

**AGENDA**  
**SPECIAL FINANCE COMMITTEE**  
**Village of Hoffman Estates**  
**October 7, 2019**

*Immediately following Special Planning, Building & Zoning*

<b>Members:</b>	Gary Pilafas, Chairperson	Karen Mills, Trustee
	Anna Newell, Vice Chairperson	Gary Stanton, Trustee
	Michael Gaeta, Trustee	Karen Arnet, Trustee
		William McLeod, Mayor

**I. Roll Call**

**NEW BUSINESS**

1. Request approval of an Ordinance providing for the issuance of not to exceed \$10,000,000 General Obligation Bonds, Series 2019 of the Village of Hoffman Estates, Cook and Kane Counties, Illinois, and providing for the levy of a direct annual tax sufficient to pay the principal and interest on said bonds.
2. Request authorization to enter into a five year pouring rights agreement with Coca-Cola to provide soft drinks at the Sears Centre Arena for \$10,000 per year.

**II. Adjournment**

Further details and information can be found in the agenda packet attached hereto and incorporated herein and can also be viewed online at [www.hoffmanestates.org](http://www.hoffmanestates.org) and/or in person in the Village Clerk's office.

*The Village of Hoffman Estates complies with the Americans with Disabilities Act (ADA). For accessibility assistance, call the ADA Coordinator at 847/882-9100.*

**COMMITTEE AGENDA ITEM  
VILLAGE OF HOFFMAN ESTATES**

**SUBJECT:** 2019 Bond Ordinance

**MEETING DATE:** October 7, 2019

**COMMITTEE:** Special Finance

**FROM:** James H. Norris, Village Manager  
Arthur L. Janura, Corporation Counsel  
Rachel Musiala, Director of Finance

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**PURPOSE:** Request approval of an Ordinance providing for the issuance of not to exceed \$10,000,000 General Obligation Bonds, Series 2019 of the Village of Hoffman Estates, Cook and Kane Counties, Illinois, and providing for the levy of a direct annual tax sufficient to pay the principal and interest on said bonds.

**BACKGROUND:** The Village Board has before it on the October 7<sup>th</sup> agenda an item to authorize staff to enter into a performance contract with Siemens Industry, Inc. for the replacement of residential and commercial water meters, conversion to LED street lights, and the installation of an advanced metering infrastructure system. As part of that approval, the Village Board is also directing staff to pursue financing of the above projects with a direct placement bond issue, to be bid out by the Village's municipal advisors, Speer Financial, Inc.

**DISCUSSION:** The total cost of the project is expected to be about \$9.6 million. Since it will be below \$10 million, the Village is able to take advantage of a bank qualified competitive/direct placement bond issue. This type of bond issue eliminates the need for an Official Statement being issued and a rating agency review will not be required. Bids have been requested through the distribution of a Term Sheet that was sent out on October 3<sup>rd</sup>. Bids are due back on October 17<sup>th</sup> so that the final terms can be presented to the Village Board for approval on October 21<sup>st</sup>.

Unlike previous bonds issued by the Village, the attached ordinance is not a parameters ordinance to be followed by a bond order. All of the terms for the bonds will be contained in this bond ordinance when it comes before the Village Board for final approval on October 21<sup>st</sup>.

This ordinance was written by Vincent Cainkar, Bond Counsel, and has been reviewed by the Municipal Advisors and Village staff.

**RECOMMENDATION:** Request approval of an Ordinance providing for the issuance of not to exceed \$10,000,000 General Obligation Bonds, Series 2019 of the Village of Hoffman Estates, Cook and Kane Counties, Illinois, and providing for the levy of a direct annual tax sufficient to pay the principal and interest on said bonds.

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**ORDINANCE NO. \_\_\_-2019**

**AN ORDINANCE PROVIDING FOR THE ISSUANCE OF  
\$ \_\_\_\_\_ GENERAL OBLIGATION BONDS, SERIES 2019, OF  
THE VILLAGE OF HOFFMAN ESTATES, COOK AND KANE  
COUNTIES, ILLINOIS, AND PROVIDING FOR THE LEVY OF A  
DIRECT ANNUAL TAX SUFFICIENT TO PAY THE PRINCIPAL  
AND INTEREST ON SAID BONDS**

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Passed by the Village President  
and Board of Trustees on the  
21<sup>st</sup> day of October, 2019.

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ORDINANCE NO. \_\_\_-2019

**AN ORDINANCE PROVIDING FOR THE ISSUANCE OF \$\_\_\_\_\_ GENERAL OBLIGATION BONDS, SERIES 2019, OF THE VILLAGE OF HOFFMAN ESTATES, COOK AND KANE COUNTIES, ILLINOIS, AND PROVIDING FOR THE LEVY OF A DIRECT ANNUAL TAX SUFFICIENT TO PAY THE PRINCIPAL AND INTEREST ON SAID BONDS**

WHEREAS, the Village of Hoffman Estates, Cook and Kane Counties, Illinois (the "Village"), pursuant to the provisions of Article VII, Section 6(a) of the Constitution of the State of Illinois, is a home rule unit and 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 payable from *ad valorem* tax receipts maturing within 40 years from the time it is incurred and without prior referendum approval;

WHEREAS, the needs of the Village require the expenditure of not less than \$\_\_\_\_\_ for street lighting improvements, installation of new water meters and water system improvements, installation of an automated water meter reading system, and for the payment of expenses incident thereto (the "Project");

WHEREAS, the estimated cost of the Project, including bond discount and bond issuance expenses, is not less than \$\_\_\_\_\_, plus investment earnings thereon, as heretofore reported to and determined by the Village President and Board of Trustees (the "Board of Trustees"), and there are insufficient funds of the Village on hand and lawfully available to pay said costs, such that the Village expects to pay such costs by borrowing such money and issuing its general obligation bonds in evidence thereof;

WHEREAS, as a home rule unit, the Village, by ordinance passed by the Board of Trustees and approved by the Village President, is authorized to borrow money and in evidence thereof issue general obligation bonds of the Village without referendum in an amount of \$\_\_\_\_\_ (the "Bonds") for the purpose of paying all or a portion of the costs of the Project, and paying certain costs incurred in connection with the issuance of the Bonds; and

WHEREAS, the Board of Trustees does hereby determine that it is advisable and in the best interest of the Village at this time to borrow money and in evidence thereof issue the Bonds for the purpose of paying all or a portion of the costs of the Project, and paying certain costs incurred in connection with the issuance of the Bonds, and in evidence of such borrowing, issue its full faith and credit bonds, in the principal amount of \$\_\_\_\_\_.

NOW, THEREFORE, BE IT ORDAINED by the Village President and Board of Trustees of the Village of Hoffman Estates, Cook and Kane Counties, Illinois, as follows:

**Section 1. Definitions.** Words and terms used in this Ordinance shall have the meanings assigned them unless the context or use clearly indicates another or different meaning is intended. Words and terms defined in the singular may be used in the plural and vice-versa. Reference to any gender shall be deemed to include the other and also inanimate persons such as corporations, where applicable.

*“Act”* means the Constitution of the State of Illinois, the home rule powers of the Village, the Illinois Municipal Code, the Local Government Debt Reform Act, and the Omnibus Bond Acts.

*“Authorized Denominations”* means not less than \$100,000 and in multiples of \$5 in excess thereof.

