municipality pursuant to the Aggregation Statute.
- 2.27 "Point of Delivery" means the point specified by the Electric Utility at which the Supplier must deliver the Full-Requirements Electricity Supply to the Electric Utility for distribution to Participating Customers.
- 2.28 "Price" means the price expressed in cents per kilowatt hour at which the Supplier will provide the Services as set forth in Exhibit C to this Agreement.
- 2.29 "Program" means the electricity aggregation program operated by the Municipality in accordance with the Aggregation Statute and authorized by the Aggregation Ordinance, to aggregate residential and small commercial retail electrical loads located within the corporate limits of the Municipality for the purpose of soliciting and entering into service agreements to facilitate for those loads the sale and purchase of Full-Requirements Electricity Supply and related Services.
- 2.30 "Program Implementation Services" means those portions of the Services described in Section 4.2 of this Agreement, including all subsections of Section 4.2.

- 2.31 “Renewable Energy Credits, (RECs)” means Illinois ARES Renewable Portfolio Standard (RPS) compliant RECs or North American RECs consisting of renewable sources such as wind, solar, biomass or hydroelectric.
- 2.32 “Requirements of Law” means the Aggregation Ordinance, the Aggregation Statute, the Illinois Public Utilities Act, the Illinois Consumer Fraud Act, the Plan of Governance, the rules, regulations, and final decisions of the ICC or Illinois Power Agency (including the ICC Final Order in Docket No. 11-0434 issued on April 4, 2012), the rules, regulations and tariffs applicable to the Electric Utility and the Independent System Operator, and all other applicable federal, state, and local laws, orders, rules, and regulations, all as may be hereinafter duly amended.
- 2.33 “Retail Electric Supplier” or “RES” means an “alternative retail electric supplier” as that term is defined in Section 16-102 of the Public Utilities Act, 220 ILCS 5/16-102.
- 2.34 “Services” means the Full-Requirements Electricity Supply Services, Program Implementation Services, Enrollment Services, Billing Services, and Compliance Services provided in Article 4 of this Agreement.
- 2.35 “Special Billing Customers” means the customers defined in Section 4.3.8 of this Agreement.
- 2.36 “Supplier” means MC Squared Energy Services, LLC and the lawful successor, transferee, designee, or assignee thereof.
- 2.37 “Tariffed Service” means the electricity supply service provided by Electric Utility as required by 220 ILCS 5/16-103. The magnitude of Tariffed Services are typically posted on PlugInIllinois.org and currently includes ComEd's electricity supply charge plus ComEd's transmission series charge, but does not include ComEd's purchased electricity adjustment.
- 2.38 “Term” means the period of time defined in Section 5.1 of this Agreement.
- 2.39 “Municipality” means the Village of Tinley Park, Illinois.
- 2.40 “Withdrawing Customer” means a customer defined in Section 4.3.6 of this Agreement.

ARTICLE 3 PROGRAM RESPONSIBILITIES

- 3.1 Municipality Responsibilities.
- 3.1.1 Customer Information. The Municipality shall, with the assistance of the Supplier, pursuant to the Requirements of Law, obtain the Customer Information from ComEd and/or the previous supplier.
- 3.1.2 Notices and Customer Information from ComEd and/or the previous supplier. The Municipality shall promptly forward to Supplier the Customer Information received from ComEd and/or the previous supplier and each Party will promptly provide to the other Party any notices received by that Party from ComEd and/or the previous supplier concerning the accounts of Eligible or Participating Customers.
- 3.1.3 Submittals to ComEd. The Municipality shall, with the assistance of Supplier, submit to ComEd (a) the “Government Authority Aggregation Form”, (b) a list of Eligible Customers who are not Participating Customers because they have elected to opt out of the Program, (c) a list of all Participating Customers, and (d) such other forms as are or may become necessary to access interval data for billing or non-billing purposes to the extent that Supplier is authorized to access such data.

- 3.1.4 **No Municipality Obligations to Provide Services.** The Parties acknowledge and agree that the Municipality is not responsible to provide, and this Agreement shall not be construed to create any responsibility for the Municipality to provide, the Services to any person or entity, including without limitation the Supplier, the Electric Utility, the ISO, Eligible Customers, Special Billing Customers, New Customers or Participating Customers.
- 3.1.5 **No Municipality Financial Responsibility.** The Parties acknowledge and agree that this Agreement does not impose or create, and shall not be construed to create, any financial obligation of the Municipality to any other person or entity, including without limitation the Supplier, the Electric Utility, the ISO, Eligible Customers, Special Billing Customers, or Participating Customers.

3.2 **Supplier Obligations.**

- 3.2.1 **Provision of Services.** The Supplier will provide all of the Services described in Article 4 of this Agreement throughout the Term, including but not limited to the provision of sufficient Full-Requirements Electricity Supply to allow the Electric Utility to deliver and distribute uninterrupted electric service to all Participating Customers. The Supplier acknowledges and agrees that the Municipality is not responsible to provide, and shall not be liable to the Supplier or any Eligible Customer for any failure to provide, any Services pursuant to this Agreement.
- 3.2.2 **Compliance with the Requirements of Law.** Supplier shall comply with all Requirements of Law.
- 3.2.3 **Supplier Press Releases.** The Supplier may issue press releases concerning the Program that are approved in advance by the Municipality prior to issuance.
- 3.2.4 **All information provided by the Supplier to Municipality or any of its agents relating to this Agreement in any way shall be true and accurate in all respects at all times to the best of Supplier's knowledge and belief.**

ARTICLE 4 SUPPLIER SERVICES

- 4.1 **Full Requirements Electricity Supply.** The Supplier must supply the following Full-Requirements Electricity Supply Services as provided in this Section 4.1.
 - 4.1.1 **Scheduling, Transmission and Delivery of Full-Requirements Electricity Supply.**
 - 4.1.1.1 **Generally.** The Supplier shall take all actions necessary to arrange for the scheduling, transmission, and delivery of Full-Requirements Electricity Supply to the Electric Utility for distribution to all Participating Customers.
 - 4.1.1.2 **Scheduling.** Supplier shall schedule the Full-Requirements Electricity Supply for distribution as required by the ISO and the Electric Utility.
 - 4.1.1.3 **Distribution and Transmission Rights.** Supplier will arrange for necessary distribution and transmission rights necessary for the delivery of the Full-Requirements Electricity Supply to the Electric Utility hereunder.
 - 4.1.1.4 **Transmission and Delivery to Electric Utility.**

4.1.1.4.1 **Transmission and Delivery.** Supplier will cause to be transmitted and delivered to the Electric Utility at the Delivery Point sufficient Energy to provide continuous Full-Requirements Electricity Supply to all Participating Customers. The Municipality acknowledges that the Electric Utility, and not the Supplier, is responsible for the distribution of the Full-Requirements Electricity Supply to the Participating Customers after delivery by the Supplier to the Delivery Point, and that Supplier does not take responsibility for the distribution of the Full-Requirements Electricity Supply to Participating Customers after the Supplier provides Full-Requirements Electricity Supply to the Point of Delivery.

4.1.1.4.2 **Failure of Delivery.** Supplier acknowledges and agrees that if the Supplier fails to comply with any requirement related to the Full-Requirements Electricity Supply to the Participating Customers pursuant to this Agreement, including without limitation if Supplier fails to schedule all or part of the Full-Requirements Electricity Supply for any Participating Customer, Supplier shall be solely responsible for any additional costs, charges, or fees incurred because of such failure, and shall not pass through any such additional costs, charges, or fees to Participating Customers.

4.1.2 **Pricing.** The Supplier shall receive the Price in full payment for all Services, and shall not be entitled to any additional costs, adjustments, charges, fees, or any other payments or compensation. The Municipality acknowledges that the Price does not include sales or other consumer-based taxes applicable to Participating Customers or other taxes that are not applicable to the Supplier.

4.2 **Program Implementation Services.** In order to maximize flexibility of program notices and terms, Municipality wishes to provide Program Implementation Services as described in further detail below. In order to support Municipality in providing Program Implementation Services, Supplier must provide the following support to Municipality in offering Program Implementation Services as provided in this Section 4.2:

4.2.1 **Opt-Out Process.** Supplier shall assist the Municipality in administering the process by which Eligible Customers are provided with the opportunity to opt-out of the Program prior to its implementation (the "Opt-Out Process"), including, but not limited to, the following actions by Supplier:

4.2.1.1 **Opt-Out Notices.** Supplier will assist the Municipality in preparing and mailing form Opt-Out Notices to all Eligible Customers as required pursuant to the Requirements of Law, including the payment of sending the notices. Opt-Out Notices to be sent by Municipality must include all information required pursuant to the Requirements of Law, including without limitation: (i) the terms and conditions of participation in the Program, (ii) the cost to the Customer of Full-Requirements Electricity Supply under the Program, (iii) the methods by which Customers may opt out of the Program, and (iv) the length of the Opt-Out Period. The Opt-Out Notices must prominently include the toll-free telephone number and secure website, if applicable, described in Section 4.2.1.3. Nothing prevents Municipality from creating or modifying the language of Opt-Out Notices provided that such language complies with Requirements of Law. In addition to the Opt-Out Notices, the Supplier will provide Participating Customers with terms and conditions for the provision of Full Requirements Electric Supply to those Participating Customers, which terms and conditions shall comply with and accurately reflect all of the requirements of this Agreement and the Requirements of Law and shall be substantially similar to the Illustrative form attached in Exhibit A.

4.2.1.2 Notices to Special Billing Customers. The Municipality acknowledges that the Municipality may provide notices to Special Billing Customers concerning the Program, the Price, the rates charged to Special Billing Customers under their existing service, and the opportunity for Special Billing Customers to opt in to the Program as provided in Section 4.3.9 of this Agreement.

4.2.1.3 Toll Free Number and Website Content. In addition to receiving completed Opt-Out Notices from Eligible Customers by mail, the Supplier shall, at its own expense, provide, operate, and maintain a toll-free number for the use of Eligible Customers to opt out of the Program. The toll-free number must be operational during normal business hours. In addition, the Supplier will use reasonable commercial efforts to work with the Municipality to develop website content and FAQ's appropriate for posting on the Municipality website. The Opt-Out Notices must prominently include the toll-free number and the Municipality website address and a mc² email address for email inquiries. Supplier will be required to support Spanish speaking residents and customers with disabilities.

4.2.1.4 Reporting. During the Opt-Out Period, Supplier is responsible to assist the Municipality for the receipt of all Opt-Out Notices. Supplier must assemble, track, and report to the Municipality concerning the delivery and receipt of all Opt-Out Notices to and from Eligible Customers, including without limitation providing the Municipality with complete information concerning all Eligible Customers who choose to opt-out of the Program.

4.2.2 Required Disclosures. Supplier shall provide Eligible Customers with all information required to be disclosed to Eligible Customers concerning Full-Requirements Electricity Supply and the Program pursuant to the Requirements of Law, including without limitation all information required to be included in the Opt-Out Notices.

4.2.3 Disclosure to Commission. The Municipality agrees to provide such assistance as is necessary for Supplier to provide to the ICC pursuant to 83 Ill. Admin. Code § 470.200(a) required information within three business days of the signing of this Agreement.

4.3 Enrollment Services. The Supplier must supply the following Enrollment Services as provided in this Section 4.3:

4.3.1 Record of Participating Customers. Following the completion of the Opt-Out Period, the Supplier shall be responsible for compiling a complete list of all Participating Customers and those Eligible Customers who have opted out of the Program, and shall ensure that no Eligible Customers who have opted out are enrolled in the Program.

4.3.2 Enrollment. Upon completion of the Opt-Out Process and the identification of all Eligible Customers who have opted out of the Program, the Supplier shall, at its sole cost and expense, take all actions necessary to enroll Participating Customers in the Program pursuant to the Requirements of Law.

4.3.3 Term of Enrollment. Participating Customers who do not opt out of the Program shall be enrolled in the Program by the Supplier, and shall remain enrolled in the Program until the end of the Term, unless the Agreement is terminated pursuant to its terms or the Participating Customer withdraws from the Program pursuant to Section 4.3.6 of this Agreement.

4.3.4 Direct Access Service Request. The Supplier shall submit a direct access service request to ComEd for each Participating Customer in compliance with the "standard switching" subsection of Rate RDS - Retail Delivery Service, in order to allow Full-Requirements

Electricity Supply to commence following the Municipality's implementation schedule which is attached as Exhibit B.

- 4.3.5 **Payment of Switching Fees.** The Supplier shall reimburse Participating Customers for any switching fee imposed by the Electric Utility related to the enrollment of a Participating Customer in the Program within 30 days of receiving notice of such switching fee. The Supplier shall not be responsible to pay any switching fees imposed on Participating Customers who switch service from an alternative retail electric supplier.
- 4.3.6 **Withdrawal by a Participating Customer.** For Participating Customers who notify the Supplier after the completion of the Opt-Out Period that the Participating Customer desires to withdraw from the Program ("Withdrawing Customer"), the Supplier must, at the direction of the Participating Customer, drop the Participating Customer from the Supplier's Full-Requirements Electricity Supply on the next available meter read, which will result in restoring the Participating Customer to Tariffed Service. The Supplier will not assess an early termination fee but the Participating Customer will be responsible to pay for charges incurred for service prior to the termination.
- 4.3.7 **Customer Service Inquiries.** After completion of the Opt-Out Period, Supplier must maintain and operate a toll-free telephone number and internet email address for the purpose of receiving questions and comments from Participating Customers concerning the Full-Requirements Electricity Supply. The Supplier may inform Participating Customers that questions about the delivery and billing of the Full-Requirements Electricity Supply should be directed to ComEd. Supplier must promptly and courteously address customer service inquiries in a manner that meets or exceeds the ICC requirements for the operation of call centers.
- 4.3.8 **Special Billing Customers.** Subject to the Requirements of Law and due to the minimal and/or fixed nature of their existing billing rates, the following Eligible Customers shall not be automatically enrolled in the Program, but may subsequently elect to enroll in the Program as New Customers pursuant to Section 4.3.9 of this Agreement. To the extent that notice is sent, the Municipality agrees to verify in writing that such notice complies with 83 Ill. Admin. Code § 470.240.
- 4.3.8.1 Any Eligible Customer in the residential customer class, as described in Section 4.4.2 of this Agreement, that is taking service under the following ComEd rates:
- Rate BESH – Basic Electric Service Hourly Pricing
 - Rate RDS – Retail Delivery Service; and
- 4.3.8.2 Any Eligible Customer in the commercial customer class, as described in Section 4.4.2 of this Agreement, that is taking service under the following ComEd rates:
- Rate BESH – Basic Electric Service Hourly Pricing
 - Rate RDS – Retail Delivery Service. (collectively, the "Special Billing Customers").
- 4.3.9 **New Customers.** After the commencement of the Program and the enrollment of Participating Customers, the Supplier shall, at the request of a New Customer, as defined in this Section 4.3.9, immediately enroll the following customers in the Program and provide Full-Requirements Electricity Supply to those customers at the Price:
- 4.3.9.1 Any Eligible Customer within the Municipality that moves to a new location within the Municipality;

- 4.3.9.2 Any Eligible Customer that moves into an existing location within the Municipality; and
- 4.3.9.3 Any Eligible Customer that previously opted out of the Program during the Opt-Out Period; and
- 4.3.9.4 Any Eligible Customer that was inadvertently omitted from the list of Participating Customers and not enrolled in the Program. (collectively, the “New Customers”).

4.4 Billing Services. The Supplier must supply the following Billing Services as provided in this Section

4.4.1 Billing Generally. Supplier shall confirm that billing to Eligible Customers will be provided by ComEd under a consolidated billing format pursuant to “Rider PORCB – Purchase of Receivables and Consolidated Billing,” and pursuant to the Requirements of Law. The Municipality acknowledges and agrees that ComEd will bill Participating Customers for the Price of the Full-Requirements Electricity Supply as part of its billing for the distribution of such supply, and that the Supplier shall not be responsible for billing Participating Customers

4.4.2 Customer Classes. Eligible Customers shall be categorized within either the residential or commercial customer classes according to the applicable rates under which they received electricity supply from ComEd prior to participating in the Program.

4.4.2.1 Residential Customer Class. The residential customer class shall include Participating Customers taking service from ComEd under the following rates:

- Residential Single Family Without Electric Space Heat Delivery Class
- Residential Multi Family Without Electric Space Heat Delivery Class
- Residential Single Family With Electric Space Heat Delivery Class
- Residential Multi Family With Electric Space Heat Delivery Class

4.4.2.2 Commercial Customer Class. The commercial customer class shall include those Participating Customers taking service from ComEd as described below:

- 15,000 annual kWh’s usage or less small commercial customers as defined under the Requirements of Law including the ComEd Rate GAP Tariff

4.5 Compliance Assistance. When either Supplier or the Municipality has a compliance obligation under Requirements of Law, the other Party shall take commercially reasonable steps to assist the Party with the compliance obligation.

ARTICLE 5 TERM

5.1 Term. This Agreement commences as of the Effective Date and is for a term of twelve (12) months of consecutive monthly billing periods starting from the initial meter read date designated by the Municipality in consultation with the Supplier in October 2018, and expires at the end of the last day of the 12th billing cycle for the Participating Customer(s) with the latest billing cycle (the “Term”). The Municipality and the Supplier may extend the Term for additional periods of time up to 3 years for each extension, by written agreement approved and executed by each Party (each an “Extended Term”). In the event that the Municipality discontinues its aggregation program, nothing in this Agreement shall be construed to prevent Supplier from following the procedure for customer renewal in the Customer Terms and Conditions (Exhibit A) for any Participating Member.