*“Board of Trustees”* is defined in the Preambles of this Ordinance.

*“Bond Counsel”* means, with respect to the original issuance of the Bonds, Louis F. Cainkar, Ltd., Chicago, Illinois, and thereafter, any firm of attorneys of nationally recognized expertise with respect to the tax-exempt obligations of political subdivisions, selected by the Village.

*“Bond Fund”* means the Series 2019 Bond Fund created in Section 12 of this Ordinance.

*“Bond Purchase Agreement”* is defined in Section 11 of this Ordinance.

*“Bond Register”* means the books of the Village kept by the Bond Registrar to evidence the registration and transfer of the Bonds.

*“Bond Registrar”* means the Village Treasurer, or a financial institution designated as bond registrar and paying agent by the Village President.

*“Bonds”* means the \$\_\_\_\_\_ General Obligation Bonds, Series 2019, authorized to be issued by this Ordinance, including bonds issued in exchange for or upon transfer or replacement of bonds previously issued under this Ordinance.

*“Book Entry Form”* means the form of the Bonds as fully registered and available in physical form only to the Depository.

*“Code”* means the Internal Revenue Code of 1986, as amended.

*“County Clerks”* means collectively, the County Clerk of Cook County and the County Clerk of Kane County, Illinois.

*“Defeased Bonds”* means such bonds as are described and defined by such term in Section 14 of this Ordinance.

*“Depository”* means The Depository Trust Company or successor depository duly qualified to act as a securities depository and acceptable to the Village.

*“Designated Officials”* mean the officers of the Village as follows: Village President, Village Manager, and the Village Treasurer.

*“Expense Account”* means the account in the Proceeds Fund established hereunder and further described by Section 13 of this Ordinance.

*“Global Book-Entry System”* means the system for the initial issuance of the Bonds as described in Section 5.

*“Government Securities”* means: (a) direct and general full faith and credit obligations of the United States Treasury (“Directs”); (b) certificates of participation or trust receipts in trusts comprised wholly of Directs; (c) other obligations unconditionally guaranteed as to timely payment by the United States Treasury or the Federal Deposit Insurance Corporation; or (d) the interest only component of REFCORPs.

*“Ordinance”* or *“Bond Ordinance”* means this Ordinance No. \_\_\_-2019 passed by the Board of Trustees on October 21, 2019 and approved by the Village President on that date.

*“Outstanding”* when used with reference to any bond, means a bond is outstanding and unpaid; provided, however, such term shall not include bonds: (a) which have matured or for which moneys are on deposit with proper paying agents, or are otherwise properly available, sufficient to pay all principal thereof and interest thereon; or (b) the provision for payment of which has been made by the Village by the deposit in an irrevocable trust or escrow of funds or direct, full faith and credit obligations of the United States of America, or other obligations unconditionally guaranteed as to timely payment by the United States Treasury or the Federal Deposit Insurance Corporation, the principal of and interest on which will be sufficient to pay at maturity or as called for redemption all the principal of, redemption premium, if any, and interest on such bonds, and will not result in the loss of exclusion from gross income of the interest thereon under Section 103 of the Code.

*“Paying Agent”* means the Village Treasurer, or a financial institution designated as bond registrar and paying agent by the Village President.

*“Pledged Taxes”* means the taxes on all taxable property in the Village without limitation as to rate or amount, in an amount sufficient to produce the sums necessary to pay the interest on the Bonds as it falls due and to pay and discharge the principal thereof at maturity.

*“Proceeds Fund”* means the Proceeds Fund created in Section 13 of this Ordinance.

*“Project”* is defined in the Preambles of this Ordinance.

*“Project Account”* means the Project Account created in Section 13 of this Ordinance

*“Purchase Price”* means the price to be paid by the Purchaser for the Bonds as set forth in a Bond Purchase Agreement.

*“Purchaser”* means \_\_\_\_\_.

*“Record Date”* means close of business on the fifteenth day of the month next preceding each interest payment date which occurs on the first day of any month, and the fifteenth day preceding any interest payment day occasioned by the redemption of the Bonds on other than the first day of a month.

*“Representations Letter”* means such agreement or agreements by and among the Village, the Bond Registrar, and the Depository as shall be necessary to effectuate a book-entry system for the Bonds, and includes the Blanket Letter of Representations executed by the Village and the Depository.

*“Stated Maturity”* means, with respect to any Bond, the date specified in such Bond as the fixed date on which the principal of such Bond or such interest is due and payable, whether by maturity or otherwise.

*“Tax-Exempt”* means, with respect to all or any portion of the Bonds, the status of interest paid and received thereon as excludable from the gross income of the owners thereof under the Code for federal income tax purposes.

*“Term Bonds”* means Bonds subject to mandatory redemption.

*“Village”* is defined in the Preambles of this Ordinance.

Definitions also appear in the Preambles hereto or in specific sections, as appear below.

**Section 2. Incorporation of Preambles.** The Board of Trustees hereby finds that all of the recitals contained in the Preambles to this Ordinance are full, true and correct and does incorporate them into this Ordinance by this reference.

**Section 3. Authorization.** It is hereby found and determined that the Board of Trustees has been authorized by law to borrow the sum of \$\_\_\_\_\_ upon the credit of the Village and as evidence of such indebtedness to issue at this time the Bonds in order to pay the costs of the Project. The Bonds shall be issued pursuant to the Act.

**Section 4. General Terms of Bonds.** There be borrowed on the credit of and for and on behalf of the Village the sum of \$\_\_\_\_\_ for the purpose aforesaid, the Bonds shall be issued in said amount and shall be designated "General Obligation Bonds, Series 2019". The Bonds shall be dated the date of issuance, and shall also bear the date of authentication thereof, shall be in fully registered form, shall be in Authorized Denominations, and shall be numbered 1 and upward. The Bonds shall become due and payable serially, in the amount and bearing interest at the rates per annum as follows:

<b>MATURITY DATE</b>	<b>PRINCIPAL AMOUNT</b>	<b>INTEREST RATE</b>	<b>YIELD</b>	<b>PRICE</b>
12/1/2020	\$525,000			
12/1/2021	\$555,000			
12/1/2022	\$565,000			
12/1/2023	\$580,000			
12/1/2024	\$595,000			
12/1/2025	\$610,000			
12/1/2026	\$625,000			
12/1/2027	\$640,000			
12/1/2028	\$655,000			
12/1/2029	\$670,000			
12/1/2030	\$685,000			
12/1/2031	\$705,000			
12/1/2032	\$720,000			
12/1/2033	\$740,000			
12/1/2034	\$755,000			

The Bonds shall bear interest from their date or from the most recent interest payment date to which interest has been paid or duly provided for, until the principal amount of the Bonds are paid, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable on June 1 and December 1 of each year, commencing on June 1, 2020. Interest on each Bond shall be paid by the Paying Agent, payable upon presentation in lawful money of the United States of America, to the person in whose name such Bond is registered as hereinafter provided at the close of business on the 15<sup>th</sup> day of the calendar month next preceding the interest payment date. The principal of the Bonds shall be payable in lawful money of the United States of America at the principal office of the Paying Agent. If there is one owner of the Bonds,

all principal and interest payments may be made by electronic transfer as authorized by that owner.

The full faith and credit of the Village are hereby irrevocably pledged to the punctual payment when due on the Bonds, together with the interest and any premium thereon. The Bonds shall be direct and general obligations of the Village, and the Village shall be obligated to levy unlimited *ad valorem* taxes upon all the taxable property in the Village for the payment of the Bonds according to their terms, without limitation as to rate or amount, which levy and taxes are also pledged to the punctual payment, when due, of the Bonds, together with the interest and any premium thereon, to the bondholders. Moneys derived from the Pledged Taxes and all other moneys deposited or to be deposited into the Bond Fund are pledged as security for the payment of the principal of and interest on the Bonds. This pledge is made pursuant to Section 13 of the Local Government Debt Reform Act and shall be valid and binding from the date of issuance of the Bonds. All such Pledged Taxes and the moneys held in the Bond Fund shall immediately be subject to the lien of such pledge without any physical delivery or further act and the lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Village irrespective of whether such parties have notice thereof.

**Section 5. Global Book-Entry System.** The provisions of this section apply only in the event the Bonds are issued in Book Entry Form. The Bonds shall be initially issued in the form of a separate single fully registered Bond for each of the maturities of the Bonds bearing the same rate of interest. Upon initial issuance, the ownership of each such Bond may be registered in the Bond Register in such name as may be provided by the Depository (the "Book Entry Owner") and, accordingly, in Book Entry Form as provided and defined herein. One of the Designated Officials is authorized to execute a Representations Letter or to utilize the provisions of an existing Representations Letter. Without limiting the generality of the authority given with respect to entering into a Representations Letter for the Bonds, it may contain provisions relating to: (a) payment procedures; (b) transfers of the Bonds or of beneficial interests therein; (c) redemption notices and procedures unique to the Depository; (d) additional notices or communications; and (e) amendment from time to time to conform with changing customs and practices with respect to securities industry transfer and payment practices. With respect to Bonds registered in the Bond Register in the name of the Book Entry Owner, neither the Village nor the Bond Registrar shall have any responsibility or obligation to any broker-dealer, bank, or other financial institution for which the Depository holds Bonds from time to time as securities depository (each such broker-dealer, bank, or other financial institution being referred to herein as a "Depository Participant") or to any person on behalf of whom such a Depository Participant holds an interest in the Bonds. Without limiting the meaning of the immediately preceding sentence, neither the Village nor the Bond Registrar shall have any responsibility or obligation with respect to: (a) the accuracy of the records of the Depository, the Book Entry Owner, or any Depository Participant with respect to any ownership interest in the Bonds; (b) the delivery to any Depository Participant or any other person, other than a registered owner of a Bond as

shown in the Bond Register or as expressly provided in the Representations Letter, of any notice with respect to the Bonds, including any notice of redemption; or (c) the payment to any Depository Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register, of any amount with respect to principal of or interest on the Bonds. No person other than a registered owner of a Bond as shown in the Bond Register shall receive a Bond certificate with respect to any Bond. In the event that: (a) the Village determines that the Depository is incapable of discharging its responsibilities described herein or in the Representations Letter; (b) the agreement among the Village and the Depository evidenced by the Representations Letter shall be terminated for any reason; or (c) the Village determines that it is in the best interests of the Village or of the beneficial owners of the Bonds that they be able to obtain certificated Bonds; the Village shall notify the Depository of the availability of Bond certificates, and such Bonds shall no longer be restricted to being registered in the Bond Register to the Book Entry Owner. The Village may determine at such time that such Bonds shall be registered in the name of and deposited with a successor depository operating a book entry only system, as may be acceptable to the Village, or such depository's agent or designee, but if the Village does not select such successor depository, then such Bonds shall be registered in whatever name or names registered owners of Bonds transferring or exchanging Bonds shall designate, in accordance with the provisions hereof.

**Section 6. Execution; Authentication.** The Bonds shall be signed by the manual or duly authorized facsimile signatures of the Village President and the Village Clerk and may have impressed or imprinted thereon the corporate seal or facsimile thereof of the Village. In case any such officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. All Bonds shall have thereon a certificate of authentication, substantially in the form hereinafter set forth, duly executed by the Bond Registrar as authenticating agent of the Village and showing the date of authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Ordinance unless and until such certificate of authentication shall have been duly executed by the Bond Registrar by manual signature, and such certificate of authentication upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Ordinance. The certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized signatory of the Bond Registrar, but it shall not be necessary that the same person sign the certificate of authentication on all of the Bonds issued hereunder.

**Section 7. Redemption.**

A. *Optional Redemption.* The Bonds maturing on or after December 1, 2028 are subject to redemption prior to maturity at the option of the Village on December 1, 2027 and any date thereafter, in whole or in part, in such principal amounts and from such maturities as determined by the Village, and within any maturity by lot, at the redemption price of par plus accrued interest to the redemption date.

B. *Mandatory Redemption.* The Bonds maturing on December 1, \_\_\_\_, are term bonds and are subject to mandatory redemption at a price of par and accrued interest, without premium, on the dates and in the amounts as follows:

<b>DATES OF MANDATORY REDEMPTION</b>	<b>PRINCIPAL AMOUNT</b>
12/1/20__	\$

with \$\_\_\_\_\_ to be due at maturity on December 1, \_\_\_\_\_.

The principal amount of Bonds to be mandatorily redeemed on the Mandatory Redemption Date may be reduced through the earlier optional redemption thereof. In addition, on or prior to the 60<sup>th</sup> day preceding the Mandatory Redemption Date, the Bond Registrar may, and if directed by the Village shall, purchase Bonds required to be retired on the Mandatory Redemption Date. Any such Bonds so purchased shall be cancelled and the principal amount thereof shall be credited against the mandatory redemption required on the Mandatory Redemption Date.

C. *General Redemption Terms.* The Bonds shall be redeemed only in the principal amount of an Authorized Denomination. The Village shall, at least 30 days prior to any optional redemption date (unless a shorter time period shall be satisfactory to the Bond Registrar) notify the Bond Registrar of such redemption date and of the principal amount and maturity or maturities of Bonds to be redeemed. The Bonds subject to mandatory redemption shall be called by the Bond Registrar for redemption without any further action or notice by the Village. For purposes of any redemption of less than all of the outstanding Bonds of a single maturity, the particular Bonds or portions thereof to be redeemed shall be selected by lot by the Bond Registrar from the Bonds of such maturity by such method of lottery as the Bond Registrar shall deem fair and appropriate; provided that such lottery shall provide for the selection for redemption of Bonds or portions thereof so that any \$5 portion of a Bond shall be as likely to be called for redemption as any other such \$5 portion. The Bond Registrar shall promptly notify the Village in writing of the Bonds or portions thereof selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed.

**Section 8. Redemption Procedures.** The Bonds subject to redemption shall be identified, notice given, and paid and redeemed pursuant to the procedures as follows:

A. *Mandatory Redemption Procedure.* For a mandatory redemption, the Bond Registrar and Paying Agent shall proceed to redeem Bonds without any further order or direction from the Village whatsoever.