ARTICLE 6 REMEDIES AND TERMINATION

- 6.1 **Municipality's General Remedies.** In addition to every other right or remedy provided to the Municipality under this Agreement, if the Supplier fails to comply with any of the provisions of this Agreement (for reason other than a Force Majeure Event pursuant to Section 7.1 of this Agreement or a Regulatory Event pursuant to Section 7.2 of this Agreement), then the Municipality may give notice to the Supplier specifying that failure. The Supplier will have 15 calendar days after the date of that notice to take all necessary steps to comply fully with this Agreement, unless (a) this Agreement specifically provides for a shorter cure period, or (b) an imminent threat to the public health, safety, or welfare arises that requires a shorter cure period, in which case the notice must specify the cure period, or (c) compliance cannot reasonably be achieved within 15 calendar days but the Supplier promptly commences a cure and diligently pursues the cure to completion. If the Supplier fails to comply within that 15-day period, or the shorter period if an imminent threat, or if the Supplier fails to promptly commence a cure and diligently pursue the cure to completion, then the Municipality, subject to the limits of applicable federal or State of Illinois law, may take any one or more of the following actions:
- 6.1.1 Seek specific performance of any provision of this Agreement other than provision of Services or seek other equitable relief, and institute a lawsuit against the Supplier for those purposes.
 - 6.1.2 Institute a lawsuit against the Supplier for breach of this Agreement and, except as provided in Section 6.3 of this Agreement, seek remedies and damages as the court may award.
 - 6.1.3 In the case of noncompliance with a material provision of this Agreement, declare this Agreement to be terminated in accordance with the following:
 - 6.1.3.1 The Municipality will give written notice to the Supplier of the Municipality's intent to terminate this Agreement ("Termination Notice"). The notice will set forth with specificity the nature of the noncompliance. The Supplier will have 10 calendar days after receipt of the notice to object in writing to termination, to state its reasons for that objection, and to propose a remedy for the circumstances. If the Municipality has not received a response from the Supplier, or if the Municipality does not agree with the Supplier's response or any remedy proposed by the Supplier, then the Municipality will conduct a hearing on the proposed termination. The Municipality will serve notice of that hearing on the Supplier at least 10 business days prior to the hearing, specifying the time and place of the hearing and stating the Municipality's intent to terminate this Agreement.
 - 6.1.3.2 At the hearing, the Supplier will have the opportunity to state its position on the matter, present evidence, and question witnesses. Thereafter, the Municipality will determine whether or not this Agreement will be terminated. The hearing must be public and held on record.
 - 6.1.3.3 The decision of the Municipality must be in writing and delivered to the Supplier by certified mail.
- 6.2 **Actions on Termination or Expiration of this Agreement.** Services to Participating Members will be provided subsequent to a termination or expiration of this Agreement as set forth below:
- 6.2.1 If this Agreement expires due to reaching the end of the Term (including any Extended Terms) and Municipality wishes to continue the Aggregation Program with a different RES, Supplier will cooperate with the Municipality.
 - 6.2.2 If this Agreement expires or terminates before the end of the Term (including any Extended Terms) for any reason other than Supplier's breach pursuant to Section 6.1.3, Participating Members

may be renewed by Supplier pursuant to the Terms and Conditions set out in Exhibit A to this Agreement.

6.2.3 If this agreement is terminated before the expiration of the Term (including any Extended Terms) due to breach by Supplier and pursuant to Section 6.1.3 of this Agreement, Supplier will return all Participating Members to ComEd. In such event, Supplier shall not be responsible to any Participating Member for any damages or penalties resulting from the return to Tariffed Service, including claims relating to the Tariffed Service price being higher than the Price herein.

- 6.3 **Limitation of Liability.** Except for the Supplier's failure to provide Full-Requirements Electricity Supply to Participating Customers or the disclosure of Customer Information in violation of the Requirements of Law, or as otherwise specifically provided herein, in no event will either Party be liable to the other Party under this Agreement for incidental, indirect, special, or consequential damages connected with or resulting from performance or non-performance of this Agreement, irrespective of whether such claims are based upon breach of warranty, tort (including negligence of any degree), strict liability, contract, operation of law or otherwise.

**ARTICLE 7
FORCE MAJEURE EVENTS;
REGULATORY EVENTS AND ADDITIONAL CHARGES, TAXES OR LEVIES**

- 7.1 **Force Majeure Events.** The Supplier shall not be held in default under, or in noncompliance with, the provisions of the Agreement, nor suffer any enforcement or penalty relating to noncompliance or default (including termination, cancellation or revocation of the Franchise), where such noncompliance or alleged defaults occurred or were caused by a "Force Majeure Event," defined as a strike, riot, war, earthquake, flood, tidal wave, unusually severe rain or snow storm, hurricane, tornado or other catastrophic act of nature, labor disputes, or other event that is reasonably beyond the Supplier's ability to anticipate or control. Non-compliance or default attributable to a Force Majeure Event shall be corrected within a reasonable amount of time after the Force Majeure Event has ceased.
- 7.2 **Regulatory Event.** A "Regulatory Event" shall mean any time that any branch, agency, instrumentality, or court of the federal, regional (interstate), state, regional (inter-municipality), or local government takes an action that: (1) alters the market rules under which Supplier operates, including the magnitude or allocation of costs to Supplier, and (2) is applicable to similarly situated RES. For the purposes of this Agreement, "Regulatory Event" shall not include mere changes in market prices for any component of Full-Requirements Electric Supply Services, but would include changes in market prices due to changes in regulation of such components. For the avoidance of doubt, the following shall constitute a "Regulatory Event":
- a. **Illegality.** It becomes unlawful for a Party to perform any obligation under this Agreement due to the adoption of, or change in the interpretation of any applicable law by any judicial or government authority with competent jurisdiction.
 - b. **Adverse Government Action.** A regulatory, legislative or judicial body (A) requires a material change to the terms of this Agreement that materially and adversely affects a Party, (B) takes action that adversely and materially impacts a Party's ability to perform or requires a delay in the performance of this Agreement that either Party determines to be unreasonable, or (C) orders a change or modification that affects the Program such that either Party's obligations hereunder are materially changed, and the change is not deemed a Force Majeure Event.
 - c. **New Taxes/Legislative or Regulatory Charges/Surcharges.** Any new charges/surcharges, tax or increases in such tax, or an application of such tax to a new or different class of parties, which is enacted or levied on the Supplier, not recoverable by Supplier from Participating Customers pursuant to Section 7.3 below, and effective after the Execution Date, except federal and state

income taxes, employee taxes or other taxes assessed against the business of the Supplier or the delivery of services under this Agreement.

- 7.3 Occurrence of Regulatory Event. In the occurrence of a Regulatory Event that results in the imposition of a generally applicable additional charge, tax, or levy upon Supplier, and similarly situated RES, then Supplier will adjust the Price to reflect such additional charge, tax or levy by the following procedure:
- a. The Supplier shall provide written notice to the Municipality within 15 days after the occurrence of such action or inaction, of: (i) the nature of the action or inaction; (ii) the adjustment of the Price for the applicable Term and (iii) the date on which the price adjustment will become effective.
 - b. Within 15 days after receipt of the notice described in Section 7.3(a), the Municipality shall have the right to request a meeting with the Supplier to review the action or inaction, and the price adjustment, identified by the Supplier. The Supplier and the Municipality shall meet within five business days after delivery of such request to the Supplier, and shall cooperate in good faith to resolve any dispute regarding the price adjustment. Provided that nothing herein shall prevent the price adjustment from becoming effective on Participating Customers bills on the date noticed pursuant to 7.3(a) above.
 - c. The Supplier shall continue to provide the Services during any such negotiations, unless prohibited by law or regulation. This Section 7.3 shall not apply to any fine or penalty assessed against the Supplier as a result of any failure by the Supplier to comply with applicable laws and regulations.

ARTICLE 8

INDEMNIFICATION AND INSURANCE

- 8.1 Hold Harmless. The Supplier shall hold harmless the Municipality, its officers, employees, agents, and attorneys, from and against any third party injuries, claims, demands, judgments, damages, losses and expenses, including reasonable attorney's fees and costs of suit or defense, arising from the Supplier's provision of the Services, except to the extent caused by the negligence of the Municipality. This duty shall survive for all claims made or actions filed within one (1) year following either the expiration or earlier termination of this Agreement. For purposes of this Section, the word "timely" shall mean within a time period that does not cause prejudice to the respective positions of the Supplier and/or the Municipality.
- 8.2 Insurance. Contemporaneous with the Supplier's execution of this Agreement, the Supplier shall provide certificates of insurance, all with coverage and limits as set forth in Exhibit D to this Agreement. For good cause shown, the Municipality President, or his or her designee may extend the time for submission of the required policies of insurance upon such terms, and with such assurances of complete and prompt performance, as the Municipality President, or his or her designee may impose in the exercise of his sole discretion. Such certificates and policies shall be in a form acceptable to the Municipality. Such insurance policies shall provide that no change, modification in, or cancellation of, any insurance shall become effective until the expiration of 30 days after written notice thereof shall have been given by the insurance company to the Municipality. The Supplier shall, at all times during the term of this Agreement, maintain and keep in force, at the Supplier's expense, the insurance coverage provided above.

ARTICLE 9

CONFIDENTIAL INFORMATION

- 9.1 Confidential and Proprietary Information. Notwithstanding anything to the contrary set forth herein, the Parties are not required to disclose information which they reasonably deem to be proprietary or confidential in nature. The Parties agree that any information disclosed by a Party and designated as proprietary and confidential shall only be disclosed to those officials, employees, representatives, and agents of the other Party that have a need to know in order to administer and enforce this Agreement. For purposes of this Section, the terms “proprietary or confidential” include, but are not limited to, information relating to a Party's corporate structure and affiliates, marketing plans, financial information unrelated to the calculation of the Price or rates pursuant to the Requirements of Law, or other information that is reasonably determined by a Party to be competitively sensitive. A Party may make proprietary or confidential information available for inspection but not copying or removal by the other Party's representatives. Compliance by the Municipality with the Illinois Freedom of Information Act, 5 ILCS 140/1 et seq. (hereinafter the “Illinois FOIA”), including compliance with an opinion or directive from the Illinois Public Access Counselor or the Illinois Attorney General under the Illinois FOIA, or with a decision or order of a court with jurisdiction over the Municipality, shall not be a violation of this Section.
- 9.2 Ownership of Data and Documents. All data and information, regardless of its format, developed or obtained under this Agreement (hereinafter the “Data”), other than the Supplier's confidential information, will be and remain the sole property of the Municipality. The Supplier must promptly deliver all Data to the Municipality at the Municipality's request. The Supplier is responsible for the care and protection of the Data until that delivery. The Supplier may retain one copy of the Data for the Supplier's records subject to the Supplier's continued compliance with the provisions of this Agreement. However, nothing in this Section shall prevent Supplier from retaining copies of such documentation and data as is needed to fulfill any Requirement of Law regarding record retention.
- 9.3 Limitations on Customer Information. Both Parties acknowledge and agree that the Customer Information is subject to, and must be maintained in compliance with, the limitations on disclosure of the Customer Information established by the Requirements of Law, including without limitation the Aggregation Statute, Section 16-122 of the Public Utilities Act, 220 ILCS 5/16-102, Section 2HH of the Consumer Fraud and Deceptive Business Practices Act, 815 ILCS 505/2HH, the ICC Order in Case No. 11-0434 issued April 4, 2012, and the provisions of ComEd's Tariff Rate GAP, and Parts 412 and 470 of the ICC's Rules. The Municipality shall warrant to ComEd that customer-specific information provided to the Municipality in accordance with the provisions of ComEd's Tariff Rate GAP shall be treated as confidential. To protect the confidentiality of Customer Information:
- 9.3.1 Supplier access to Customer Information is limited those authorized representatives of Supplier, or any third party, who have a need to know the information for purposes of this Agreement.
- 9.3.2 Supplier warrants that it will not disclose, use, sell, or provide Customer Information to any person, firm or entity for any purpose outside of the aggregation program, unless agreed to by the Municipality.
- 9.3.3 Supplier will comply with record retention and destruction Requirements of Law including but not limited to those in ComEd Rate GAP and Part 470 of the ICC's Rules.
- 9.4 Proprietary Rights, Survival. Each Party acknowledges the proprietary rights of the other Party in and to the Confidential Information. The obligations under this Article Nine shall survive the conclusion or termination of this Agreement for two (2) years.

ARTICLE 10 MISCELLANEOUS

- 10.1 Notices. Any notices, requests or demands regarding the services provided under this Agreement and the Attachments shall be deemed to be properly given or made (i) if by hand delivery, on the day and at the time on which delivered to the intended recipient at its address set forth in this Agreement; (ii) if sent by U.S. Postal Service mail certified or registered mail, postage prepaid, return receipt requested, addressed to the intended recipient at its address shown below; or (iii) if by Federal Express or other reputable express mail service, on the next Business Day after delivery to such express service, addressed to the intended recipient at its address set forth in this Agreement. The address of a Party to which notices or other communications shall be mailed may be changed from time to time by giving written notice to the other Party.

To Municipality:
Village of Tinley Park
16250 S. Oak Park Ave
Tinley Park, IL 60477
Attention: Municipality President

To Supplier:
Charles C. Sutton
President
MC Squared Energy Services, LLC
175 W. Jackson Blvd., Suite 240
Chicago, IL 60604
Fax: (877) 281-1279

With a copy to:
Village of Tinley Park
16250 S. Oak Park Ave
Tinley Park, IL 60477
Attention: Municipality Attorney

With a copy to:
Jeremiah McGair
Senior Counsel
Wolverine
175 W. Jackson Blvd. Suite 200
Chicago, IL 60604
Fax: (312) 884-3944

- 10.2 Mutual Representations and Warranties. Each Party represents and warrants to the other Party, as of the date of this Agreement, that:
- a. It is duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation, and if relevant under such laws, in good standing;
 - b. It has the corporate, governmental and/or other legal capacity, authority and power to execute, deliver and enter into this Agreement and any other related documents, and perform its obligations under this Agreement, and has taken all necessary actions and made all necessary determinations and findings to authorize such execution, delivery and performance;
 - c. The execution, delivery and performance of this Agreement does not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets; and
 - d. It has reviewed and understands this Agreement; and
 - e. It, to the extent applicable, shall comply with all the Requirements of Law.

- 10.3 Entire Agreement. This Agreement and the response to qualifications referenced in 10.3, including all Attachments hereto, contain all of the terms and conditions of this Agreement reached by the Parties, and supersede all prior oral or written agreements with respect to this Agreement. This Agreement may not be modified, amended, altered or supplemented, except by written agreement signed by both Parties hereto. No waiver of any term, provision, or conditions of this Agreement, whether by conduct or otherwise, in any one or more instances, shall be deemed to be, or shall constitute a waiver of any other provision hereof, whether or not similar, nor shall such waiver constitute a continuing waiver, and no waiver shall be binding unless executed in writing by the Party making the waiver.

- 10.4 Exhibits. Exhibits A through D attached to this Agreement are, by this reference, incorporated into and made part of this Agreement.
- 10.5 Waivers. The failure of either Party to insist upon strict performance of such requirements or provisions or to exercise any right under this Agreement shall not be construed as a waiver or relinquishment of such requirements, provisions or rights.
- 10.6 Applicable Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Illinois without regard for the conflicts of law provisions thereof.
- 10.7 Controlling Provisions. In the event of any inconsistency between the terms herein and the terms of the Exhibits hereto, the provisions of the Exhibits shall control. For avoidance of doubt, the obligations of the Supplier and Participating Customers including without limitation, renewal terms with the Participating Customers, as set forth in the attached Exhibit A, Terms and Conditions shall govern the relationship between mc² and Participating Customers upon termination of this Agreement.
- 10.8 Venue. Except as to any matter within the jurisdiction of the ICC, all judicial actions relating to any interpretation, enforcement, dispute resolution or any other aspect of this Agreement shall be brought in the Circuit Court of the State of Illinois, Cook County, Illinois. Any matter brought pursuant to the jurisdiction of the federal court shall be brought in the United States District Court of the Northern District of Illinois.
- 10.9 No Third-Party Beneficiaries. Nothing in this Agreement is intended to confer third-party beneficiary status on any person, individual, corporation or member of the public to enforce the terms of this Agreement.
- 10.10 No Waiver of Rights. Nothing in this Agreement shall be construed as a waiver of any rights, substantive or procedural, that the Municipality may have under Federal or state law unless such waiver is expressly stated herein.
- 10.11 Validity of Agreement. The Parties acknowledge and agree in good faith on the validity of the provisions, terms and conditions of this Agreement, in their entirety, and that the Parties have the power and authority to enter into the provisions, terms, and conditions of this Agreement.
- 10.12 Authority to Sign Agreement. Each Party warrants to the other Party that it is authorized to execute, deliver and perform this Agreement. The individual signing this Agreement on behalf of each Party warrants to the other Party that he/she is authorized to execute this Agreement in the name of the Party for which he/she is signing.
- 10.13 Binding Effect. This Agreement shall inure to the benefit of, and be binding upon, the Municipality and the Supplier and their respective successors, grantees, lessees, and assigns throughout the Term of this Agreement.
- 10.14 Non-Assignability. This Agreement shall not be transferred or assigned by the Supplier without the express written authorization of the Municipality, which consent shall not be unreasonably withheld, provided, however, that upon advance written notice to the Municipality, Supplier may assign this Agreement to an affiliate without the express authorization of the Municipality.
- 10.15 Counterparts. This Agreement may be executed in one or more counterparts (delivery of which may occur by facsimile or electronic email), each of which shall be deemed an original, but all of which shall together constitute one instrument.

IN WITNESS WHEREOF, the Parties have duly executed this Agreement to be effective on the date first written above.

Supplier: MC Squared Energy Services, LLC

Village of Tinley Park

Signed: _____

Signed: _____

Printed/Typed Name: Charles C. Sutton

Printed/Typed Name:

Title: President

Title:

Date: _____

Date: _____

Attest:

Attest:

Signed: _____

Signed: _____

EXHIBIT A – GENERAL STANDARD T&C’S AND UDS

VILLAGE OF TINLEY PARK CUSTOMER ELECTRIC SUPPLY AGREEMENT TERMS AND CONDITIONS OF SERVICE

The following Terms and Conditions of Service (Agreement) apply to the provision of electric supply to Customer (or “you”) by MC Squared Energy Services, LLC d/b/a mc² – Where Energy Comes From (mc²).

Supply Agreement Disclosures	
Legal name	MC Squared Energy Services, LLC (mc ²)
Business address	175 West Jackson Blvd, Suite 240 Chicago, IL 60604
Service charges for term	Variable rate equal to the ComEd Purchased Electricity Charges, Transmission Charges and ComEd Purchased Electricity Adjustment for the applicable month for twelve (12) months
Fixed monthly charge (if any)	\$0.00
Fixed monthly charge terms (if any)	N/A
Contract and renewal terms	Contract Term – Twelve (12) months Renewal Terms - Unless this Agreement and/or the PSA is terminated prior to the end of the term of this Agreement and in the event the PSA is not renewed or extended by the Village of Tinley Park, you will be restored to ComEd bundled service at the end of the term of this Agreement. If the PSA is renewed or extended by the Village of Tinley Park, you will receive a notice with the proposed specific rate, terms and conditions and the opportunity to opt-out of the Village of Tinley Park's Aggregation Program.
Termination fee (if any)	\$0.00
Deposit/prepayment (if any)	\$0.00
Switching fees (if any)	\$0.00
Guarantee(s) of Customer Savings (If any)	N/A
Rescission	You may rescind this contract by notifying mc ² or the utility within ten (10) calendar days after the utility processes your enrolment. To rescind this agreement, contact mc ² at townname@mc2energyservices.com or call [Town number] ; or contact ComEd at 1-800-334-7661.
Supplier disclosure	mc ² is an independent seller of electric power and energy service certified by the Illinois Commerce Commission. mc ² is not representing, endorsed by, or acting on behalf of a utility or a utility program, a consumer group or consumer group program. This Municipal Aggregation Program is endorsed by the Village of Tinley Park.
Utility Responsibility	The electric utility remains responsible for the delivery of electric power and energy to a customer's premises and will continue to respond to any service calls and emergencies. You will receive written notification from the electric utility confirming a switch of your electricity supplier.

**Contact Information
(Toll free phone numbers)**

MC Squared Energy	[Town number]
Utility ComEd	1-800-334-7661
ICC Consumer Services Division	1-800-524-0795

Scope of mc² Service

You appoint mc² as your exclusive Alternative Retail Energy Supplier (ARES). mc² agrees to sell and you agree to buy all of your electric power and energy service subject to the terms in this Agreement. You authorize mc² to obtain all data necessary so that mc² can enroll your account(s) and you authorize us to take such actions as necessary and reasonable to perform this Agreement, including accessing and using account information and meter usage data (including interval usage data) from the Utility (ComEd), enrolling account(s), procuring supply, scheduling and causing electricity to be delivered to each account.

Price

For delivery of power to ComEd's distribution facilities on behalf of your Utility account(s), you agree to pay the variable rate equal to the ComEd Purchased Electricity Charges, Transmission Charges and ComEd Purchased Electricity Adjustment for the applicable month for twelve (12) months pursuant to that certain Power Supply Agreement ("PSA") between the Village of Tinley Park and mc² dated [Date]. The PSA price through your October 2019 ComEd meter read date under this Agreement is equal to the monthly ComEd Purchased Electricity Charges, Transmission Charges and ComEd Purchased Electricity Adjustment for the applicable month for twelve (12) months. In addition to mc² electricity supply charges, ComEd distribution charges and related taxes will be itemized separately by ComEd in your bill and are not included in the price under this Agreement. You are responsible to pay ComEd for these charges.

Term

mc² will commence service on the next available meter read date and continue through the number of monthly billing cycles set forth in the above Supply Agreement Disclosure of this Agreement. The start date for the Initial Term will be subject to receiving an accepted Delivery Access Service Request (DASR) from the Utility for Customer's Utility account. The Initial Term and any Renewal Term are collectively referred to herein as the "Term".

Billing and Payment

The cost of your power and energy from mc² will be included on your Utility bill for each billing cycle and will be based on Utility meter reads or estimates from the Utility. You agree that the Utility may provide us with your payment information and that you accept the Utility's measurements for the purpose of determining the amount you owe mc² for power and energy under this Agreement. You must remit payment to the Utility under their terms and at the address provided by the Utility.

Renewal

Unless this Agreement and/or the PSA is terminated prior to the end of the term of this Agreement and in the event the PSA is not renewed or extended by the Village of Tinley Park, you will be restored to ComEd bundled service at the end of the term of this Agreement. If the PSA is renewed or extended by the Village of Tinley Park, you will receive a notice with the proposed specific rate, terms and conditions and the opportunity to opt-out of the Village's Aggregation Program.

CANCELLATIONS MAY BE SENT ELECTRONICALLY TO: townname@mc2energyservices.com

OR MAY BE MAILED TO:

MC Squared Energy Services, LLC - mc²
175 West Jackson Blvd., Suite 240
Chicago, IL 60604
Fax: (877) 281-1279

OR CAN BE CALLED IN TO: [Town Phone]

Termination

In addition to any other remedies mc² may have, this Agreement may be terminated by mc² upon 30 day notice to customer if we return your service to ComEd per the PSA, you move outside the Village of Tinley Park area, you cease to be a ComEd customer or become ineligible for ComEd's Consolidated Billing. You may terminate this Agreement within 10 days after you receive your first bill under this Agreement from ComEd by notifying us at [Town phone]. There is NO Termination Fee if you terminate the MC Squared Agreement prior to the end of the applicable term. If you terminate your agreement early, you will be obligated to pay for services rendered under the contract until service is terminated.

Adverse Material Change

This Agreement may be revised at any time by mc² in the event of the occurrence of an event beyond mc² reasonable control that materially alters the obligations of mc² in performance of this Agreement. In such circumstances, mc² will notify you and offer you a revised price and terms. If you do not accept the revised price and terms within 30 days, mc² may terminate this Agreement.

Renewable Energy

Electricity service provided to you by mc² through June 1, 2019 will include renewable energy resources as required and certified by Illinois regulatory authorities. If you wish to purchase electricity service sourced entirely from renewable sources, you must submit a request for such service to mc². Such service may be subject to an additional charge.

Community Solar Programs

Definitions: The following definitions from external sources are incorporated by reference.

- "Community Solar," or "CS," is a type of net metering that is available to customers pursuant to Section 16-107.5(l) of the Public Utilities Act [220 ILCS 5] and ComEd Rider POGCS [ILL C.C. No. 10, Sheet 344].
- "Subscriber" and "Subscription" are defined in Section 1-10 of the Illinois Power Agency Act [20 ILCS 3855]; "Subscriber" shall also incorporate the definition of "CS Subscriber" from ComEd Rider POGCS.
- "CS Beneficiary" is defined in ComEd Rider POGCS.
- "Energy Supply Rate" is defined below, and is intended to reflect an estimate of mc² costs to serve Customer net of capacity, transmission, and other costs.

- (1) **Community Solar Arranged By Supplier.** During the Term of this Agreement, Customer authorizes Supplier to enroll Customer in a Subscription for Community Solar in a facility of Supplier's choosing subject to the terms of this provision. Supplier shall provide Customer at least 30 days notice of its intent to enroll Customer in one or more Subscriptions; the customer may opt out within 15 days of the date of the notice by phoning Supplier at 877-622-7697 or emailing Supplier at info@mc2energyservices.com. Contemporaneous with the notice of intent to enroll Customer, Supplier shall provide the terms and conditions of the Subscription, plus any disclosures required by law. Supplier will not attempt to enroll Customer in one or more Subscriptions unless Supplier has a commercially reasonable belief that Customer will receive a credit resulting in a lower supply bill from Supplier with the Subscription(s) than without it (them). Supplier shall provide a basis for its commercially reasonable belief that Customer will save money in its notice of intent.
- (2) **Community Solar Arranged Independent Of Supplier.** To the extent that Customer is granted Subscriber or Beneficiary status by their utility with a CS project that Supplier did not arrange, the credit from Supplier to Customer pursuant to Section 16-107.5(l)(2) of the Public Utilities Act (e.g., the Energy Supply Rate) shall be no higher than \$0.02/kWh, unless otherwise specified in the Confirmation attached hereto. For each subscription or other interest in a CS project, Customer agrees to inform Supplier at least 30 days before the utility is informed of Customer's subscription or other interest. Customer need not take further action with mc² to effectuate such a subscription or other interest.

Without regard to whether Supplier arranged Customer's Community Solar, Customer acknowledges that mc² will provide credits to the customer based on information provided by the utility to the Regional Transmission Organization/RTO and/or mc². Customer agrees to indemnify and hold harmless mc² for any errors made by the utility or Regional Transmission Organization/RTO in providing or communicating relevant credits and information to mc².

Notices

Except as otherwise set forth in this Agreement or required by applicable law, notices to be provided under this Agreement shall be by U.S. Mail to the mailing address provided or electronic to the email address if provided.

Limitations of Liabilities

LIABILITIES NOT EXCUSED BY REASON OF FORCE MAJEURE OR OTHERWISE SHALL BE LIMITED TO DIRECT AND ACTUAL DAMAGES AS THE SOLE AND EXCLUSIVE REMEDY AND ALL OTHER REMEDIES OR DAMAGES EXPRESSLY WAIVED. NEITHER PARTY WILL BE LIABLE TO THE OTHER PARTY FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY, SPECIAL, OR INDIRECT DAMAGES. MC2S LIMITATIONS APPLY WITHOUT REGARD TO THE CAUSE OF ANY LIABILITY OR DAMAGE.

Miscellaneous Provisions Waiver

A waiver by either Party of any breach of the Agreement, or failure of either Party to enforce any of the terms and provisions of the Agreement, will not in any way affect, limit or waive that Party's right to subsequently enforce and compel strict compliance with the same or other terms or provisions of the Agreement.

Assignment

Neither Party may assign the Agreement, in whole nor in part, without the other Party's prior written consent, but neither party may unreasonably withhold consent. However, mc² may assign the Agreement to another ARES without Customer's prior consent but that ARES shall agree in writing to be bound by this Agreement.

Force Majeure

If either Party is unable to perform its obligations, in whole or in part, due to an event of Force Majeure as defined herein, then the obligations of the affected Party (other than the obligations to pay any amounts due prior to the Force Majeure event) shall be suspended to the extent made necessary by such event. The term Force Majeure shall mean any act or event that is beyond the claiming Party's control (and which is not reasonably anticipated and prevented through the use of reasonable measures) including, without limitation, the failure of the Utility to receive, transport or deliver or otherwise perform, unless due to the failure of the Party claiming Force Majeure to perform such Party's obligations hereunder, and an event of Force Majeure of mc² suppliers. The Party suffering the event of Force Majeure shall give written notice of such event of Force Majeure in reasonably full particulars to the other Party, as soon as reasonably possible. Each Party shall make reasonable efforts to remedy Force Majeure as soon as possible. Force Majeure shall not include (i) the opportunity for mc² to sell the electricity to be sold under this Agreement to another party at a higher price than that set forth in the Agreement, (ii) the opportunity for Customer to purchase the electricity (or its Accounts from another party) at a lower price than that set forth in the Agreement, or (iii) the inability of either Party to pay its bills under the Agreement or any other of its bills.

Entire Agreement Amendments

This Agreement constitutes the entire understanding between the Parties, and supersedes and replaces any and all previous understandings, oral or written, in any matter relating to this Agreement. This Agreement may be amended only upon mutual agreement of the Parties and will only be effective if the amendment is in writing and executed by the Parties.

Emergency, Outage and Wire Service

In the event of an emergency, outage or service need, Customer must call the Utility at the emergency number indicated on the Utility invoice: 1-800-EDISON1 (1-800-334-7661).

Customer Care

Customer may contact mc² for Customer Care if Customer has specific comments or questions by calling mc²'s toll-free telephone number at [Town phone] between the hours of 8AM and 5PM Central Prevailing Time (CPT), faxing mc² at (877) 281-1279, emailing mc² at townname@mc2energyservices.com or mailing to the business address. The Illinois Commerce Commission can also be reached at 1-800-524-0795, TTY at (800) 858-9277 and their website address is <http://www.icc.illinois.gov/>.

Dispute Resolution

In the event of a dispute between you and mc², you and mc² both agree to (1) raise any claim that could be brought at the Illinois Commerce Commission ("Commission") at the Commission, and (2) in the event of a dispute at the Commission, agree to voluntary binding arbitration pursuant to the Commission's Rules.

UNIFORM DISCLOSURE STATEMENT

Name: MC Squared Energy Services, LLC (mc²)
 Address: 175 West Jackson Blvd, Suite 240 Chicago, IL 60604
 Phone: (877) 622-7697

Rates and Product Information	
Price (in cents/kWh) and number of months this price stays in effect:	Variable rate equal to the ComEd Purchased Electricity Charges, Transmission Charges and ComEd Purchased Electricity Adjustment for the applicable month for twelve (12) months .
Other monthly charges:	None
Total Price (in cents/kWh) with other monthly charges:	N/A
Length of contract:	12 months
Price after the initial price:	N/A
Early Termination Fees and Contract Renewal	
Early Termination Fee:	\$0.00
Contract Renewal:	No Automatic Renewal
Right to Rescind and Cancel	
Rescission:	You have a right to rescind (stop) your enrollment within 10 days after your utility has received your order to switch suppliers. You may call us at (XXX) XXX-XXXX or your utility at (800) 334-7661 to accomplish this.
Cancellation:	You also have the right to terminate the contract without any termination fee or penalty if you contact us at (XXX) XXX-XXXX within 10 business days after the date of your first bill with charges from MC Squared Energy Services (mc ²).

This is a sales solicitation and the seller is MC Squared Energy Services (mc²), an independent retail electricity supplier. If you enter in a contract with the seller, you will be changing your retail electric supplier. The seller is not endorsed by, representing, or acting on behalf of, a utility or utility program, a governmental body or a governmental program, or a consumer group or a consumer group program.

If you have any concerns or questions about this sales solicitation, you may contact the Illinois Commerce Commission's Consumer Services Division at (800) 524-0795. For information about the electric supply price of your electric utility and offers from other retail electric suppliers, please visit PlugInIllinois.org.

EXHIBIT B
TIMELINE SCHEDULE

TO BE PROVIDED

EXHIBIT C

ELIGIBLE CUSTOMER PRICE AND SPECIAL SERVICES

Eligible Customers includes all residential and small commercial customers within the Municipality excluding customers served by other alternative retail electric suppliers and customers served under ComEd’s hourly tariff supply service.

Eligible Customers in the initial and subsequent opt-out cycles will be placed on Supplier service or ComEd default service based on Supplier’s criteria including the customer’s usage patterns and wholesale market conditions. Eligible Customers that do not opt out will be assessed the same charges and will continue to receive a bill from ComEd without regard to whether they are served by Supplier or on ComEd default service customers.

Eligible Customer Class Price:

Variable rate equal to the ComEd published Purchased Electricity Charges, Transmission Service Charges and the Purchased Electricity Adjustment for each applicable month for the Term.

Termination Fee for Withdrawing Customers:

Residential and Commercial: \$0 (zero) per utility account.

Term: Twelve (12) months (October 2018 – October 2019)

Special Services: Supplier will acquire and retire on behalf of the Village of Tinley Park, 100% Wind Renewable Energy Certificates (RECs), from a location to be determined within the Midwest Renewable Energy Tracking System (MRETS). The amount of the Wind RECs will be based on the historical twelve months of usage for accounts, excluding accounts on ComEd hourly tariff supply service or with another alternative electric supplier, represented on the provided ComEd “Usage Data” file.

Supplier: MC Squared Energy Services, LLC

Municipality: Village of Tinley Park

Signed:

Signed:

Printed/Typed Name:

Printed/Typed Name:

Charles C. Sutton

Title:

Title:

President

Date: _____

Date: _____

Attest:

Attest:

Signed

Signed

Printed/Typed Name:

Printed/Typed Name:

Title:

Title:

**EXHIBIT D
INSURANCE COVERAGES**

A. Worker's Compensation and Employer's Liability with limits not less than:

- (1) Worker's Compensation: Statutory;
- (2) Employer's Liability:
 - \$500,000 injury-per occurrence
 - \$500,000 disease-per employee
 - \$500,000 disease-policy limit

Such insurance shall evidence that coverage applies in the State of Illinois.

B. Comprehensive General Liability

- a. with coverage written on an "occurrence" basis with limits no less than:
\$1,000,000 Bodily Injury and Property Damage Combined Single Limit Coverage is to be written on an "occurrence" basis.

Coverage shall include:

- Broad Form Property Damage Endorsement
- Blanket Contractual Liability (must expressly cover the indemnity provisions of the Agreement)
- \$200,000 Deductible

- b. coverage written on a "claims made" basis with limits no less than:
\$1,000,000 Bodily Injury and Property Damage Combined Single Limit Coverage is to be written on a "claims made" bases.