B. *Optional Redemption Procedure.* Unless waived by any holder of Bonds to be redeemed, notice of the call for any such redemption shall be given by the Bond Registrar on behalf of the Village by mailing the redemption notice by first class mail or e-mailing at least 30 days prior to the date fixed for redemption to each registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar. All notices of redemption shall state:

- (1) the redemption date;
- (2) the redemption price;
- (3) the identification by CUSIP numbers, if applicable, and maturity dates (and, in the case of partial redemption of Bonds within a maturity, the respective principal amounts) of the Bonds to be redeemed;
- (4) a statement that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date;
- (5) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the designated corporate trust office of the Paying Agent; and
- (6) such other information then required by custom, practice or industry standard.

Unless moneys sufficient to pay the redemption price of the Bonds to be redeemed shall have been received by the Paying Agent prior to the giving of such notice of redemption, such notice may, at the option of the Village, state that said redemption shall be conditional upon the receipt of such moneys by the Paying Agent on or prior to the date fixed for redemption. If such moneys are not received, such notice shall be of no force and effect, the Village shall not redeem such Bonds, and the Bond Registrar shall give notice, in the same manner in which the notice of

redemption shall be given, that such moneys were not so received and that such Bonds will not be redeemed. Otherwise, prior to any redemption date, the Village shall deposit with the Paying Agent an amount of money sufficient to pay the redemption price of all the Bonds or portions thereof which are to be redeemed on that date.

Subject to the provisions for a conditional optional redemption described above, notice of redemption having been given as aforesaid, the Bonds or portions thereof so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Village shall default in the payment of the redemption price) such Bonds or portions thereof shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Bond Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered holder a new Bond or Bonds of the same maturity in the amount of the unpaid principal.

If any Bond or portion thereof called for redemption shall not be so paid upon surrender thereof for redemption, the principal shall, until paid, bear interest from the redemption date at the rate borne by the Bond or portion thereof so called for redemption. All Bonds which have been redeemed shall be cancelled and destroyed by the Bond Registrar and shall not be reissued.

**Section 9. Registration of Bonds; Persons Treated as Owners.** The Village shall cause books (the "Bond Register") for the registration and for the transfer of the Bonds as provided in this Ordinance to be kept at the office designated for such purpose of the Bond Registrar, which is hereby constituted and appointed the registrar of the Village for the Bonds. The Village is authorized to prepare, and the Bond Registrar or such other agent as the Village may designate shall keep custody of, multiple Bond blanks executed by the Village for use in the transfer and exchange of Bonds. Subject to the provisions of this Ordinance relating to the Bonds in Book Entry Form, any Bond may be transferred or exchanged, but only in the manner, subject to the limitations, and upon payment of the charges as set forth in this Ordinance. Upon surrender for transfer or exchange of any Bond at the office designated for such purpose of the Bond Registrar, duly endorsed by or accompanied by a written instrument or instruments of transfer or exchange in form satisfactory to the Bond Registrar and duly executed by the registered owner or an attorney for such owner duly authorized in writing, the Village shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the transferee or transferees or, in the case of an exchange, the registered owner, a new fully registered Bond or Bonds of like tenor, of the same maturity, bearing the same interest rate, of authorized denominations, for a like aggregate principal amount. The Bond Registrar shall not be required to transfer or exchange any Bond during the 15 days prior to a principal or interest payment date. The Bond Registrar shall not be required to transfer or exchange any Bond during the period of

15 days preceding the giving of notice of redemption of Bonds or to transfer or exchange any Bond all or a portion of which has been called for redemption. The execution by the Village of any fully registered Bond shall constitute full and due authorization of such Bond, and the Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond; provided, however, the principal amount of Bonds and maturity authenticated by the Bond Registrar shall not at any one time exceed the authorized principal amount of the Bonds and maturity less the amount of such Bonds which have been paid. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of or interest on any Bond shall be made only to or upon the order of the registered owner thereof or his (her) legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid. No service charge shall be made to any registered owner of Bonds for any transfer or exchange of Bonds, but the Village or the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds.

**Section 10. Form of Bond.** The Bonds shall be in substantially the following form:

**REGISTERED NO.**

**CUSIP**

**REGISTERED \$**

**UNITED STATES OF AMERICA, STATE OF ILLINOIS, COOK AND KANE COUNTIES  
VILLAGE OF HOFFMAN ESTATES  
GENERAL OBLIGATION BOND, SERIES 2019**

Interest Rate:    %

Maturity Date:

Dated Date:

Registered Owner:

Principal Amount:

KNOW ALL PERSONS BY THESE PRESENTS, that the Village of Hoffman Estates, Cook and Kane Counties, Illinois (the "Village"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the Dated Date identified above or from the most recent interest payment date to which interest has been paid or duly provided for, at the Interest Rate per annum identified above on December 1 and June 1 each year, commencing June 1, 2020, until said Principal Amount is paid or duly provided for, except as the hereinafter stated provisions for redemption prior to maturity may be and become applicable hereto. The principal of this Bond is payable in lawful money of the United States of America at the office designated for such purpose of the Village Treasurer as paying agent (the "Paying Agent") and bond registrar (the "Bond Registrar"). Payment of interest shall be made to the Registered Owner hereof as shown on the registration books of the Village maintained by the Bond Registrar, at the close of business on the Record Date for each interest payment date and shall be paid by check or draft of the Paying Agent, payable at the Bond Registrar in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books, or at such other address furnished in writing by such Registered Owner to the Bond Registrar, [or as otherwise agreed by the Village and Cede & Co., as nominee, or successor, for so long as this Bond is held by The Depository Trust Company, New York, New York, the depository, or nominee, in book entry only form as provided for same]. Record Date means the close of business on the fifteenth day of the month next preceding an interest payment date which occurs on the first day of any month, and the fifteenth day preceding any interest payment day occasioned by the redemption of the Bonds on other than the first day of a month.

The Bonds shall be direct and general obligations of the Village. For the prompt payment of this Bond, both principal and interest at maturity, the full faith, credit and resources of the Village are hereby irrevocably pledged.

[Mandatory redemption and optional redemption provisions, as applicable, to be inserted here.]

[Notice of any optional redemption shall be sent by first class mail or e-mail not less than 30 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books of the Village maintained by the Bond Registrar or at such other address as is furnished in writing by such registered owner to the Bond Registrar. When so called for redemption, this Bond will cease to bear interest on the specified redemption date, provided funds for redemption are on deposit at the place of payment at that time, and shall not be deemed to be outstanding.]

This Bond is one of the Bonds issued by the Village to pay for the costs of the Project, all as authorized pursuant to the provisions of Illinois law, including, specifically, the Illinois Municipal Code, as amended, the Local Government Debt Reform Act, as amended, the Omnibus Bond Acts, and as further supplemented and, where necessary, superseded, by the powers of the Village as a home rule unit under the provisions of Section 6 of Article VII of the Illinois Constitution of 1970, and under Ordinance No. \_\_\_-2019, duly passed by the Board of Trustees on October 21, 2019 authorizing the Bonds (the "Bond Ordinance").

This Bond is subject to provisions relating to registration, transfer and exchange; and such other terms and provisions relating to security and payment as are set forth in the Bond Ordinance, to which reference is hereby expressly made, and to all the terms of which the Registered Owner hereof is hereby notified and shall be subject.

The Bonds are secured by the general obligation of the Village for the payment of which the Village in the Bond Ordinance has pledged its full faith and credit and levied *ad valorem* taxes, unlimited as to rate or amount, upon all taxable property within the Village sufficient to pay the principal and interest thereon. The Village reserves the right to issue obligations on a parity basis with the Bonds.