Coverage shall include:

- Broad Form Property Damage Endorsement
- Blanket Contractual Liability (must expressly cover the indemnity provisions of the Agreement)
- \$200,000 Deductible

- c. with coverage for motor vehicle liability with a combined single limit of liability for bodily injury and property damage of not less than \$1,000,000 for vehicles owned, non-owned, or rented.

C. Umbrella Policy. The required coverage may be in any combination of primary, excess, and umbrella policies. Any excess or umbrella policy must provide excess coverage over underlying insurance on a following-form basis such that when any loss covered by the primary policy exceeds the limits under the primary policy, the excess or umbrella policy becomes effective to cover such loss.

D. Municipality Coverage. Per the requirements of Supplier's insurance policy, Supplier will agree in writing to provide insurance for the Municipality, including its Board members

and elected officials, officers, employees, agents, attorneys, consultants and representatives for all the required coverage except Workers Compensation and Professional Liability.



Interoffice Memo

Date: July 13, 2018

To: Village Board

From: David Niemeyer, Village Manager *DN*

cc: Pat Carr, Assistant Village Manager
Patrick Connelly, Village Attorney

Subject: The HARP Group – Tinley Park Convention Center/Hotel

This memo was copied from information provided at the June 19th Committee of the Whole meeting. Updated information is provided in bold.

The Village has been in discussion with potential new owners of the Holiday Inn for about a year, The HARP Group. The owners of the hotel also manage the Village's convention center. The HARP group has significant experience in hotel development and management in the Chicago area.

They plan on changing the Holiday Inn to a Sheraton or similar brand that will help attract more conventions. There is also a desire at some point to expand the hotel. The increase in conventions will help increase business in all of the Village's hotels and restaurants which will also result in a corresponding increase in tax revenue for the Village.

The Village has an agreement with the current owners that expires in 2028. One of the major challenges of the site is its location in Rich Township and Cook County. The most recent property tax bill for the Holiday Inn is \$1,599,359. I have attached the bills for other hotels in Tinley Park and as you can see the Holiday Inn bill dwarfs the other hotels. The next highest bill is the Hilton Garden Inn at \$229,579.

The Convention Center/hotel was only developed through the creation of one of the most successful TIFs in Illinois. In order to keep the hotel competitive, the Village currently contributes \$675,000 towards maintenance of the Convention Center and

approximately \$185,000 towards capital improvements for the Convention Center from the TIF, for a total tax offset subsidy of approximately \$860,000 per year. However, the TIF expires this year, so this revenue source is no longer available.

The Village was already having discussions with the current owners about how it could keep the hotel and convention center viable once the TIF expired due to the subsidies ending in 2018. The Village made it clear from the beginning of the negotiations that it did not want to continue funding capital improvements at the level it had in the past. The agreement that was reached with The HARP Group caps the annual tax offset at \$750,000 per year.

We have come up with a plan where the 2 school districts and the Village all contribute towards keeping the Convention Center and hotel financially viable for at least another 20 years. The Village has developed good relationships with the two school districts in the Convention Center boundaries, High School District 159 and Grade School district 227. Both of these districts will see significant increases in their assessed value and tax revenues collected once the TIF ends.

Under Illinois state law, taxing bodies are allowed to abate real estate taxes as a business incentive for up to 10 years. The 2 school districts, the Village and The HARP Group **have reached** an agreement (**Exhibit A**) that would abate 50% of the property taxes on the property for a period of 10 years or \$4,000,000 from all three taxing bodies, whichever occurs first. We expect the abatements to generate approximately \$675,000 per year and reach the \$4,000,000 ceiling in about 7 years. District 227 approved this agreement on June 14, 2018 (**Exhibit B**). **District 159 approved the agreement on Wednesday (Exhibit C).**

The difference in the abatements and the \$750,000 per year (approximately \$75,000 per year) will be made up by an increase in the Village hotel tax rate. The Village is looking to increase this by 1% for all hotels in Tinley Park. The Village's current rate is 6%, with the total tax rate being 13% in Cook County and 12% in Will County. As you can see from the attached survey, this is a competitive rate and so we do not expect an increase of 1% to hurt the competitiveness of hotel tax rates in the Village. A 1% increase is expected to generate \$250,000 per year, so in the initial years there will be funds available to spend on other tourism related items like branding.

Once the abatements reach the \$4 million cap, the Village and HARP would attempt to work out a new abatement agreement with the other districts. If a new abatement agreement cannot be reached, then the Village would also include the entire 6% hotel



tax rate generated only by the Sheraton property until the 20th year of the agreement (currently generating about \$350,000 per year). **The sharing is as follows:**

- **All hotel taxes up to \$350,000 shall be shared equally by the Village and developer, with the Village guaranteed \$175,000**
- **Between \$350,000 and \$500,000, the developer retains 75% of the hotel tax**
- **If the hotel tax exceeds \$500,000, then the developer retains 85% of everything generated over the amount**
- **In no event will the developer receive more than \$750,000**

This new management agreement with The HARP group will include a number of new provisions. The Village will no longer be responsible for funding the major capital improvements for the Convention Center. The HARP Group will pay 5% of the gross receipts generated from the Convention Center into a capital improvement fund. **The Village and developer will be working on an escrow agreement for these funds with the developer's lender.** In addition, as the Board is aware the Village is spending \$400,000 on the Convention Center parking lot resurfacing from the Main Street South TIF funds this year.

The agreement also requires that they convert the hotel to a Sheraton or similar brand within 30 months or the Village will not be obligated to pay the incentives owed HARP. Also, if HARP receives any incentives from Cook County they will be applied as a credit against the tax abatements. Finally, we are working on language that will allow the Village to get reduced rentals at the facility for 10 events per year.

The abatement agreements with the school districts also include HARP providing **several internships for District 227 each year including:** 3 paid hospitality internships per year, **paid construction apprentice positions, 3 paid stewardship internships. Both districts will receive** consultation on cooking facilities, **guided field trips** and discounted rates for 3 school events per year, **plus graduation ceremonies.**

We hope to have all of the agreements ready to be approved by the Board at the July 17th Village Board meeting. The most recent agreements will be sent to the Board early next week.



Exhibit

“A”

**FIRST AMENDMENT TO
CONVENTION CENTER MANAGEMENT CONTRACT**

This First Amendment to Convention Center Management Contract (“**Amendment**”), effective as of _____, _____, is entered into by and between the Village of Tinley Park, an Illinois municipal corporation (herein referred to as “**Owner**” and/or the “**Village**” and The Harp Group, Inc., an Illinois corporation (as successor in interest to Tinley Park Hotel and Convention Center, LLC, an Illinois limited liability corporation (“**TPHCC**”) (“**Manager**”) (hereinafter collectively referred to as “**Parties**”).

RECITALS

WHEREAS, on December 12, 2008, the Village and TPHCC entered into that certain Convention Center Management Contract (the “**Contract**”), a copy of which is attached hereto as **Exhibit A**, pursuant to which TPHCC was engaged by the Village to provide certain marketing and operational management of an approximate 64,000 square foot conference and convention center in Tinley Park, Illinois, on an approximate 12.4 acre parcel of real estate legally described on **Exhibit B** attached hereto and made a part hereof (said parcel of real estate and the improvements thereon shall hereinafter be referred to as the “**Property**”). The Property, and building, and all fixtures, furniture and equipment located therein, together with the surface parking, are collectively referred to as the “**Convention**”; and

WHEREAS, on TPHCC intends to assign its interest in the Contract to The Harp Group, Inc.; and

WHEREAS, Owner wishes to utilize the services of Manager in the management, marketing and operation of the existing Convention Center and wishes to continue to do so; and

WHEREAS, Owner wishes retain ownership of the Convention Center and enter into and amended Management Contract with Manager for the purpose of (1) defining the term of the Management Contract; (2) implementing changes to the obligations of the Manager; (3) promoting the growth and enhancement of the community, encouraging visitors to the Village, and promoting the holding conventions, conferences, and trade shows in the Village, and

1. Amendment of the Convention Center Management Contract.

- a. The Contact’s Recitals are hereby amended and restated in their entirety as provided above.
- b. Throughout the entire Contract, any reference to the “Development Agreement” is hereby stricken.
- c. Section 1 of the Contract is hereby amended and restated in its entirety as follows:

“1. Term of Contract.

The term of this Contract shall commence on the effective date of the execution of this Agreement and shall expire at midnight on the twentieth (20th) anniversary.

- d. Section 2 of the Contract is hereby amended by deleting it in its entirety.
- e. Section 4 of the Contract is hereby amended and restated in its entirety as follows:

“4. Costs and Expenses.

Manager shall be responsible for all costs and expenses incurred in connection with the Convention Center, including, but not limited to, maintenance, repair, replacements, operating costs, supplies, utilities (including all water, electricity, gas, garbage removal, heat, telephone, cable television, hot water, and other consumable services supplied to or in respect of the Convention Center), advertising on a regional or a national level for full utilization of this Convention Center, and all other costs in connection with the operation and use of the Convention Center. Such work shall include, but not be limited to, repairs, replacement and maintenance of the roof, all parking lots, and non-structural aspects of the Convention Center, heating and air conditioning equipment, sidewalks, all utility lines and services, boiler, sprinkler systems, parking area (including repaving when needed), elevators, interior walls, plumbing and electrical systems, drains, doors, windows, plate glass and glass, outside walls, lawn and landscaping. Manager shall also, at its expense, be responsible for all cleaning, painting, decorating, carpentry work and all janitorial services with respect to the Convention Center site and be responsible for snow and ice removal (except from public roads), grass mowing, and maintenance of trees and other landscaping. The Manager will not be responsible for work covered by builder guarantees and manufacturer warranties. The parties acknowledge that it is their intention that Owner shall have no responsibility nor liability for any costs, except those specified herein.

- (a) **Convention Center Major Capital Expense Fund.** On January 31st of each year the Manager shall remit an amount equal to five percent (5%) of the gross receipts generated from the Convention Center in the previous calendar year to be held by Manager’s Lender pursuant to an agreed upon escrow agreement by and between the parties to this Agreement and by Manager’s lender. The Parties shall agree to a five-year (5) Major capital improvement Budget and Plan and all proceeds of the Convention Center Major

Capitol Expense Fund shall be spent in accordance with the above referenced Budget and Plan.

- (b) 2018 Parking Lot Resurfacing: Notwithstanding the language set forth in Section 4 above, the Village has scheduled and budgeted for the resurfacing the Convention Center Parking Lot in 2018 using funds available from the Oak Park Avenue TIF Fund. The Village shall receive a reduction in any payment due and owing as set forth in the Abatement Agreements executed between the Village, Districts 159, 227, and the Harp Group equal to 50% of the amount spent on the parking lot resurfacing or other improvements paid for by the Village from the TIF Fund up to a maximum amount of \$400,000 in the same year in which the parking lot expenditure was made .

f. Section 5 of the Contract is hereby amended and restated in its entirety as follows:

“5. Obligations Pertaining to the Hotel Property.

The Parties each recognize the importance of the continuous operation of the adjoining hotel business and property to the success of the Convention Center. In recognition of the dependence of each property to the other, the Parties agree to the following:

Within thirty-six (36) months from the date of execution of this Contract the Manager shall convert the Hotel Property from a Holiday Inn into a Sheraton brand hotel, Doubletree by Hilton, Tapestry by Hilton, Delta by Marriott, Tribute by Marriott as pre-approved brands or another similar brand reasonably acceptable to the Village. If the Hotel Property is not converted as set forth herein within the aforementioned timeframe, the Owner may seek approval from the Village of a six- month extension for same which request shall not be unreasonably refused, denied or delayed by the Village. If the Manager does not convert the Hotel Property within the time limits set forth in this Section 5, then the Village shall not owe any monies it would otherwise be obligated to pay via the Abatement agreements or under this Agreement. Manager shall also return 50% of any monies paid by the Owner pursuant to the Abatement Agreements back to the Owner.

- a. The Parties recognize that the Abatement Agreements are likely to expire prior to the expiration of this Agreement. In the event the Owner, Districts, and Manager are not able to work out a new Abatement Agreement, the Owner shall rebate the following amounts of the Hotel Operator’s Occupancy Tax generated solely

by the Hotel during the remaining term of the Contract on an annual basis.

- i. All amounts up to \$350,000 of the Hotel Operator's Occupancy Tax Generated solely by the Hotel shall be shared equally (50% each) by the Owner and the Manager. In no event shall the Village's share be less than \$175,000. Accordingly, if the Hotel generates less than \$350,000 then the Manager's 50% share shall be reduced accordingly.
 - ii. The Manager shall retain 75% of the Hotel Operator's Occupancy Tax generated solely by the Hotel in excess of \$350,00 and up to \$500,000.
 - iii. The Manager shall retain 85% of the Hotel Operator's Occupancy Tax in excess of \$500,000.
 - iv. Notwithstanding anything set forth to the contrary in this Section 4, in no event shall Manager's share of the Hotel Operator's Occupancy Tax generated solely by the Hotel exceed \$750,000.
- b. Nothing in this Agreement shall prohibit the Manager from assigning this Agreement and the rights, duties, and obligations of the Manager hereunder to a single purpose entity, a limited liability company, general or limited partnership or other entity which is an affiliate of the Manager or which is controlled by the Manager without the necessity of securing the Village's prior consent or approval, nor shall Manager be prohibited from collaterally assigning this Agreement to Manager's lender without the necessity of securing the Village's prior consent or approval. Any and all replacement or subsequent Manager must be approved by the Village. Said approval shall not be unreasonably denied, delayed or refused. If the Owner does not approve the first two replacement or subsequent Managers, then the Owner shall have the option to choose the replacement Manager.
- c. If the Manager receives any tax incentives and/or credits from Cook County or State, prior to the expiration of the Abatement Agreements or throughout the life of this agreement then any such credit will be applied as a credit towards the abatement obligations of the Schools Districts first, then to any amounts owed by the Owner so that the total amount received equals seven

hundred fifty thousand dollars (\$750,000) annually. In the event the tax incentive is received after the expiration of the Abatement the full credit shall apply to the Village's obligation to rebate the Hotel Operator's Occupancy Tax.

- g. Section 7 of the Contract is hereby amended and restated in its entirety as follows:

"7. Manager's Control.

Except as otherwise provided herein, Manager shall have uninterrupted and exclusive control of the operation of the Convention Center. Accordingly, Manager shall solely determine rental rates, charges for other Convention Center services, appropriate uses of the Convention Center, policies relating to credit and all phases of publicity and promotion. Manager shall operate the Convention Center in accordance with its written Policy entitled Security and Traffic Management Policy, which is attached hereto as **Exhibit F.**

Manager agrees to allow not less than ten (10) events, to be designated by Owner, for local or regional expositions or governmental seminars at a best rate, if space is available. Manager agrees to provide Owner with rental free use of meeting and/or event space for any meetings or events held by the Village of Tinley Park.

- h. The second and third sentence of Section 9 of the Contract is hereby amended and restated in its entirety as follows:

"The job description for this position is attached hereto as Exhibit G. The minimum qualifications for this position are attached hereto as Exhibit H."

- i. Subsections (iii) through (v) of Section 13 of the Contract is hereby amended by deleting said subsections in their entirety.

- j. Section 17 of the Contract is hereby amended with the following names and addresses:

"OWNER: Village Manager
Tinley Park Village Hall
16250 S. Oak Park Avenue
Tinley Park, Illinois 60477

With a copy to: Peterson, Johnson & Murray
200 W. Adams St., Suite 212
Chicago, Illinois 60606
Attn: Patrick G. Connelly

MANAGER: The Harp Group, Inc.

With a copy to: Shapiro & Associates Law

601 Oakmont Lane, Suite 420
Westmont, Illinois 60532
Attn: Peter G. Dumon

618 Academy Drive, Suite B
Northbrook, Illinois 60062
Attn: Daniel C. Shapiro”

2. Counterparts. This Amendment may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Amendment by Adobe PDF format, facsimile or by electronic transmission of a scanned page shall be effective as delivery of a manually executed counterpart to this Amendment.

3. Governing Law. This Amendment shall be governed by and construed in accordance with the Laws of the State of Illinois, Cook County. Each Party to this Amendment agrees that any action or proceeding arising out of or relating to this Amendment may be instituted in the courts of Cook County, Illinois, waives any objection which it may have now or hereafter to the venue of any such action or proceeding, irrevocably submits to the nonexclusive jurisdiction of such courts in any such action or proceeding, agrees to be bound by any judgment of such courts and agrees not to seek, and hereby waives, any review of the merits of any such judgment by the courts of any other jurisdiction.

4. Execution Warranty. Each individual signing this Amendment warrants that such execution has been duly authorized by the Party for which such individual is signing, that the execution and performance of this Amendment by such Party has been duly authorized by all applicable laws and regulations and all necessary corporate action, if any, and that this Amendment constitutes the valid and enforceable obligation of such Party in accordance with the terms of the Asset Management Agreement and this Amendment.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties hereto have caused this First Amendment to Convention Center Management Contract to be executed and delivered as of the day and year first above written.

OWNER:

VILLAGE OF TINLEY PARK

By: _____
Village President

MANAGER:

THE HARP GROUP, INC., an Illinois corporation

By: _____

ATTEST:

By: _____
Village Clerk

By: _____

Exhibit

“B”

THE VILLAGE OF TINLEY PARK

Cook County, Illinois

Will County, Illinois

RESOLUTION

NO. _____

**A RESOLUTION AUTHORIZING THE EXECUTION OF A DEVELOPMENT
INCENTIVE AGREEMENT BETWEEN THE VILLAGE OF TINLEY PARK, THE
BOARD OF EDUCATION SCHOOL DISTRICT 227, AND THE HARP GROUP, INC.
RELATING TO THE HOTEL PROPERTY LOCATED AT 18501 HARLEM AVENUE**

**JACOB C. VANDENBERG, PRESIDENT
KRISTIN A. THIRION, VILLAGE CLERK**

**MICHAEL J. PANNITTO
BRIAN H. YOUNKER
CYNTHIA A. BERG
WILLIAM P. BRADY
MICHAEL W. GLOTZ
JOHN A. CURRAN
Board of Trustees**

Published in pamphlet form by authority of the President and Board of Trustees of the Village of Tinley Park
Peterson, Johnson, and Murray Chicago, LLC, Village Attorneys
200 W. Adams, Suite 2125 Chicago, IL 60606

VILLAGE OF TINLEY PARK
Cook County, Illinois
Will County, Illinois

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING THE EXECUTION OF A DEVELOPMENT
INCENTIVE AGREEMENT BETWEEN THE VILLAGE OF TINLEY PARK, THE
BOARD OF EDUCATION SCHOOL DISTRICT 159, AND THE HARP GROUP, INC.
RELATING TO THE HOTEL PROPERTY LOCATED AT 18501 HARLEM AVENUE**

WHEREAS, Section 6(a) of Article VII of the 1970 Constitution of the State of Illinois provides that any municipality which has a population of more than 25,000 is a home rule unit, and the Village of Tinley Park, Cook and Will Counties, Illinois, with a population in excess of 25,000 is, therefore, a home rule unit and, pursuant to the provisions of said Section 6(a) of Article VII, may exercise any power and perform any function pertaining to its government and affairs, including, but not limited to, the power to tax and to incur debt; and

WHEREAS, the Harp Group, Inc. desires to purchase, upgrade, and manage the Hotel Property located at 18501 Harlem Avenue; and

WHEREAS, the Parties understand the continued first-rate operation of the Hotel Property is directly tied to the future success of the Tinley Park Convention Center which provides a direct and positive economic impact to both the Village of Tinley Park and School District 227; and

WHEREAS, the Oak Park Avenue TIF District will expire at the end of 2018, and tax increment revenue that had been used to support the Convention Center and Hotel Property will no longer be available; and

WHEREAS, to ensure the continued success of the Tinley Park Convention Center and the Hotel Property the Corporate Authorities of the Village of Tinley Park, Cook and Will Counties, Illinois, and the Board of Trustees of the School District 227 believe it is in the best interest of their respective constituents to abate a portion of their year property tax from the Hotel Property as more fully set forth in the Development Incentive Agreement attached hereto as Exhibit 1; and

NOW, THEREFORE, BE IT RESOLVED BY THE VILLAGE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF TINLEY PARK, COOK AND WILL COUNTIES, ILLINOIS, IN THE EXERCISE OF ITS HOME RULE POWERS, AS FOLLOWS:

SECTION 1: The foregoing recitals shall be and are hereby incorporated as findings of fact as if said recitals were fully set forth herein.

SECTION 2: That this President and Board of Trustees of the Village of Tinley Park hereby find that it is in the best interest of the Village of Tinley Park and its residents that the aforesaid Agreement be entered into and that the Village President is hereby authorized to execute said Agreement on behalf of the Village, with said Agreement to be substantially in the form attached

hereto and made a part hereof as **Exhibit 1**, subject to review and revisions as to form by the Village Attorney.

SECTION 3: Any policy, resolution or ordinance of the Village that conflicts with the provisions of this Resolution shall be and is hereby repealed to the extent of such conflict.

SECTION 4: This Resolution shall be in full force and effect from and after its passage and approval in the manner provided by law.

PASSED THIS _____ day of _____, 2018.

AYES:

NAYS:

ABSENT:

APPROVED THIS _____ day of _____, 2018.

VILLAGE PRESIDENT

ATTEST:

VILLAGE CLERK

STATE OF ILLINOIS)
COUNTY OF COOK) SS
COUNTY OF WILL)

CERTIFICATE

I, KRISTIN A. THIRION, Village Clerk of the Village of Tinley Park, Counties of Cook and Will and State of Illinois, DO HEREBY CERTIFY that the foregoing is a true and correct copy of Resolution No. ____, "A RESOLUTION AUTHORIZING THE EXECUTION OF A DEVELOPMENT INCENTIVE AGREEMENT BETWEEN THE VILLAGE OF TINLEY PARK, THE BOARD OF EDUCATION SCHOOL DISTRICT 227, AND THE HARP GROUP, INC. RELATING TO THE HOTEL PROPERTY LOCATED AT 18501 HARLEM AVENUE which was adopted by the President and Board of Trustees of the Village of Tinley Park on _____, 2018.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the Village of Tinley Park this _____ day of _____, 2018.

KRISTIN A. THIRION, VILLAGE CLERK

DEVELOPMENT INCENTIVE AGREEMENT FOR THE TINLEY PARK HOTEL AND CONVENTION CENTER

THIS AGREEMENT is made this 14th day of June, 2018, by the **Board of Education of Rich Township High School District 227**, Cook County, Illinois (hereinafter sometimes referred to as the "District"), **The Harp Group, Inc.**, an Illinois corporation (hereinafter sometimes referred to "Harp"), and the **Village of Tinley Park, Cook and Will Counties, Illinois, a home rule municipal corporation** (hereinafter referred to as the "Village") (collectively hereinafter referred to as the "Parties").

RECITALS

WHEREAS, the Village has expressed a desire to continue its ownership of the Tinley Park Convention Center (hereinafter "TPCC") on land that it owns within the boundaries of the Districts; and

WHEREAS, Harp has expressed its desire to operate and manage the TPCC, to acquire the Hotel Property, and to continue the operations of the Tinley Park Hotel as a commercial enterprise which it will own and operate within the boundaries of the District; and

WHEREAS, Harp has requested incentives from the District in the form of real estate abatements pursuant to the provision of law (35 ILCS 200/18-165) and further incentives from the Village; and

WHEREAS, the District and the Village desire to grant certain incentives to Harp to acquire the Hotel Property and to continue its commercial operations within such boundaries, subject to certain conditions, restrictions and limitations; and

WHEREAS, the Parties agree to be bound by the provisions of this Agreement;

NOW, THEREFORE, in consideration of the mutual promises herein, and other good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, the Parties agree as follows:

1. DEFINITIONS

As used herein, unless the context indicates otherwise, or unless specifically defined otherwise, the following terms shall be accorded the following meanings:

1.01 Harp. The Harp Group, Inc., an Illinois corporation.

1.02 Village. Village of Tinley Park, an Illinois Municipal Corporation.

1.03 District. Board of Education of Rich Township High School District 227, Cook County, Illinois.

1.04 Assessor. The County Assessor of Cook County Illinois, charged with statutory responsibility of appraising and assessing real property.

1.05 Hotel Property. That real estate, currently referred to as the Tinley Park Hotel located at 18501 Harlem Avenue within the Village of Tinley Park, Cook County, Illinois, and currently identified by the following Permanent Index Number: 31-06-100-027-0000.

1.06 Convention Center Property. That real estate owned by the Village, upon which is currently located most of the Tinley Park Convention Center ("TPCC"), located at 18451 Convention Center Drive within the Village of Tinley Park, Cook County, Illinois, and currently identified by the following Permanent Index Numbers: 31-06-100-040-0000, 31-06-100-041-0000, and 31-06-100-038-0000.

1.07 Permanent Index Number. The number or numbers assigned to real property by the Cook County Clerk pursuant to the system for the listing of real estate for purposes of assessment and collection of taxes.

1.08 Assessed Valuation. The value of the real property as assessed for taxation purposes by the Assessor, or as subsequently modified and certified by the Cook County Board of Review, but not including the equalization of that assessed valuation.

1.09 Abatement. The reduction of taxes levied against particular real estate by discretionary action of a taxing body.

1.10 Insolvency of Harp. Harp's adjudication as bankrupt, general assignment for the benefit of creditors, taking the benefit of any insolvency act, or the appointment of a permanent receiver or trustee in bankruptcy for Harp's property.

1.11 Sale. With respect to real property, the transfer of title and/or assignment of beneficial interest in land trust, provided that a mortgage of the property, collateral assignment of beneficial interest or grant of similar rights for financing purposes shall not constitute a sale of the property under this definition and a syndication or other alternative means of financing that involves the sale of equity interests shall not constitute a sale of the property hereunder.

1.12 Assessment Complaint. An appeal or complaint filed by or on behalf of a taxpayer with the Assessor, the Cook County Board of Review, the Illinois Property Tax Appeal Board, or the Circuit Court of Cook County, or by application for a certificate of error, alleging that real estate has been over assessed or is exempt from taxation.

1.13 Tax Rate Objections. A taxpayer's challenge that all or a portion of a property tax levy, property tax rate, or property tax extension is illegal because of an unlawful act or omission by taxing bodies or the County Clerk.

2. ABATEMENT OF TAXES

2.01 Subject to the terms of this Agreement, the District and the Village agree to abate *ad valorem* real estate taxes extended against the Hotel Property, as follows:

(a) Abatements shall begin for a period of ten (10) years, beginning with the 2018 tax year for taxes collected in 2019, or the first levy after this agreement is fully executed, whichever is later.

(b) The amount abated shall be fifty percent (50%) of the taxes levied and extended upon the improvements on the Hotel Property for the District and the Village in each year of abatement.

(c) Annual abatements by the District and the Village shall continue until the first of the following should occur:

(i) duration of ten (10) tax levy years, commencing with the tax levy year to which the first abatement applies, in which taxes are actually abated as provided herein;

(ii) the aggregate taxes abated on the Hotel Property by all taxing bodies equals four million dollars (\$4,000,000). For the purposes of this section, all taxing bodies shall mean the School District 159, defined hereafter, School District 227, and the Village of Tinley Park;

(iii) the abatement obligations of the District and the Village terminate

as provided for in Article 5 of this Agreement.

(d) The District and the Village shall approve the abatement by adopting all necessary and applicable legislative actions, including but not limited to resolution(s) and timely filing such with the County Clerk directing the abatements. The District and the Village may subsequently pass a resolution withdrawing the direction to abate, in whole or in part, where the District's and the Village's obligation to abate have been terminated under the provisions of this Agreement. The obligation to abate shall be separately and contractually enforceable as to the District and the Village. Notwithstanding the above, the Parties agree that this agreement shall be contingent upon the approval of a related abatement agreement, between the Village, Harp and the Board of Education of Elementary School District 159, Cook County, Illinois. ("District 159")

3. OBLIGATIONS OF HARP

3.01 For the duration of this Agreement, Harp shall inform the District and the Village of any and all changes in the Permanent Index Numbers identifying the Hotel Property within a reasonable time after Harp is advised by the County of Cook of such changed Permanent Index Numbers. The District and the Village shall not be held responsible for the tax abatement during a particular year for which Harp's failure to so notify the District and the Village results in a defective abatement for the Hotel Property caused by an obsolete, incorrect or inaccurate Permanent Index Number, but shall abate in a

subsequent year instead, provided Harp's failure was inadvertent and did not result in a revenue loss to the District and the Village.

3.02 In the event Harp shall file an Assessment Complaint concerning the assessed valuation of the Hotel Property, Harp shall give the District and the Village concurrent notice upon filing with the Assessor or the Cook County Board of Review, and shall give the District and the Village thirty (30) days prior notice of the filing of such Assessment Complaint, with the Property Tax Appeal Board or the Circuit Court of Cook County.

3.03 Harp shall provide the District and the Village, within thirty (30) days of receipt, copies of each of its yearly real estate tax bills on the Hotel Property when rendered, for purposes of auditing compliance with this Agreement.

3.04 Harp shall provide the District and the Village, within thirty (30) days of payment of the real estate taxes on the Hotel Property, copies of the paid property tax receipt for the Hotel Property, for purposes of auditing compliance with this Agreement.

3.05 In the event the District or the Village have not already adopted a multi-year resolution covering that year's abatement, Harp shall provide, no earlier than September 15 and no later than November 15 of the tax year in which the abatement resolution is due, a notice to the District and the Village of the District's and the Village's obligation to approve an abatement resolution for that year.

3.06 Harp shall provide to the students of the District the following job training programs in collaboration with the Districts, which shall include, but are not limited to:

- i. a minimum of three (3) paid hospitality internships each quarter;

- ii. paid construction apprenticeship positions for 10 hrs./week, when construction projects are ongoing;
- iii. a minimum of three (3) paid stewardship internship each quarter;
- iv. Harp shall be available, at no cost to the District, for consultation and input to the District for the purpose of providing advice regarding the design, layout and construction of the kitchen located/to be located at one of the District's schools. The District agrees that Harp shall have no liability to the District, its officers, agents, contractors employees or agents for any damages, injuries, or claims whatsoever for said advice or consultation;
- v. Harp shall provide college placement services to those students who have graduated from the District and who have applied to be accepted to a college hospitality program;
- vi. Harp shall arrange with and thereafter provide, at no cost, up to two (2) orientation sessions of at least forty-five (45) minutes each semester to students of the District wherein Harp will discuss practical aspects of the hospitality industry, including but not limited to; finance, administration and sales. Harp and the District will work cooperatively to determine agreed upon topics which Harp will discuss during said sessions; and

- vii. the District shall ultimately be responsible for determining whether said internships satisfy particular requirements for qualification, as may be necessary.

3.07 During the term of the abatement period, Harp shall provide the District and the Village with the best rates available when renting space at the TPCC. Furthermore, the following District's events held at the TPCC shall be exempt from rental fees for use, not including food and beverage costs:

- i. end of year ceremonies for the District, during the term of this Agreement;
- ii. three (3) additional events to the District on dates and at times mutually acceptable to the District and Harp.

Furthermore, Harp shall make the Hotel available for guided fieldtrips from class groups of the District no less than once a semester.

4. OBLIGATIONS OF VILLAGE

4.01 The total annual amount of the incentive to Harp shall be \$750,000.00 inclusive of all abatements of the District and District 159 as set forth above including the Village's. Each year the Village shall pay the difference between the yearly abatement and \$750,000.00 from any sources of funds legally available to the Village.

4.02 Prior to the sale of the Convention Center Property to another party, whether to Harp or to anyone else, the Village shall provide the District with at least sixty (60) days' notice of the transaction.

4.03 The Village shall not establish tax increment financing for a redevelopment project area which includes the Hotel Property or the Convention Center Property during the life of this Agreement without the written consent of the District, not to be

unreasonably withheld; provided, however, that the District shall not challenge the tax-exempt status of the Village's interest in the Convention Center Property.

5. PROHIBITED ACTS

5.01 Failure of Harp to pay in full within ninety (90) days after the period provided by law all legally validly assessed and computed real estate taxes which are extended and billed against the Hotel Property shall be considered a prohibited act for purposes of this Agreement.

5.02 For a period commencing on the date of this Agreement and concluding on December 31 of the year in which the last abatement provided for herein is realized, Harp shall not file Tax Rate Objections or otherwise challenge the rate of taxes levied and extended by District.

5.03 Harp shall not file an Assessment Complaint in any form for the tax year 2019⁸ or for any subsequent tax year until the District's obligation to abate taxes under this Agreement is completed, except as permitted in this Section 5.03.

(a) Harp may file an assessment appeal with the Assessor or with the Cook County Board of Review for any year, provided that it provides the notice required under Section 3.02 above.

(b) For any year beginning with 2018 and ending with the last year when Harp receives the benefit of the abatement of taxes by the District under this Agreement, Harp may file an Assessment Complaint with the Illinois Property Tax Appeal Board or with the Circuit Court of Cook County, provided that it provides the notice required under Section 3.02 above and provided further that any reductions in the District's and the Village's property tax distributions resulting from refunds awarded to Harp, pursuant

to 35 ILCS 200/23-20, shall be offset by commensurate reductions in the amount of subsequent abatements by the District or by monetary reimbursements to the District by Harp. This offset applies only to reductions due to such refunds and not to assessment or tax reductions which are otherwise achieved.

5.04 The District shall not file, nor cause to be filed, any Assessment Complaint or Assessment Appeal in any form with respect to the Hotel Property during the time period set forth in Section 2.01(c) of this Agreement.

5.05 For a period of time commencing on the date of this Agreement and concluding five (5) years following December 31 of the year in which the last abatement provided for herein is realized, neither Harp (including any entity affiliated with Harp) nor any party with which Harp has contracted to sell, lease or otherwise transfer an interest in real property shall develop or cause the development of the Hotel Property for residential purposes, unless Harp has first obtained the written consent thereto by the District, which consent shall not be unreasonably withheld.

5.06 For a period of time commencing on the date of this Agreement and concluding five (5) years following December 31 of the year in which the last abatement provided for herein is realized, Harp shall be prohibited from filing a petition to detach the Hotel Property from the territorial boundaries of the District or from otherwise cooperating with or encouraging a detachment petition filed by another with respect to the Hotel Property or any part thereof.

6. CANCELLATION OF ABATEMENTS

6.01 Subject to the limitations of Section 6.02, the obligations of the District and the Village to abate taxes herein shall be terminated upon the occurrence of any of the following:

(a) A substantial change in the use of the Hotel Property after the sale of the Hotel Property as defined in Section 1.11 of this Agreement. A “substantial change in the use” shall include changes to the following use: adult-themed bookstores, gentlemen’s clubs, auto wreckage, dumps or landfills, and industrial manufacturing plants which pollute the environment, or a similar commercial or industrial use.

(b) On the occurrence of any of the prohibited acts specified in Article 4 of this Agreement.

(c) Harp materially breaches any provision of this Agreement, notwithstanding Section 6.02.