The Bonds shall initially be issued in a Global Book Entry System (as provided in the Bond Ordinance). The provisions of this Bond and of the Bond Ordinance are subject in all respects to the provisions of the Representations Letter between the Village and The Depository Trust Company, or any substitute agreement, affecting such Global Book-Entry System.

The Village and the Bond Registrar may deem and treat the person in whose name any Bond shall be registered in the Bond Register as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of or on account of the principal of or interest thereon, and for all other purposes whatsoever; all such payments so made to any such registered owner or upon such registered owner's order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid; and neither the Village nor the Bond Registrar shall not be affected by any notice to the contrary.

It is hereby certified and recited that all acts, conditions, and things required by law to exist or to be done precedent to or in the issuance of this Bond did exist, have happened, been done and performed in regular and due form and time as required by law; that the indebtedness of the Village including the issuance of the Bonds of which this is one, does not exceed any limitation imposed by law, and that provision has been made for the collection of a direct annual tax to pay the interest hereon as it falls due and also to pay and discharge the principal hereof at maturity.

This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Bond Registrar.

IN WITNESS WHEREOF, the Village of Hoffman Estates, Cook and Kane Counties, Illinois, by its Board of Trustees, has caused this Bond to be signed by the duly authorized manual or facsimile signatures of the Village President and the Village Clerk, all as appearing hereon and as of the Dated Date as identified above.

\_\_\_\_\_  
Village President

\_\_\_\_\_  
Village Clerk

Date of Authentication:

CERTIFICATE  
OF  
AUTHENTICATION

Bond Registrar  
and Paying Agent:

Village Treasurer  
Hoffman Estates, Illinois

This Bond is one of the bonds issued in the within mentioned Bond Ordinance.

By \_\_\_\_\_  
Village Treasurer

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[Unless this bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Village or its agent for registration of transfer, exchange, or payment, and any bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.]

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**ASSIGNMENT**

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto \_\_\_\_\_

(Name and Address and Social Security or other identifying number of Assignee)

the within Bond and does hereby irrevocably constitute and appoint \_\_\_\_\_ as attorney to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Signature of Assignee

Signature guaranteed: \_\_\_\_\_

NOTICE: The signature to this assignment and transfer must correspond with the name of the Registered Owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

**Section 11. Sale of Bonds.** The Village Treasurer is hereby authorized to proceed, without any further authorization or direction from the Board of Trustees, to sell and deliver the Bonds to the Purchaser as herein provided at not less than the Purchase Price as shall be set forth in a bond purchase agreement (the “Bond Purchase Agreement”) relating to same. The Purchaser is authorized to pay all or a portion of the cost of issuance of the Bonds and receive a credit against the Purchase Price of the Bonds therefor. Upon the sale of the Bonds, any of the Designated Officials are hereby authorized and directed to approve or execute, or both, such documents of sale of the Bonds as may be necessary, including, without limitation, the Bond Purchase Agreement and closing documents including such certification and documentation as may be required by bond counsel approving the Bonds, including, specifically, a tax compliance certificate, to render their opinion as to the Tax-Exempt status of the interest on any Bond pursuant to the Code. It is hereby found that no person holding any office of the Village, either by election or appointment, is in any manner financially interested, either directly, in his or her own name, or indirectly, in the name of any other person, association, trust or corporation, in the sale of the Bonds. A Designated Official signing the Bond Purchase Agreement is hereby authorized to execute the same, and execution shall constitute full and complete approval of all necessary or appropriate completions and revisions as shall appear therein.

The officers of the Village are hereby authorized to take any action as may be required on the part of the Village to consummate the transactions contemplated by the Bond Purchase Agreement, this Ordinance, the Preliminary Term Sheet, and the Bonds.

**Section 12. Security; Tax Levy, Bond Fund and Abatement.** The Bonds are a general obligation of the Village, for which the full faith and credit of the Village are irrevocably pledged, and are payable from the levy of the taxes on all of the taxable property in the Village, without limitation as to rate or amount, in an amount sufficient to produce the sums necessary to pay the interest on the Bonds as it falls due and to pay and discharge the principal thereof at maturity (the “Pledged Taxes”).

In order to provide for the collection of a direct annual tax sufficient to pay the interest on the Bonds as it falls due, and also to pay and discharge the principal thereof at maturity, there is hereby levied upon all the taxable property within the Village, a direct annual tax for each of the years while the Bonds or any of them are outstanding, in amounts sufficient for that purpose, the following direct annual tax for the Bonds, to-wit:

<b>For Tax Year:</b>	<b>Tax Levy:</b>
2019	
2020	
2021	
2022	

2023  
2024  
2025  
2026  
2027  
2028  
2029  
2030  
2031  
2032  
2033

It shall be the duty of the County Clerks to ascertain the rate necessary to produce the tax herein levied, and extend the same for collection on the tax books against all of the taxable property within the Village in connection with other taxes levied in said year for general and special purposes, in order to raise the respective amounts and in said years such annual tax shall be computed, extended and collected in the same manner as now or hereafter provided by law for the computation, extension and collection of taxes for general and special purposes of the Village, and when collected, the Pledged Taxes hereby levied shall be placed to the credit of a special fund to be designated "Series 2019 Bond Fund," which funds are hereby irrevocably pledged to and shall be used only for the purpose of paying the principal and interest on the Bonds.

Principal or interest coming due at any time when there are not sufficient funds on hand from the foregoing tax levy to pay the same shall be paid from the general funds of the Village, and the fund from which such payment was made shall be reimbursed from the Pledged Taxes when the same shall be collected.

The Village covenants and agrees with the purchasers and the holders of the Bonds that so long as the Bonds remains Outstanding, except as herein otherwise specifically provided, the Village will take no action or fail to take any action which in any way would adversely affect the ability of the Village to levy and collect the foregoing tax levy. The Village and its officers will comply with all present and future applicable laws in order to assure that the Pledged Taxes may be levied, extended and collected as provided herein and deposited into the appropriate Bond Fund.

To the extent that the Village has funds available on March 1, 2020, and on the 1<sup>st</sup> day of each March thereafter (or on the last day provided for a levy of a tax for principal and interest on bonds, as currently established in 30 ILCS 350/16), to timely pay the principal and interest on the Bonds on the ensuing June 1 and December 1, the Village Treasurer or the Village Manager are

each hereby authorized to fully or partially abate the tax levy for any series of Bonds by filing a certificate of abatement with the County Clerks.

**Section 13. Creation of Proceeds Funds; Appropriation.** The Proceeds Fund is hereby created for the Bonds which shall consist of the Expense Account and the Project Account (the "Project Account"). Bond proceeds and other funds of the Village as noted are hereby appropriated and shall be deposited for use as follows:

A. Accrued interest, if any, on the Bonds shall be used to pay the first interest due on the Bonds and to such end are hereby appropriated for such purpose and ordered to be deposited into the Bond Fund.

B. The amount necessary from the proceeds of the Bonds is hereby appropriated for and shall be used to pay costs of issuance of the Bonds; and shall be deposited into a separate account, hereby created, designated as the Expense Account. Any disbursement from such account shall be made from time to time as necessary. Any excess in the Expense Account shall be deposited into the Project Account after 30 days from the date of issuance of the Bonds. At the time of issuance of the Bonds, the costs of issuance may, at the request of the Village, be paid by the Purchaser on behalf of the Village from the proceeds of the Bonds.

C. The amount necessary from the proceeds of the Bonds, and such additional amounts as may be necessary from the general funds of the Village, are hereby appropriated for, shall be used to pay for the costs of the Project, and shall be deposited into the Project Account.

**Section 14. Defeasance of the Bonds.** Any Bond or Bonds: (a) which are paid and canceled; (b) which have matured and for which sufficient sums been deposited with a bank or trust company authorized to keep trust accounts to pay all principal and interest due thereon; or (c) for which sufficient United States funds and Government Securities have been deposited with a bank or trust company authorized to keep trust accounts, taking into account investment earnings on such obligations, to pay all principal of and interest on such Bond or Bonds when due at maturity or as called for redemption, pursuant to an irrevocable escrow or trust agreement (such Bonds as described in this clause (c) being "Defeased Bonds"), shall cease to have any lien on or right to receive or be paid from the Pledged Taxes and shall no longer have the benefits of any covenant for the registered owners of Outstanding Bonds as set forth herein as such relates to lien and security of the Outstanding Bonds. All covenants relative to the Tax-Exempt status of such Bond or Bonds; and payment, registration, transfer, and exchange are expressly continued for all Bonds whether Outstanding Bonds or not.

**Section 15. General Tax Covenants.** The Village hereby covenants that it will not take any action, omit to take any action, or permit the taking or omission of any action, within its control (including, without limitation, making or permitting any use of the proceeds of the

Bonds) if taking, permitting, or omitting to take such action would cause any of the Bonds to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause the interest on the Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. The Village acknowledges that, in the event of an examination by the Internal Revenue Service (the "IRS") of the exemption from federal income taxation for interest paid on the Bonds, under present rules, the Village may be treated as a "taxpayer" in such examination and agrees that it will respond in a commercially reasonable manner to any inquiries from the IRS in connection with such examination.

The Village also agrees and covenants with the Purchaser and holders of the Bonds from time to time Outstanding that, to the extent possible under Illinois law, it will comply with whatever federal tax law is adopted in the future which applies to the Bonds and affects the Tax-Exempt status of the Bonds.

The Board of Trustees hereby authorizes the Designated Officials to make such further covenants and certifications as may be necessary to assure that the use thereof will not cause the Bonds to be arbitrage bonds and to assure that the interest on the Bonds will be Tax-Exempt. In furtherance therewith, the Village and the Board of Trustees further agree: (a) through its officers, to make such further specific covenants, representations as shall be truthful, and assurances as may be necessary or advisable; (b) to consult with counsel approving the Bonds and comply with such advice as may be given; (c) to pay to the United States, as necessary, such sums of money representing required rebates of excess arbitrage profits relating to the Bonds; (d) to file such forms, statements, and supporting documents as may be required and in a timely manner; and (e) if deemed necessary or advisable by the Designated Officials, to employ and pay fiscal agents, financial advisors, attorneys, and other persons to assist the Village in such compliance.

**Section 16. Noncompliance with Tax Covenants.** Notwithstanding any other provisions of this Ordinance, the covenants and authorizations contained in this Ordinance and other documents executed by the Village which are designed to preserve the exclusion of interest on the Bonds from gross income under federal law need not be complied with if the Village receives an opinion of nationally recognized bond counsel that any such provision is unnecessary to preserve the exemption from federal taxation.

**Section 17. Registered Form.** The Village recognizes that Section 149(j) of the Code, as amended, requires the Bonds to be issued and to remain in fully registered form in order that interest thereon not be includable in gross income for federal income tax purposes under laws in force at the time the Bonds are delivered. The Village will not take any action to permit the Bonds to be issued in, or converted into, bearer or coupon form.

**Section 18. Qualified Tax-Exempt Obligations.** The Village hereby designates each of the Bonds as a "qualified tax-exempt obligation" for the purpose and within the meaning of Section 265(b)(3) of the Code.

**Section 19. Reimbursement.** With respect to expenditures for the Project paid within the 60-day period ending on this date and with respect to which no declaration of intent was previously made, the Village hereby declares its intent to reimburse such expenditures and hereby allocates proceeds of the Bonds in the amount indicated in the Tax Compliance Certificate be delivered in connection with the issuance of the Bonds to reimburse said expenditures.

**Section 20. Ordinance to Constitute a Contract.** The provisions of this Ordinance shall constitute a contract between the Village and the registered owners of the Bonds. Any pledge made in this Ordinance and the provisions, covenants and agreements herein set forth to be performed by or on behalf of the Village shall be for the equal benefit, protection and security of the owners of the Bonds. Each of the Bonds, regardless of the time or times of their issuance, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof except as expressly provided in or pursuant to this Ordinance. This Ordinance shall constitute full authority for the issuance of the Bonds.

**Section 21. Amendments of and Supplements to the Ordinance.**

A. *Without Consent of Bondholders.* The Village may amend or supplement this Ordinance or the Bonds without notice to or consent of any Bondholder:

- (1) to cure any ambiguity, inconsistency or formal defect or omission;
- (2) to grant for the benefit of the Bondholders additional rights, remedies, powers or authority;
- (3) to provide for additional collateral for the Bonds or to add other agreements of the Village;
- (4) to modify this Ordinance or the Bonds to permit qualifications under the Trust Indenture Act of 1939 or any similar Federal statute at the time in effect, or to permit the qualification of the Bonds for sale under the securities laws of any state of the United States; or
- (5) to make any change (including, but not limited to, a change to reflect any amendment to the Code or interpretations by the IRS of the Code) that does not materially adversely affect the rights of any Bondholder.

B. *With Consent of Bondholders.* If an amendment of or supplement to this Ordinance or the Bonds without any consent of Bondholders is not permitted by the preceding paragraph, the Village may enter into such amendment or supplement upon not less than 30 days, notice to Bondholders and with the consent of the holders of at least a majority in principal amount of the Outstanding Bonds. However, without the consent of each Bondholder affected, no amendment or supplement may:

- (1) extend the maturity of the principal of, or interest on, any Bond;
- (2) reduce the principal amount of, or rate of interest on, any Bond;
- (3) affect a privilege or priority of any Bond over any other Bond;
- (4) reduce the percentage of the principal amount of the Bonds required for consent to such amendment or supplement;
- (5) impair the exclusion of interest on the Bonds from the federal gross income of the owner of any Bond; or
- (6) eliminate any mandatory redemption of the Bonds or call for mandatory redemption or reduce the redemption price of such Bonds.

C. *Effect of Consents.* After an amendment or supplement becomes effective, it will bind every Bondholder. For purposes of determining the total number of Bondholders' consents, each Bondholder's consent will be effective with respect to the Bondholder who consented to it and each subsequent holder of a Bond or portion of a Bond evidencing the same debt as the consenting holder's Bond.

D. *Notation on or Exchange of Bonds.* If an amendment or supplement changes the terms of the Bond, the Village may require the holder to deliver it to the Bond Registrar. The Bond Registrar may place an appropriate notation on the Bond about the changed terms and return it to the holder. Alternatively, if the Bond Registrar and the Village determine, the Village in exchange for the Bond will issue and the Bond Registrar will authenticate a new Bond that reflects the changed terms.