6.02 If the District and/or the Village become aware of the occurrence of any event which, if uncured, would terminate District’s obligation to abate taxes, the District shall promptly provide Harp with notice of such event. If Harp, within 30 days of such notice cures the event, the District’s obligations to abate taxes shall not be terminated. If Harp does not timely cure, the District may direct the County Clerk to cease all future abatements; provided, however, that if a cure is possible, the Parties shall diligently use their reasonable best efforts to negotiate an alternative means of carrying out the intent of this Agreement.

6.03 Nothing in this Agreement shall prohibit Harp from assigning this Agreement and the rights, duties, and obligations of Harp hereunder to a single purpose entity, a limited liability company, general or limited partnership or other entity which is an affiliate of

Harp or which is controlled by Harp without the necessity of securing the Village's or either District's prior consent or approval; provided, however, that if said assignee fails to comply with its obligations to the District set forth in Sections 3.06 and 3.07 of this Agreement, Harp remains obligated to provide benefits to the District and its students comparable to those set forth in Sections 3.06 and 3.07 of this Agreement.

7. REMEDIES

7.01 In the event that any person or persons not party to this Agreement institute any legal proceedings against the Village, Harp, and/or the District for any willful or reckless actions or inactions pursuant to the terms of this Agreement, Harp, upon notice from the District, shall fully assume the entire defense of such lawsuit and all legal expenses of whatever nature relating to such defense and hold the District harmless from liability in such lawsuits. In that event, Harp shall have control over the litigation and any settlement or compromise of the lawsuit, provided that the District's consent, not to be unreasonably withheld, will be required for any settlement or compromise which would incur any liability for the District or, require the performance or forbearance of any action by the District. The Parties shall fully cooperate in the defense of such lawsuit, and the District shall take all necessary action to correct any alleged defects in actions or inactions pursuant to this Agreement and shall cooperate in taking such additional measures as may be necessary or desirable to carry out the intent of this Agreement.

7.02 In the event any party institutes legal proceedings against another party for violation of this Agreement, each party shall pay its own expenses of such legal proceedings including court costs, reasonable attorney fees, and other customary litigation 3rd party expenses.

7.03 The remedies set forth above in this section are in addition to all other remedies of the Parties as provided by law.

8. WARRANTIES AND REPRESENTATIONS

8.01 Intentionally left blank

8.02 Harp represents and warrants to the District that it has provided the legal description or Permanent Index Numbers of the Hotel Property set forth in this Agreement and that said legal description or Permanent Index Numbers are accurate and correct.

8.03 The District represents and warrants to Harp and the Village, that this Agreement has been duly and validly adopted by the appropriate corporate authorities of the District and constitutes a legally binding obligation of the District and is enforceable in accordance with its terms.

9. MISCELLANEOUS

9.01 In the event legislation is enacted altering the method for assessing real estate or the method for equalizing the assessment of real estate, and such new method(s) would have a material adverse impact on the overall revenue received by the District, the abatements provided for herein shall continue but the Parties hereto shall promptly and diligently meet to develop any appropriate adjustment in the method of calculating the abatements as necessary to reduce such annual abatements in the same proportionate amount as the reduction in overall revenue received by the District as a result of the new legislation, but consideration will be given to extending the time period of the abatement if then permitted by law.

9.02 Failure of any party to this Agreement to insist upon the strict and prompt performance of the terms, covenants, agreements and conditions herein contained, or any of them, upon any other party imposed, shall not constitute or be construed as a waiver or relinquishment of any party's right thereafter to enforce any such term, covenants, agreement or condition, but the same shall continue in full force and effect.

9.03 Wherever appropriate in this Agreement, the singular shall include the plural, and the plural shall include the singular.

9.04 All section headings in this Agreement are for general aid of the reader and shall not limit the plain meaning or application of any of the provisions thereunder whether covered or relevant to such heading or not.

9.05 The officers of Harp executing this Agreement warrant that they are lawfully authorized to execute this Agreement.

9.06 Except for an agreement between Harp and the Village for the management of the TPCC and further provision for financial incentives between the Harp and the Village, this Agreement sets forth all of the promises, inducements, agreement, conditions and understandings between Harp, the Village and the District relative to the subject matter thereof, and there are not promises, agreements, conditions or understandings, either oral or written, express or implied, between them, other than are herein set forth. Except as herein otherwise provided, no subsequent alteration, amendment, change or addition to this Agreement shall be binding upon the Parties hereto unless authorized in accordance with law and reduced to writing and signed by them.

9.07 This Agreement may be executed in two or more counterparts, each of which taken together, shall constitute one and the same instrument.

9.08 In the event that Harp assigns this Agreement or conveys the Hotel Property to any person or entity which intends to make a substantial change in use, as defined in Section 6.01(a), Harp shall provide notice to the District. Such notice shall include the identity of the person or entity to whom this Agreement is to be assigned or to whom the Hotel Property is to be conveyed and the proposed use to which that person or entity intends to put the Hotel Property.

9.09 Any notice, payment, request, instruction, or other document to be delivered hereunder shall be deemed sufficiently given if in writing and delivered personally or mailed by certified mail, post prepaid, to:

SCHOOL DISTRICTS

Superintendent
Elementary School District 159
60202 Vollmer Road
Matteson, Illinois 60443

COPY TO Hauser, Izzo, Petrarca,
Gleason & Stillman, LLC
19730 Governors Highway, Suite 10
Flossmoor, Illinois 60422
Attn: John M. Izzo

Superintendent
Rich Township
High School District 227
20550 S. Cicero Ave.
Matteson, Illinois 60443

COPY TO Hodges, Loizzi, Eisenhammer,
Rodick & Kohn, LLP
3030 Salt Creek Lane, Suite 202
Arlington Heights, Illinois 60005
Attn: Dean W. Krone

THE HARP GROUP, INC.

The Harp Group, Inc.
601 Oakmont Lane, Suite 420
Westmont, Illinois 60532
Attn: Peter G. Dumon

COPY TO Shapiro & Associates Law
618 Academy Drive, Suite B
Northbrook, Illinois 60062
Attn: Daniel C. Shapiro

VILLAGE OF TINLEY PARK

Tinley Park Village Manager
Tinley Park Village Hall
16250 S. Oak Park Avenue
Tinley Park, Illinois 60477

COPY TO Peterson, Johnson and Murray
200 W. Adams St., Suite 2125
Chicago, Illinois 60606
Attn: Patrick G. Connelly

or such other notice address as such party shall notify the other of pursuant to these notice provisions.

9.10 The Recitals to this Agreement are hereby incorporated as part of this Agreement and are hereby declared and found to be true and correct.

9.11 This Agreement shall be construed in accordance with the governed by the laws of the State of Illinois.

9.12 All provisions of this Agreement shall be deemed severable, and if for any reason any portion of this Agreement is deemed invalid or unenforceable, or contrary to or in conflict with then applicable law, then in any of such events, the invalid, unenforceable, conflicting or materially incompatible provisions shall be severed and deleted from this Agreement, without affecting the validity and enforceability of the other provisions hereof, except that if the tax abatements granted herein are severed from this Agreement, or otherwise not substantially realized by Harp, this Agreement shall thereupon terminate, unless the following shall apply:

If any material provision of this Agreement is or becomes materially incompatible with the procedures or requirements of any governmental agency (*e.g.*, Cook County Clerk's Office), or is otherwise subject to severance, the Parties shall diligently use their reasonable best efforts to negotiate an alternative method of achieving the same result thereby to preserve the benefits and obligations hereof for all Parties hereto.

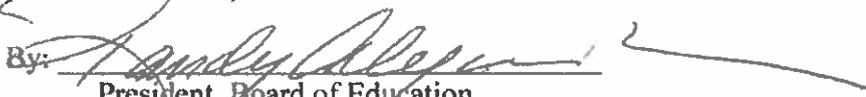
9.13 Notwithstanding anything to the contrary, this Agreement shall not become binding upon or inure to the benefit of the Parties unless fee title to the Hotel Property is acquired by Harp.

9.14 This Agreement is contingent upon the termination of the Oak Park Tax Increment Financing District by the Village prior to December 31, 2018.

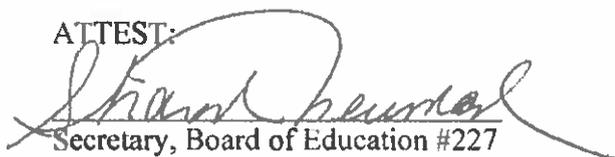
10. GOOD FAITH EFFORT TO RENEGOTIATE

10.1 Within one-hundred twenty (120) days of the termination of this agreement via the expiration of the 10-year abatement period or Harp receiving the cumulative total of four million dollars (\$4,000,000), the Parties agree to meet and to renegotiate in good faith future abatements or other similar tax reimbursements to Harp.

BOARD OF EDUCATION,
RICH TOWNSHIP HIGH SCHOOL DISTRICT 227,
COOK COUNTY, ILLINOIS

By: 
President, Board of Education

ATTEST:


Secretary, Board of Education #227

Dated: 6-19-2018

THE HARP GROUP, INC.

By: _____

(Title)

ATTEST:

Dated: _____

Exhibit

“C”



THE VILLAGE OF TINLEY PARK

Cook County, Illinois

Will County, Illinois

RESOLUTION

NO. _____

**A RESOLUTION AUTHORIZING THE EXECUTION OF A DEVELOPMENT
INCENTIVE AGREEMENT BETWEEN THE VILLAGE OF TINLEY PARK, THE
BOARD OF EDUCATION SCHOOL DISTRICT 159, AND THE HARP GROUP, INC.
RELATING TO THE HOTEL PROPERTY LOCATED AT 18501 HARLEM AVENUE**

**JACOB C. VANDENBERG, PRESIDENT
KRISTIN A. THIRION, VILLAGE CLERK**

**MICHAEL J. PANNITTO
BRIAN H. YOUNKER
CYNTHIA A. BERG
WILLIAM P. BRADY
MICHAEL W. GLOTZ
JOHN A. CURRAN
Board of Trustees**

Published in pamphlet form by authority of the President and Board of Trustees of the Village of Tinley Park
Peterson, Johnson, and Murray Chicago, LLC, Village Attorneys
200 W. Adams, Suite 2125 Chicago, IL 60606

VILLAGE OF TINLEY PARK
Cook County, Illinois
Will County, Illinois

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE EXECUTION OF A DEVELOPMENT INCENTIVE AGREEMENT BETWEEN THE VILLAGE OF TINLEY PARK, THE BOARD OF EDUCATION SCHOOL DISTRICT 159, AND THE HARP GROUP, INC. RELATING TO THE HOTEL PROPERTY LOCATED AT 18501 HARLEM AVENUE

WHEREAS, Section 6(a) of Article VII of the 1970 Constitution of the State of Illinois provides that any municipality which has a population of more than 25,000 is a home rule unit, and the Village of Tinley Park, Cook and Will Counties, Illinois, with a population in excess of 25,000 is, therefore, a home rule unit and, pursuant to the provisions of said Section 6(a) of Article VII, may exercise any power and perform any function pertaining to its government and affairs, including, but not limited to, the power to tax and to incur debt; and

WHEREAS, the Harp Group, Inc. desires to purchase, upgrade, and manage the Hotel Property located at 18501 Harlem Avenue; and

WHEREAS, the Parties understand the continued first-rate operation of the Hotel Property is directly tied to the future success of the Tinley Park Convention Center which provides a direct and positive economic impact to both the Village of Tinley Park and School District 159; and

WHEREAS, the Oak Park Avenue TIF District will expire at the end of 2018, and tax increment revenue that had been used to support the Convention Center and Hotel Property will no longer be available; and

WHEREAS, to ensure the continued success of the Tinley Park Convention Center and the Hotel Property the Corporate Authorities of the Village of Tinley Park, Cook and Will Counties, Illinois, and the Board of Trustees of the School District 159 believe it is in the best interest of their respective constituents to abate a portion of their year property tax from the Hotel Property as more fully set forth in the Development Incentive Agreement attached hereto as Exhibit 1; and

NOW, THEREFORE, BE IT RESOLVED BY THE VILLAGE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF TINLEY PARK, COOK AND WILL COUNTIES, ILLINOIS, IN THE EXERCISE OF ITS HOME RULE POWERS, AS FOLLOWS:

SECTION 1: The foregoing recitals shall be and are hereby incorporated as findings of fact as if said recitals were fully set forth herein.

SECTION 2: That this President and Board of Trustees of the Village of Tinley Park hereby find that it is in the best interest of the Village of Tinley Park and its residents that the aforesaid Agreement be entered into and that the Village President is hereby authorized to execute said Agreement on behalf of the Village, with said Agreement to be substantially in the form attached

hereto and made a part hereof as **Exhibit 1**, subject to review and revisions as to form by the Village Attorney.

SECTION 3: Any policy, resolution or ordinance of the Village that conflicts with the provisions of this Resolution shall be and is hereby repealed to the extent of such conflict.

SECTION 4: This Resolution shall be in full force and effect from and after its passage and approval in the manner provided by law.

PASSED THIS _____ day of _____, 2018.

AYES:

NAYS:

ABSENT:

APPROVED THIS _____ day of _____, 2018.

VILLAGE PRESIDENT

ATTEST:

VILLAGE CLERK

STATE OF ILLINOIS)
COUNTY OF COOK) SS
COUNTY OF WILL)

CERTIFICATE

I, KRISTIN A. THIRION, Village Clerk of the Village of Tinley Park, Counties of Cook and Will and State of Illinois, DO HEREBY CERTIFY that the foregoing is a true and correct copy of Resolution No. ____, “A RESOLUTION AUTHORIZING THE EXECUTION OF A DEVELOPMENT INCENTIVE AGREEMENT BETWEEN THE VILLAGE OF TINLEY PARK, THE BOARD OF EDUCATION SCHOOL DISTRICT 159, AND THE HARP GROUP, INC. RELATING TO THE HOTEL PROPERTY LOCATED AT 18501 HARLEM AVENUE which was adopted by the President and Board of Trustees of the Village of Tinley Park on _____, 2018.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the Village of Tinley Park this _____ day of _____, 2018.

KRISTIN A. THIRION, VILLAGE CLERK

**DEVELOPMENT INCENTIVE AGREEMENT FOR THE TINLEY PARK
HOTEL AND CONVENTION CENTER**

THIS AGREEMENT is made this _____ day of _____, 2018, by the **Board of Education of Elementary School District 159**, Cook County, Illinois (hereinafter sometimes referred to as the “159”), **The Harp Group, Inc.**, an Illinois corporation (hereinafter sometimes referred to “Harp”), and the **Village of Tinley Park, Cook and Will Counties, Illinois, a home rule municipal corporation** (hereinafter referred to as the “Village”) (collectively hereinafter referred to as the “Parties”).

RECITALS

WHEREAS, the Village has expressed a desire to continue its ownership of the Tinley Park Convention Center (hereinafter “TPCC”) on land that it owns within the boundaries of the Districts; and

WHEREAS, Harp has expressed its desire to continue to operate and manage the TPCC, to acquire the Hotel Property, and to continue the operations of the Tinley Park Hotel as a commercial enterprise which it will own and operate within the boundaries 159; and

WHEREAS, Harp has requested incentives from the District in the form of real estate abatements pursuant to the provision of law (35 ILCS 200/18-165) and further incentives from the Village; and

WHEREAS, 159 and the Village desire to grant certain incentives to Harp to acquire the Hotel Property and to continue its commercial operations within such boundaries, subject to certain conditions, restrictions and limitations; and

WHEREAS, the Parties agree to be bound by the provisions of this Agreement;

NOW, THEREFORE, in consideration of the mutual promises herein, and other good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, the Parties agree as follows:

1. DEFINITIONS

As used herein, unless the context indicates otherwise, or unless specifically defined otherwise, the following terms shall be accorded the following meanings:

1.01 Harp. The Harp Group, Inc., an Illinois corporation.

1.02 Village. Village of Tinley Park, an Illinois Municipal Corporation.

1.03 159. Board of Education of Elementary School District 159, Cook County, Illinois.

1.04 Assessor. The County Assessor of Cook County Illinois, charged with statutory responsibility of appraising and assessing real property.

1.05 Hotel Property. That real estate, currently referred to as the Tinley Park Hotel, located at 18501 Harlem Avenue within the Village of Tinley Park, Cook County, Illinois, and currently identified by the following Permanent Index Number: 31-06-100-027-0000.

1.06 Convention Center Property. That real estate owned by the Village, upon which is currently located most of the Tinley Park Convention Center ("TPCC"), located at 18451 Convention Center Drive within the Village of Tinley Park, Cook County, Illinois, and currently identified by the following Permanent Index Numbers: 31-06-100-040-0000, 31-06-100-041-0000, and 31-06-100-038-0000.

1.07 Permanent Index Number. The number or numbers assigned to real property by the Cook County Clerk pursuant to the system for the listing of real estate for purposes of assessment and collection of taxes.

1.08 Assessed Valuation. The value of the real property as assessed for taxation purposes by the Assessor, or as subsequently modified and certified by the Cook County Board of Review, but not including the equalization of that assessed valuation.

1.09 Abatement. The reduction of taxes levied against particular real estate by discretionary action of a taxing body.

1.10 Insolvency of Harp. Harp's adjudication as bankrupt, general assignment for the benefit of creditors, taking the benefit of any insolvency act, or the appointment of a permanent receiver or trustee in bankruptcy for Harp's property.

1.11 Sale. With respect to real property, the transfer of title and/or assignment of beneficial interest in land trust, provided that a mortgage of the property, collateral assignment of beneficial interest or grant of similar rights for financing purposes shall not constitute a sale of the property under this definition and a syndication or other alternative means of financing that involves the sale of equity interests shall not constitute a sale of the property hereunder.