**Section 22. Approval of Financing Participants.** The selection and retention of (i) Arthur L. Janura, to serve as Issuer's Counsel, (ii) Speer Financial, Inc., to serve as Municipal Advisor, (iii) Louis F. Cainkar, Ltd., to serve as Bond Counsel, and (iv) all other participants required to sell the bonds, including, but not limited to, rating agency, printers, and security

services, all in connection with the issuance of the Bonds, is hereby ratified, confirmed and approved.

The Designated Officers are hereby authorized to execute, without further official action or direction by the Corporate Authorities, such additional documents and closing documents as shall be required to effectuate the delivery of the Bonds, including, without limitation, a Tax Compliance Certificate, a Bond Purchase Agreement, and closing documents and certificates.

**Section 23. Home Rule Authority.** This Ordinance is prepared in accordance with the powers of the Village as a home rule unit under Article VII of the 1970 Illinois Constitution.

**Section 24. Supplemental Documents.** The Designated Officials are hereby authorized to execute or attest such documents as necessary to carry out the intent of this Ordinance, the execution of such documents to constitute conclusive evidence of their approval and approval hereunder.

**Section 25. Severability.** If any section, paragraph or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Ordinance.

**Section 26. Repealer and Effective Date.** All resolutions, ordinances, orders or parts thereof in conflict herewith be and the same are hereby repealed, and this Ordinance shall be in full force and effect forthwith upon its passage.

PASSED by the Village President and Board of Trustees of the Village of Hoffman Estates, Cook and Kane Counties, Illinois on October 21, 2019, by the following roll call vote:

	AYE	NAY	ABSENT	ABSTAIN
Trustee Karen V. Mills				
Trustee Anna Newell				
Trustee Gary J. Pilafas				
Trustee Gary G. Stanton				
Trustee Michael Gaeta				
Trustee Karen J. Arnet				
Village President William D. McLeod				

APPROVED:

William D. McLeod, Village President

ATTEST:

Bev Romanoff, Village Clerk

Published in pamphlet form this 21<sup>st</sup> day of October, 2019.

**COMMITTEE AGENDA ITEM  
VILLAGE OF HOFFMAN ESTATES**

**SUBJECT:** Request authorization of a five year pouring rights agreement with Coca-Cola to provide soft drinks at the Sears Centre Arena for \$10,000 per year

**MEETING DATE:** October 7, 2019

**COMMITTEE:** Special Finance

**FROM:** <sup>MA, TK</sup> Mark Koplin/Ben Gibbs

**REQUEST:** Request authorization of a five year pouring rights agreement with Coca-Cola to provide soft drinks at the Sears Centre Arena (SCA) for \$10,000 per year.

**BACKGROUND:** When the SCA opened in October 2006, Cadbury Schweppes (selling Dr. Pepper and RC Cola) negotiated for the "pouring rights" for soft drinks. Late in 2009, and as one of the first sponsorship deals at the SCA, Front Row Marketing (now Spectra Partnerships) negotiated a seven year agreement with Pepsi for soft drinks pouring rights at \$45,000 per year. That agreement covered soft drinks, bottled water, flavored waters, energy drinks, and other non-alcoholic beverages. In retrospect, the deal was very favorable to the SCA as the compensation was well above the market rate for a venue of our size and event load.

While the agreement included a seven year Term, it also included a caveat that the contract would continue beyond the seven years until certain benchmarks were achieved. The language in the original contract is poorly written and subject to interpretation. But at the end of the Term (December 2016), Pepsi determined that the benchmarks were not achieved and the contract would continue.

In July 2019, 31 months later, the SCA finally achieved the benchmarks (per Pepsi's calculations) and Pepsi has now submitted a new five year contract. The old agreement grants Pepsi the right to propose a contract extension at terms that are "mutually agreeable" to the parties. The contract also allows Pepsi "to match" any competing offer. However, the language does not obligate the Village to accept their offer, regardless of how it compares to the competing offer.

**DISCUSSION:** Knowing that the SCA was close to achieving the benchmarks, Michael Czopek of Spectra Partnerships reached out to the major soft drink providers to solicit proposals to move forward. Pepsi and Coke presented the best offers. Each is described below.

**DISCUSSION:** (Cont'd)

Pepsi proposed a five year extension at \$15,000 per year with \$10,000 up front each year and up to \$5,000 at the end of the year if the SCA meets a 4,000 case benchmark. If that benchmark is exceeded, Pepsi would pay an additional \$2.00 per case. If the SCA does not achieve the benchmark in any year, the \$5,000 would be reduced by the percentage in which the benchmark was missed. We note that the SCA has never approached, much less exceeded, 4,000 cases per year and this type of reconcile at the end of a year is not common amongst other Spectra facilities and could result in having to pay part of the \$10,000 back to Pepsi if 3,300 cases are not reached in a year.

Coke offered \$15,200 per year for five years, with the \$15,200 up front each year and without reconcile at the end of the year. If at the end of the Term the SCA has not purchased a cumulative 3,567 cases per year, the Term would extend (with no additional compensation from Coke) until the benchmark is achieved. Sales of beverages have ranged from 3,100 to 3,300 cases per year in recent years with an upward trend, so this benchmark is more reasonable. Coke would also replace the existing beverage equipment (primarily coolers). SCA expressed an interest in a lower purchase cost of products from Coke to keep the pricing competitive for SCA patrons. In return, Coke lowered their per case costs significantly and would be below the current and proposed Pepsi pricing. This would result in better pricing for SCA customers. However, Coke also lowered their sponsorship proposal to \$10,000 per year. With all things considered, we believe this is a fair trade off and is best for the SCA.

Since the building has sold Pepsi products for virtually the entire time the Village has owned the SCA, even if the proposals are comparable, we should give consideration to a change to the more popular Coke products to see if there is an increase in sales and "per caps". Across the country, 70% of arenas serve Coke. The Coke deal will offer better pricing to customers during events at the arena and while Pepsi did match Coke's initial offer and terms, staff recommends a change. Writing a new agreement with less ambiguous language is also a key benefit.

Coke provided an agreement which has been reviewed by staff and Corporation Counsel. Coke signed the agreement which is attached.

**FINANCIAL IMPACT:**

The SCA has not received any sponsorship revenue for pouring rights in more than two years, and although this pouring rights deal will be less per year than previous agreements, the \$10,000 is in-line with current industry deals. These numbers are representative of pouring rights at similar, mid-sized venues with a similar, wide variety of events. The Coke deal is better for the SCA, the Village, and SCA customers.

The lower sponsorship revenue in return, allows the SCA to offer better beverage prices for customers at the SCA, creating a more favorable financial impact for the customers that frequent the SCA.

**RECOMMENDATION:**

Request authorization of a five year pouring rights agreement with Coca-Cola to provide soft drinks at the Sears Centre Arena for \$10,000 per year.

Attachment

cc: Michael Czopek (Sears Centre)  
Ashley Dunn (Great Lakes Coca-Cola Bottling)



**BEVERAGE AGREEMENT**

Date: \_\_\_\_\_, 2019

This Beverage Agreement (the "Agreement") is made by and between Great Lakes Coca-Cola Distribution, L.L.C. dba Great Lakes Coca-Cola Bottling ("Bottler"), and Village of Hoffman Estates (the "Village"), an Illinois municipal corporation, for the purchase and sale of beverages for consumption at the Sears Centre Arena, located at 5333 Prairie Stone Parkway, Hoffman Estates, IL 60192 ("Account").