1.12 Assessment Complaint. An appeal or complaint filed by or on behalf of a taxpayer with the Assessor, the Cook County Board of Review, the Illinois Property Tax Appeal Board, or the Circuit Court of Cook County, or by application for a certificate of error, alleging that real estate has been over assessed or is exempt from taxation.

1.13 Tax Rate Objections. A taxpayer's challenge that all or a portion of a property tax levy, property tax rate, or property tax extension is illegal because of an unlawful act or omission by taxing bodies or the County Clerk.

2. ABATEMENT OF TAXES

2.01 Subject to the terms of this Agreement, 159 and the Village agree to abate *ad valorem* real estate taxes extended against the Hotel Property, as follows:

- (a) Abatements shall begin for a period of ten (10) years, beginning with the 2018 tax year for taxes collected in 2019, or the first levy after this agreement is fully executed, whichever is later.
- (b) The amount abated shall be fifty percent (50%) of the taxes levied and extended upon the improvements on the Hotel Property for 159 and the Village in each year of abatement.
- (c) Annual abatements by 159 and the Village shall continue until the first of the following should occur:
 - (i) duration of 10 tax levy years, commencing with the tax levy year to which the first abatement applies, in which taxes are actually abated as provided herein;
 - (ii) the aggregate taxes abated on the Hotel Property by all taxing bodies equals four million dollars (\$4,000,000). For purposes of this section all taxing bodies shall mean School District 159, School District 227, and the Village of Tinley Park.
 - (iii) the abatement obligations of 159 and the Village terminate as provided for in Article 5 of this Agreement.
- (d) 159 and the Village shall approve the abatement by adopting all necessary and applicable legislative actions, including but not limited to resolution(s) and timely filing such with the County Clerk directing the abatements. 159 and the

Village may subsequently pass a resolution withdrawing the direction to abate, in whole or in part, where 159's and the Village's obligation to abate have been terminated under the provisions of this Agreement. The obligation to abate shall be separately and contractually enforceable as to 159 and the Village. Notwithstanding the above, the Parties agree that this agreement shall be contingent upon the approval of a related abatement agreement, between the Village, Harp and the Board of Education of High School District 227, Cook County, Illinois.

3. OBLIGATIONS OF HARP

3.01 For the duration of this Agreement, Harp shall inform 159 and the Village of any and all changes in the Permanent Index Number identifying the Hotel Property within a reasonable time after Harp is advised by the County of Cook of such changed Permanent Index Numbers. 159 and the Village shall not be held responsible for the tax abatement during a particular year for which Harp's failure to so notify 159 and the Village results in a defective abatement for the Hotel Property caused by an obsolete, incorrect or inaccurate Permanent Index Number, but shall abate in a subsequent year instead, provided Harp's failure was inadvertent and did not result in a revenue loss to 159 and the Village.

3.02 In the event Harp shall file an Assessment Complaint concerning the assessed valuation of the Hotel Property, Harp shall give 159 and the Village concurrent notice upon filing with the Assessor or the Cook County Board of Review, and shall give 159 and the Village thirty (30) days prior notice of the filing of such Assessment Complaint, with the Property Tax Appeal Board or the Circuit Court of Cook County.

3.03 Harp shall provide 159 and the Village, within thirty (30) days of receipt, copies of each of its yearly real estate tax bills on the Hotel Property when rendered, for purposes of auditing compliance with this Agreement.

3.04 Harp shall provide 159 and the Village, within thirty (30) days of payment of the real estate taxes on the Hotel Property, copies of the paid property tax receipt for the Hotel Property, for purposes of auditing compliance with this Agreement.

3.05 In the event 159 or the Village have not already adopted a multi-year resolution covering that year's abatement, Harp shall provide, no earlier than September 15 and no later than November 15 of the tax year in which the abatement resolution is due, a notice to 159 and the Village of 159's and the Village's obligation to approve an abatement resolution for that year.

3.06 Harp shall be available, at no cost to 159, for consultation and input to 159 for the purpose of providing advice regarding the design, layout, construction, or renovation of the kitchen located/to be located at one of 159's schools. 159 agrees that Harp shall have no liability to 159, its officers, agents, contractors employees or agents for any damages, injuries, or claims whatsoever for said advice or consultation.

3.07 During the term of the abatement period, Harp shall provide 159 and the Village with the best rates available when renting space at the TPCC. Furthermore, the following 159 events held at the TPCC shall be exempt from rental fees for use, not including food and beverage costs:

- i. end of year ceremonies for 159, during the term of this Agreement;
- ii. three (3) additional events to 159 on dates and at times mutually acceptable to the District and Harp.

Furthermore, Harp shall make the Hotel available for guided fieldtrips from class groups of 159 no less than once a semester.

4. OBLIGATIONS OF VILLAGE

4.01 The total annual amount of the incentive to Harp shall be \$750,000.00 inclusive of all abatements of the Board of Education of High School District 227 and 159 as set forth above including the Village's. Each year the Village shall pay the difference between the yearly abatement and \$750,000.00 from any sources of funds legally available to the Village.

4.02 Prior to the sale of the Convention Center Property to another party, whether to Harp or to anyone else, the Village shall provide 159 with at least 60 days' notice of the transaction.

4.03 The Village shall not establish tax increment financing for a redevelopment project area which includes the Hotel Property or the Convention Center Property during the life of this Agreement without the written consent of 159, not to be unreasonably withheld; provided, however, that 159 shall not challenge the tax-exempt status of the Village's interest in the Convention Center Property.

5. PROHIBITED ACTS

5.01 Failure of Harp to pay in full within 90 days after the period provided by law all legally validly assessed and computed real estate taxes which are extended and billed against the Hotel Property shall be considered a prohibited act for purposes of this Agreement.

5.02 For a period commencing on the date of this Agreement and concluding on December 31 of the year in which the last abatement provided for herein is realized, Harp shall not file Tax Rate Objections or otherwise challenge the rate of taxes levied and extended by District.

5.03 Harp shall not file an Assessment Complaint in any form for the tax year 2018 or for any subsequent tax year until 159's obligation to abate taxes under this Agreement is completed, except as permitted in this Section 5.03.

(a) Harp may file an assessment appeal with the Assessor or with the Cook County Board of Review for any year, provided that it provides the notice required under Section 3.02 above.

(b) For any year beginning with 2018 and ending with the last year when Harp receives the benefit of the abatement of taxes by 159 under this Agreement, Harp may file an Assessment Complaint with the Illinois Property Tax Appeal Board or with the Circuit Court of Cook County, provided that it provides the notice required under Section 3.02 above and provided further that any reductions in 159's and the Village's property tax distributions resulting from refunds awarded to Harp, pursuant to 35 ILCS 200/23-20, shall be offset by commensurate reductions in the amount of subsequent abatements by 159's or by monetary reimbursements to 159 by Harp. This offset applies only to reductions due to such refunds and not to assessment or tax reductions which are otherwise achieved.

5.04 159 shall not file, nor cause to be filed, any Assessment Complaint or Assessment Appeal in any form with respect to the Hotel Property during the time period set forth in Section 2.01(c) of this Agreement.

5.05 For a period of time commencing on the date of this Agreement and concluding five (5) years following December 31 of the year in which the last abatement provided for herein is realized, neither Harp (including any entity affiliated with Harp) nor any party with which Harp has contracted to sell, lease or otherwise transfer an interest in real property shall develop or cause the development of the Hotel Property for residential purposes, unless Harp has first obtained the written consent thereto by 159, which consent shall not be unreasonably withheld.

5.06 For a period of time commencing on the date of this Agreement and concluding five (5) years following December 31 of the year in which the last abatement provided for herein is realized, Harp shall be prohibited from filing a petition to detach the Hotel Property from the territorial boundaries of the District or from otherwise cooperating with or encouraging a detachment petition filed by another with respect to the Hotel Property or any part thereof.

6. CANCELLATION OF ABATEMENTS

6.01 Subject to the limitations of Section 6.02, the obligations of 159 and the Village to abate taxes herein shall be terminated upon the occurrence of any of the following:

(a) A substantial change in the use of the Hotel Property after the sale of the Hotel Property as defined in Section 1.11 of this Agreement. A “substantial change in the use” shall include changes to the following use: adult-themed bookstores, gentlemen’s clubs, auto wreckage, dumps or landfills, and industrial manufacturing plants which pollute the environment, or a similar commercial or industrial use.

(b) On the occurrence of any of the prohibited acts specified in Article 4 of this Agreement.

(c) Harp materially breaches any provision of this Agreement, notwithstanding Section 6.02.

6.02 If the District and/or the Village become aware of the occurrence of any event which, if uncured, would terminate 159's obligation to abate taxes, 159 shall promptly provide Harp with notice of such event. If Harp, within 30 days of such notice cures the event, 159's obligations to abate taxes shall not be terminated. If Harp does not timely cure, 159 may direct the County Clerk to cease all future abatements provided that if cure is possible, the Parties shall diligently use their reasonable best efforts to negotiate an alternative to attempt an alternative means of carrying out the intent of this Agreement.

6.03 Nothing in this Agreement shall prohibit Harp from assigning this Agreement and the rights, duties, and obligations of Harp hereunder to a single purpose entity, a limited liability company, general or limited partnership or other entity which is an affiliate of Harp or which is controlled by Harp without the necessity of securing the Village's or either District's prior consent or approval; provided, however, that if said assignee fails to comply with its obligations to 159 set forth in Section 3.07 of this Agreement, Harp remains obligated to provide benefits to the 159 comparable to those set forth in Sections 3.06 and 3.07 of this Agreement.

7. REMEDIES

7.01 In the event that any person or persons not party to this Agreement institute any legal proceedings against the Village, Harp, and/or 159 for any willful or reckless actions

or inactions pursuant to the terms of this Agreement, Harp, upon notice from 159 shall fully assume the entire defense of such lawsuit and all legal expenses of whatever nature relating to such defense and hold 159 harmless from liability in such lawsuits. In that event, Harp shall have control over the litigation and any settlement or compromise of the lawsuit, provided that the 159's consent, not to be unreasonably withheld, will be required for any settlement or compromise which would incur any liability for 159 or, require the performance or forbearance of any action by 159. The parties shall fully cooperate in the defense of such lawsuit, and 159 shall take all necessary action to correct any alleged defects in actions or inactions pursuant to this Agreement and shall cooperate in taking such additional measures as may be necessary or desirable to carry out the intent of this Agreement.

7.02 In the event any party institutes legal proceedings against another party for violation of this Agreement, each party shall pay its own expenses of such legal proceedings including court costs, reasonable attorney fees, and other customary litigation 3rd party expenses.

7.03 The remedies set forth above in this section are in addition to all other remedies of the Parties as provided by law.

8. WARRANTIES AND REPRESENTATIONS

8.01 Intentionally left blank

8.02 Harp represents and warrants to 159 that it has provided the legal description or Permanent Index Number of the Hotel Property set forth in this Agreement and that said legal description or Permanent Index Number is accurate and correct.

8.03 159 represents and warrants to Harp and the Village that this Agreement has been duly and validly adopted by the appropriate corporate authorities of 159 and constitutes a legally binding obligation of 159 and is enforceable in accordance with its terms.

9. MISCELLANEOUS

9.01 In the event legislation is enacted altering the method for assessing real estate or the method for equalizing the assessment of real estate, and such new method(s) would have a material adverse impact on the overall revenue received by 159, the abatements provided for herein shall continue but the Parties hereto shall promptly and diligently meet to develop any appropriate adjustment in the method of calculating the abatements as necessary to reduce such annual abatements in the same proportionate amount as the reduction in overall revenue received by 159 as a result of the new legislation, but consideration will be given to extending the time period of the abatement if then permitted by law.

9.02 Failure of any party to this Agreement to insist upon the strict and prompt performance of the terms, covenants, agreements and conditions herein contained, or any of them, upon any other party imposed, shall not constitute or be construed as a waiver or relinquishment of any party's right thereafter to enforce any such term, covenants, agreement or condition, but the same shall continue in full force and effect.

9.03 Wherever appropriate in this Agreement, the singular shall include the plural, and the plural shall include the singular.

9.04 All section headings in this Agreement are for general aid of the reader and shall not limit the plain meaning or application of any of the provisions thereunder whether covered or relevant to such heading or not.

9.05 The officers of Harp executing this Agreement warrant that they are lawfully authorized to execute this Agreement.

9.06 Except for agreement between Harp and the Village for the management of the TPCC and further provision for financial incentives between the Harp and the Village, this Agreement sets forth all of the promises, inducements, agreement, conditions and understandings between Harp, the Village and 159 relative to the subject matter thereof, and there are not promises, agreements, conditions or understandings, either oral or written, express or implied, between them, other than are herein set forth. Except as herein otherwise provided, no subsequent alteration, amendment, change or addition to this Agreement shall be binding upon the Parties hereto unless authorized in accordance with law and reduced to writing and signed by them.

9.07 This Agreement may be executed in two or more counterparts, each of which taken together, shall constitute one and the same instrument.

9.08 In the event that Harp assigns this Agreement or conveys the Hotel Property to any person or entity which intends to make a substantial change in use, as defined in Section 6.01(a), Harp shall provide notice to 159. Such notice shall include the identity of the person or entity to whom this Agreement is to be assigned or to whom the Hotel Property is to be conveyed and the proposed use to which that person or entity intends to put the Hotel Property.

9.09 Any notice, payment, request, instruction, or other document to be delivered hereunder shall be deemed sufficiently given if in writing and delivered personally or mailed by certified mail, post prepaid, to:

SCHOOL DISTRICTS

Superintendent
Elementary School District 159
60202 Vollmer Road
Matteson, Illinois 60443

COPY TO Hauser, Izzo, Petrarca,
Gleason & Stillman, LLC
19730 Governors Highway, Suite 10
Flossmoor, Illinois 60422
Attn: John M. Izzo

Superintendent
Rich Township
High School District 227
20550 S. Cicero Ave.
Matteson, Illinois 60443

COPY TO Hodges, Loizzi, Eisenhammer,
Rodick & Kohn, LLP
3030 Salt Creek Lane, Suite 202
Arlington Heights, Illinois 60005
Attn: Dean W. Krone

THE HARP GROUP, INC.

The Harp Group, Inc.
601 Oakmont Lane, Suite 420
Westmont, Illinois 60532
Attn: Peter G. Dumon

COPY TO Shapiro & Associates Law
618 Academy Drive, Suite B
Northbrook, Illinois 60062
Attn: Daniel C. Shapiro

VILLAGE OF TINLEY PARK

Tinley Park Village Manager
Tinley Park Village Hall
16250 S. Oak Park Avenue
Tinley Park, Illinois 60477

COPY TO Peterson, Johnson and Murray
200 W. Adams St., Suite 2125
Chicago, Illinois 60606
Attn: Patrick G. Connelly

or such other notice address as such party shall notify the other of pursuant to these notice provisions.

9.10 The Recitals to this Agreement are hereby incorporated as part of this Agreement and are hereby declared and found to be true and correct.

9.11 This Agreement shall be construed in accordance with the governed by the laws of the State of Illinois.

9.12 All provisions of this Agreement shall be deemed severable, and if for any reason any portion of this Agreement is deemed invalid or unenforceable, or contrary to or in conflict with then applicable law, then in any of such events, the invalid, unenforceable, conflicting or materially incompatible provisions shall be severed and deleted from this Agreement, without affecting the validity and enforceability of the other provisions hereof, except that if the tax abatements granted herein are severed from this Agreement, or otherwise not substantially realized by Harp, this Agreement shall thereupon terminate, unless the following shall apply:

If any material provision of this Agreement is or becomes materially incompatible with the procedures or requirements of any governmental agency (*e.g.*, Cook County Clerk's Office), or is otherwise subject to severance, the parties shall diligently use their reasonable best efforts to negotiate an alternative method of achieving the same result thereby to preserve the benefits and obligations hereof for all parties hereto.

9.13 Notwithstanding anything to the contrary, this Agreement shall not become binding upon or inure to the benefit of the Parties unless fee title to the Hotel is acquired by Harp.

9.14 This Agreement is contingent upon the termination of the Oak Park Tax Increment Financing District by the Village on or prior to December 31, 2018.

10. GOOD FAITH EFFORT TO RENEGOTIATE

10.1 Within 120 days of the termination of this agreement via the expiration of the 10-year abatement period or Harp receiving the cumulative total of \$4,000,000, the Parties agree to meet and to renegotiate in good faith future abatements or other similar tax reimbursements to Harp.

BOARD OF EDUCATION OF ELEMENTARY SCHOOL
DISTRICT 159, COOK COUNTY, ILLINOIS

By: _____
President, Board of Education

ATTEST:

Secretary, Board of Education #159

Dated: _____

THE HARP GROUP, INC.

By: _____

(Title)

ATTEST:

Dated: _____

VILLAGE OF TINLEY PARK

By: _____

(Title)

ATTEST:

Dated: _____



Interoffice Memo

Date: July 10, 2018

To: David Niemeyer, Village Manager
Brad Bettenhausen, Village Treasurer

From: Kevin Workowski, Public Works Director

Subject: South Street Reconstruction

Presented for July 17, 2018 COW meeting

Background:

The village moved the reconstruction needed in front of the old Bremen Cash Store site forward in accordance with ongoing development plans on both that site and the South Street parcel. The deep sanitary sewer needed to be relocated to accommodate a different building line along South Street and to maximize the development potential for the vacant parcel. Plans were completed by Robinson Engineering and bids taken on July 10, 2018.

Description:

This project will consist of pavement reconstruction, eliminating one driveway into the METRA lot to improve safety and expanded turn lanes, elimination of the right turn lane and landscaped island, water main upgrades, sanitary relocation, striping and temporary landscaping.

Bids were received on Tuesday July 10, 2018.

The bid results were as follows:

<u>Contractor</u>	<u>Location</u>	<u>As Read Bid</u>
Austin Tyler Construction, Inc	Elwood, IL	\$680,385.75
P. T. Ferro Construction Co	Joliet, IL	\$805,413.49
Abbey Paving	Aurora, IL	\$1,014,610.45 (1,108,621.65 as read)
D Construction Co.	Coal City, IL	\$1,214,283.00
Engineer's Estimate		\$711,484.00

Budget/Finance:

A total of \$750,000 in funding was budgeted for this work.

Staff Direction Request:

1. At the July 17, 2018 Village Board meeting approve a contract with Austin Tyler Construction, Inc. in the amount of \$680,385.75 for the South Street reconstruction and sanitary sewer relocation project.
2. Direct Staff as necessary.

Attachments:

1. Award recommendation letter and bid tabulation



Municipal Expertise. Community Commitment.

Christopher King, PE
Direct Line: (708) 210-5680
Email: cking@reltd.com

July 10, 2018

Project 12-544

Village of Tinley Park
16250 South Oak Park Avenue
Tinley Park, Illinois 60477

Attn.: Mr. Kevin Workowski, Director of Public Works

RE: South Street Reconstruction and Sanitary Sewer Relocation Project

Dear Kevin:

Bids were received and publicly read on Tuesday July 10, 2018 at 9:50 AM for the above-mentioned project. The bid results are as follows:

<u>Contractor</u>	<u>Location</u>	<u>As Read Bid</u>	<u>As Corrected Bid</u>
Austin Tyler Construction, Inc.	Elwood, IL	\$ 680,385.75	
P.T. Ferro Construction Co.	Joliet, IL	\$ 805,413.49	
Abbey Paving	Aurora, IL	\$1,018,621.65	1,104,610.45
D Construction Co.	Coal City, IL	\$1,214,283.00	
<i>Engineer's Estimate</i>		\$ 711,484.00	

We have reviewed the bids and found them to be correct and in order; therefore, at this time we recommend that the Village award the contract to the low responsive responsible bidder, Austin Tyler Construction in the amount of Six Hundred Eighty Thousand Three Hundred Eighty-Five Dollars and Seventy-Five Cents (\$680,385.75).

Should there be any questions on this matter, please feel free to call me.

Respectfully yours,
ROBINSON ENGINEERING, LTD.

Christopher J. King, PE
Village Engineering Consultant
/cjk
R:\2010-2014\2012\12-544.TP\Digital Correspondence\Award letter 071018.doc

Encl. Bid Tabulation
Xc Colby Z., Village Engineer



Tabulation of Bids

Local Public Agency: Village of Timley Park

County: Cook

Section: _____

Estimate: \$711,484.00

Date: _____

Time: _____

Appropriation: _____

Attended By: _____

Item No.	Item Description	Unit	QTY	Approved Engineer's Estimate			Name of Bidder:		Address of Bidder:		Approved Engineer's Estimate		Name of Bidder:		Address of Bidder:		Total
				Unit Price	Unit Cost	Total	Unit Cost	Total	Unit Cost	Total	Unit Cost	Total	Unit Cost	Total			
20030850	TEMPORARY INFORMATION SIGNING	L SUM	1	\$500.00	\$27,000.00	\$500.00	Austin Tyler Construction Inc.	23343 S. Ridge Road	P. T. Ferro Construction Co.	700 S. Rowell Ave	Abbey Paving & Sealing Co. Inc.	1949 County Line Road	D. Construction, Inc.	1488 S. Broadway	\$3,000.00	\$3,000.00	\$3,000.00
21101625	TOPSOIL FURNISH AND PLACE 6"	SQ YD	400	\$7.50	\$4,800.00	\$12.00									\$12.00	\$4,800.00	\$4,800.00
25200100	SODDING, SPECIAL	SQ YD	400	\$10.00	\$4,800.00	\$12.00									\$12.00	\$4,800.00	\$4,800.00
25500210	SEEDING, CLASS 2A	ACRE	0.1	\$3,500.00	\$1,936.00	\$4,000.00									\$10,200.00	\$1,020.00	\$1,020.00
25100630	EROSION CONTROL BLANKET	SQ YD	200	\$1.00	\$200.00	\$2.50									\$10.00	\$2,000.00	\$2,000.00
26000400	PERIMETER EROSION BARRIER	FOOT	300	\$4.00	\$1,200.00	\$3.50									\$5.00	\$1,500.00	\$1,500.00
26000510	INLET FILTERS	EACH	5	\$100.00	\$500.00	\$100.00									\$200.00	\$1,000.00	\$1,000.00
26200200	SUPPLEMENTAL WATERING EXPLORATION TRENCH 48"	UNIT	5	\$25.00	\$125.00	\$1.00									\$715.00	\$3,575.00	\$3,575.00
21301048	DEPTH AGGREGATE SUBGRADE IMPROVEMENT 6"	FOOT	40	\$50.00	\$2,000.00	\$40.00									\$87.75	\$3,510.00	\$3,510.00
30300106	HOT MIX ASPHALT BASE COURSE 8"	SQ YD	1,600	\$12.00	\$19,200.00	\$8.00									\$11.00	\$17,600.00	\$17,600.00
35501316	HOT MIX ASPHALT BASE COURSE 8"	SQ YD	1,600	\$32.00	\$51,200.00	\$33.00									\$42.00	\$67,200.00	\$67,200.00
40300200	BITUMINOUS MATERIALS (PRIME COAT)	GALLON	732	\$2.00	\$1,464.00	\$0.01									\$2.50	\$1,830.00	\$1,830.00
40600682	HOT-MIX ASPHALT SURFACE REMOVAL - BUTT JOINT	SQ YD	142	\$15.00	\$2,130.00	\$20.00									\$20.00	\$2,840.00	\$2,840.00
40603340	HOT-MIX ASPHALT SURFACE COURSE MIX TD, A70 PORTLAND CEMENT CONCRETE	TON	260	\$85.00	\$22,100.00	\$100.00									\$90.00	\$23,400.00	\$23,400.00
42400200	PORTLAND CEMENT CONCRETE SIDEWALK 5 INCH	SQ FT	2,825	\$7.50	\$21,187.50	\$8.00									\$7.00	\$19,775.00	\$19,775.00
42400410	PORTLAND CEMENT CONCRETE SIDEWALK 8 INCH	SQ FT	310	\$8.00	\$2,480.00	\$11.00									\$8.00	\$2,480.00	\$2,480.00
42400600	DETECTABLE WARNINGS PAVEMENT REMOVAL	SQ FT	50	\$30.00	\$1,500.00	\$20.00									\$35.00	\$1,750.00	\$1,750.00
44000100	HOT-MIX ASPHALT SURFACE REMOVAL 2"	SQ YD	1,870	\$22.50	\$42,075.00	\$12.00									\$16.00	\$29,920.00	\$29,920.00
44000157	HOT-MIX ASPHALT SURFACE REMOVAL 2"	SQ YD	560	\$4.00	\$2,240.00	\$7.35									\$5.00	\$2,800.00	\$2,800.00
44000200	DRIVEWAY PAVEMENT REMOVAL COMBINATION CURB AND GUTTER REMOVAL	SQ YD	278	\$20.00	\$5,560.00	\$11.00									\$16.00	\$4,470.00	\$4,470.00
44000500	DRIVEWAY PAVEMENT REMOVAL	FOOT	810	\$15.00	\$12,150.00	\$8.00									\$10.00	\$8,100.00	\$8,100.00
44000600	GUTTER REMOVAL	FOOT	2,600	\$4.00	\$10,400.00	\$2.75									\$2.00	\$5,200.00	\$5,200.00
44201745	CLASS D PATCHES, TYPE III, 8 INCH STORM SEWERS, CLASS A, TYPE 1 12"	SQ YD	100	\$80.00	\$8,000.00	\$0.01									\$65.50	\$6,550.00	\$6,550.00
550A0060	STORM SEWERS, CLASS A, TYPE 1 12"	FOOT	222	\$35.00	\$7,770.00	\$38.00									\$58.60	\$13,008.20	\$13,008.20
20800150	TRENCH BACKFILL, STORM SEWER REMOVAL 12"	FOOT	222	\$10.00	\$2,220.00	\$16.00									\$18.45	\$4,095.90	\$4,095.90
55100500	LIGHT BASINS, TYPE A, 4" DIAMETER, TYPE 1 FRAME, OPEN LID	FOOT	205	\$15.00	\$3,075.00	\$20.00									\$25.70	\$5,268.50	\$5,268.50
60200105	DIAMETER, TYPE 1 FRAME, OPEN LID	EACH	3	\$2,500.00	\$7,500.00	\$2,000.00									\$1,995.00	\$5,985.00	\$5,985.00

60218400	MANHOLES TYPE A, 4" DIAMETER TYPE 1 FRAME, CLOSED LID	1	\$2,750.00	\$2,750.00	\$1,700.00	\$2,552.00	\$1,805.00	\$1,895.00	\$2,800.00	\$2,800.00
60234200	INLETS, TYPE A, TYPE 1 FRAME	2	\$950.00	\$1,900.00	\$1,396.00	\$1,068.00	\$895.00	\$1,790.00	\$3,000.00	\$1,500.00
60500050	REMOVING CATCH BASINS	1	\$400.00	\$400.00	\$375.00	\$758.00	\$1,270.00	\$900.00	\$800.00	\$800.00
60500060	REMOVING INLETS	2	\$250.00	\$500.00	\$1,420.00	\$207.00	\$610.00	\$1,220.00	\$1,200.00	\$1,200.00
60500605	CONCRETE CURB, TYPE B	50	\$22.00	\$1,100.00	\$1,550.00	\$30.00	\$39.00	\$1,950.00	\$30.00	\$1,500.00
60503800	COMBINATION CONCRETE CURB AND GUTTER, TYPE B-6.12	740	\$30.00	\$22,200.00	\$18,130.00	\$26.00	\$24.90	\$18,426.00	\$28.00	\$20,720.00
60608300	LUMINA ION CONCRETE CURB AND GUTTER, TYPE M-2.12	120	\$30.00	\$3,600.00	\$3,336.00	\$25.00	\$24.90	\$2,988.00	\$28.00	\$3,350.00
XX002258	STRUCTURES TO BE ADJUSTED	4	\$500.00	\$2,000.00	\$2,940.00	\$825.00	\$465.00	\$1,860.00	\$600.00	\$2,400.00
XX003435	PORTLAND CEMENT CONCRETE DRIVEWAY REMOVAL AND REPLACEMENT	100	\$75.00	\$7,500.00	\$8,600.00	\$60.00	\$18.25	\$1,825.00	\$75.00	\$7,500.00
XX006947	HOT-MIX ASPHALT DRIVEWAY	220	\$50.00	\$11,000.00	\$10,340.00	\$40.00	\$28.60	\$6,282.00	\$40.00	\$8,800.00
X7830060	PAVEMENT MARKING - LETTERS AND SYMBOLS	15	\$10.00	\$150.00	\$131.25	\$8.75	\$5.35	\$80.25	\$10.00	\$150.00
X7830070	GROOVING FOR RECESSED	760	\$1.00	\$760.00	\$1,140.00	\$1.50	\$1.50	\$1,140.00	\$1.65	\$1,254.00
X7830078	PAVEMENT MARKING 5" GROOVING FOR RECESSED	30	\$3.00	\$90.00	\$63.00	\$2.10	\$4.50	\$135.00	\$2.30	\$69.00
X7830090	PAVEMENT MARKING 13" GROOVING FOR RECESSED	36	\$5.00	\$180.00	\$315.00	\$8.75	\$9.00	\$324.00	\$10.00	\$360.00
78009000	PAVEMENT MARKING 25" MODIFIED URETHANE	15	\$6.50	\$97.50	\$315.00	\$21.00	\$13.35	\$200.25	\$23.00	\$345.00
78009004	AND SYMBOLS MODIFIED URETHANE	760	\$4.00	\$3,040.00	\$2,470.00	\$3.25	\$4.25	\$3,230.00	\$3.60	\$2,736.00
78009008	PAVEMENT MARKING - LINE 4" MODIFIED URETHANE	30	\$7.00	\$210.00	\$157.50	\$5.25	\$6.70	\$201.00	\$5.60	\$174.00
78009024	MODIFIED URETHANE	36	\$30.00	\$1,080.00	\$756.00	\$21.00	\$26.85	\$966.60	\$23.00	\$828.00
R1003005	FIRE HYDRANT WITH AUXILIARY VALVE VALVE BOX AND TEE	2	\$4,000.00	\$8,000.00	\$8,400.00	\$5,589.00	\$2,770.00	\$5,540.00	\$6,000.00	\$12,000.00
R1001100	8" TAPPING SLEEVE AND VALVE IN VALVE VAULT, TYPE A, 5" DIAMETER, TYPE 1 FRAME, CLOSED LID	1	\$10,000.00	\$10,000.00	\$5,400.00	\$9,415.00	\$8,560.00	\$8,560.00	\$6,000.00	\$6,000.00
R1001120	TAPPING SLEEVE AND VALVE IN VALVE VAULT, TYPE A, 5" DIAMETER, TYPE 1 FRAME, CLOSED LID	1	\$12,500.00	\$12,500.00	\$7,400.00	\$10,461.00	\$9,670.00	\$9,670.00	\$8,000.00	\$8,000.00
R1001145	TAPPING SLEEVE AND VALVE IN VALVE VAULT, TYPE A, 5" DIAMETER, TYPE 1 FRAME, CLOSED LID	1	\$15,000.00	\$15,000.00	\$9,400.00	\$11,304.00	\$10,165.00	\$10,165.00	\$10,000.00	\$10,000.00
R1001025	VALVE AND VALVE VAULT, TYPE A, 5" DIAMETER, TYPE 1 FRAME, CLOSED LID	3	\$14,500.00	\$43,500.00	\$13,800.00	\$6,370.00	\$4,205.00	\$12,615.00	\$6,500.00	\$19,500.00
R1002145	DUCTILE IRON FITTINGS	1968	\$5.00	\$9,840.00	\$19.68	\$6.50	\$6.45	\$12,693.60	\$7.00	\$13,776.00
X5511112	DUCTILE IRON WATER MAIN, CLASS 52 WITH POLYETHYLENE ENCASEMENT, 12"	460	\$100.00	\$46,000.00	\$34,500.00	\$96.00	\$87.60	\$44,896.00	\$100.00	\$46,000.00
R1002225	6" CUT AND CAP	1	\$1,500.00	\$1,500.00	\$1,950.00	\$1,420.00	\$3,830.00	\$3,830.00	\$2,000.00	\$2,000.00
R1002235	10" CUT AND CAP	1	\$2,000.00	\$2,000.00	\$2,250.00	\$1,559.00	\$4,030.00	\$4,030.00	\$2,200.00	\$2,200.00
R1002240	12" CUT AND CAP	1	\$3,000.00	\$3,000.00	\$2,600.00	\$1,640.00	\$4,140.00	\$4,140.00	\$2,500.00	\$2,500.00
XX007027	TRENCH BACKFILL, WATERMAIN	460	\$15.00	\$6,900.00	\$16,100.00	\$65.00	\$57.45	\$26,477.00	\$25.00	\$11,500.00
R1001475	ABANDON VALVE VAULT	2	\$500.00	\$1,000.00	\$1,600.00	\$124.00	\$1,070.00	\$2,140.00	\$1,000.00	\$2,000.00
56400500	FIRE HYDRANTS TO BE REMOVED	1	\$750.00	\$750.00	\$800.00	\$560.00	\$440.00	\$440.00	\$2,000.00	\$2,000.00
R2001380	PVC SANITARY SEWER, 27" CONNECTION TO EXISTING	185	\$550.00	\$101,750.00	\$68,450.00	\$456.00	\$926.65	\$171,430.25	\$700.00	\$129,500.00
R2002035	SANITARY SEWER MANHOLE	2	\$5,000.00	\$10,000.00	\$16,000.00	\$9,676.00	\$61,740.00	\$123,480.00	\$10,000.00	\$20,000.00

X0328712	ABRANJON AND HILL EXISTING 27" SANITARY SEWER WITH L SUM	1	\$4,000.00	\$4,000.00	\$7,500.00	\$14,357.00	\$14,820.00	\$14,820.00	\$15,000.00	\$15,000.00
R2002200	CLSM SANITARY MANHOLE - DUMP, 72" DIAMETER, TYPE 1 FRAME, EACH	1	\$50,000.00	\$50,000.00	\$32,000.00	\$60,000.00	\$26,110.00	\$26,110.00	\$28,000.00	\$28,000.00
XX007514	LOCKING LID FRENCH BACKFILL (SANITARY SEWER), 27 INCH 25-30 FEET FOOT	185	\$150.00	\$27,750.00	\$111,000.00	\$72,335.00	\$762.00	\$140,970.00	\$800.00	\$111,000.00
XX009081	(DEEP MANHOLES TO BE INTERNALLY SEALED - EPOXY COATING FOOT	60	\$250.00	\$15,000.00	\$30,000.00	\$29,100.00	\$478.00	\$28,680.00	\$2,000.00	\$120,000.00
R2004025	SEWER FLOW CONTROL AND L SUM BYPASS PUMPING	1	\$50,000.00	\$50,000.00	\$25,000.00	\$50,000.00	\$53,075.00	\$53,075.00	\$350,000.00	\$350,000.00
	TOTAL:		\$711,484.00	\$711,484.00	\$660,385.75	\$605,413.49	\$1,018,610.45	\$1,018,610.45	\$1,214,283.00	\$1,214,283.00

AS BLDG 1,018,610.45

**COMMENTS FROM
THE PUBLIC**

ADJOURNMENT