1. Definitions.

(a) "Agreement Year" means each twelve-month period during the Term beginning with the first day of the Term, and any remaining period of time between the last twelve (12) month period and the end of the Term.

(b) "Approved Cups" means disposable cups approved by Bottler from time to time as its standard trademark cups and/or vessels and/or other (disposable and nondisposable) containers approved by Bottler from time to time, all of which shall prominently bear the trademark(s) of Products (as herein defined) on all of the cup surface.

(c) "Beverage" or "Beverages" means all non-alcoholic beverages (i.e. anything consumed by drinking), whether or not such beverages (i) contain nutritive, food, or dairy ingredients, OR (ii) are in a frozen form. This definition applies without regard to the beverage's labeling or marketing. Powders, syrups, grounds (such as for coffee), herbs (such as for tea), concentrates, K-Cups®, pods and all other beverage bases from which Beverages can be made are deemed to be included in this definition. For the avoidance of doubt, "flavor enhancers", "liquid water enhancers", brands and products of water purification and Beverage making systems (e.g. Brita®, Soda Stream®), and non-alcoholic beverages sold as "shots" or "supplements" are considered Beverages. "Beverage" or "Beverages" shall not include fresh-brewed unbranded coffee and fresh-brewed unbranded tea products, unflavored dairy products, water drawn from the public water supply or unbranded juice squeezed fresh at the Facility.

(d) "Competitive Products" means any and all Beverages other than Products (as defined herein).

(e) "Concessionaire" means any third party providing services under contract with Account at the Facility that directly or indirectly relates to the service of Beverages.

(f) "Facility" or "Facilities" means the entire premises of the Sears Centre Arena, located at 5333 Prairie Stone Pkwy, Hoffman Estates, IL 60192 and Hideaway Brew Garden, located at 5510 Prairie Stone Pkwy, Hoffman Estates, IL 60192, whether under the same name or different name, and including without limitation future franchise locations if applicable, including all currently existing and future buildings as they are related to Sears Centre Arena operations and business, and includes, without limitation, the grounds, all

Sears Centre 2019-2024  
EA Approval ID#7659

Initial: Bottler:  Account: \_\_\_\_\_



vending and concession areas, sidelines, benches and locker rooms, and branded or unbranded food service and dining locations.

(g) "Products" means Beverage products purchased directly from Bottler or sold through vending machines owned and stocked exclusively by Bottler.

2. Term: November 1, 2019 ("Effective Date") through October 31, 2024 ("Fee Period"), or at Bottler's sole option until such time as Account has purchased and paid for 16,635 standard physical cases ("Volume Commitment"), whichever time period is longer ("Term"). In the event the Agreement is extended beyond the Fee Period at the Bottler's sole option as a result of Account not fulfilling the Volume Commitment, Bottler shall not be required to pay Account additional Sponsorship Fees (as defined in Section 3, Consideration). If Bottler elects not to extend the Agreement beyond the Fee Period, the terms of Section 11(b) of this Agreement will apply.

If Account receives a bona fide third party offer for beverage availability and merchandising rights to be effective at the end of the Term of this Agreement ("Offer"), Account will inform Bottler in writing and Bottler will have thirty (30) days to elect to enter into an agreement on terms no less favorable than contained in the Offer. Account will not enter into an agreement with a third party for beverage availability and merchandising rights to be effective at the end of the Term of this Agreement unless Bottler has elected not to enter into an agreement on terms no less favorable than contained in the Offer, and such agreement contains the terms included in the Offer.

3. Consideration. In consideration of the rights and benefits granted to Bottler hereunder, Bottler agrees to provide Account with the following:

(a) Sponsorship Fees. Subject to the terms of this Section 3, Bottler agrees to pay Account an aggregate of Fifty Thousand Dollars (\$50,000) for the entire Term (the "Sponsorship Fees"). The Sponsorship Fees shall be paid in equal annual installments of Ten Thousand Dollars (\$10,000). The first installment shall be payable within sixty (60) days after the date this Agreement is fully executed and subsequent installments shall be due on or no later than thirty (30) days of the anniversary date of each Agreement Year remaining in the Fee Period. The Sponsorship Fees shall be deemed earned evenly over the Agreement Year for which they are paid.

(b) Commissions. Bottler shall pay Account commissions on full-service Beverage vending sales based on the rates and initial vend prices set forth in Exhibit B.

(c) Rebates. Bottler will pay Account a rebate for Product purchased and paid for by Account for sale at the Facility during the Term ("Rebates"), as set forth in Exhibit A. Rebates shall not be earned for sales of Products through Bottler's full service vending machines.

4. Miscellaneous. During the Term, Account shall provide to Bottler those items set forth in Exhibit C hereto.

5. Grant of Beverage Availability and Beverage Advertising and Merchandising Rights. Account hereby grants to Bottler the following exclusive Beverage availability advertising and merchandising rights subject to the Permitted Exceptions set forth in Section 7:

(a) Beverage Availability.

Initial: Bottler:  Account: \_\_\_\_\_



(i) Bottler shall have the exclusive right to sell or distribute Beverages to the Facility. Account and/or its Concessionaires shall purchase all Products, (and cups, lids and carbon dioxide, if applicable) directly from Bottler or Authorized Distributor.

(ii) Bottler shall have the exclusive Beverage vending rights at the Facility, and the right to place a mutually agreed upon number of Beverage vending machines in mutually agreed upon locations at the Facility. Notwithstanding the above, self-fill vending machines may be placed and filled by Account or Account's Concessionaire. Account may dictate pricing of sale of goods from self-fill vending machines and retains money collected from the self-fill vending machines.

(b) Advertising Rights.

(i) Account hereby grants to Bottler the exclusive right to advertise Beverages and specifically Products (i) at the Facility and (ii) in connection with the Facility.

(ii) Account hereby grants Bottler the specific advertising rights and benefits as indicated on Exhibit D hereto.

(iii) Account agrees that Bottler's advertising shall be positioned at all times in such a manner that the advertising message is in no way obscured (electronically or otherwise) and is clearly visible to the general public and the media. Account is responsible for and will notify Bottler of all rules and requirements promulgated or imposed by the NBA, NCAA, all USA Olympic sports such as USA Volleyball and USA Gymnastics, the BIG®, the IHSA, or any other governing body or league with respect to display of corporate names and logos during events sanctioned by such body or league being held at the Facility. The Products shall be prominently listed on any menu boards located at the Facility and all equipment dispensing Products shall be prominently identified with the appropriate trademarks/logos.

(iv) Account further agrees that all Products will be dispensed in Bottler's equipment and that no other trademarked, equipment, coolers or containers will be permitted.

(c) Beverage Merchandising Rights.

(i) Bottler will have the exclusive right to advertise the Products as the "Official" or "Exclusive" soft drink, sports drink, water, tea, energy drink and/or juice or juice drink, etc. of the Facility.

(ii) Account hereby grants to Bottler a royalty-free license, exclusive for Beverages, to use the trademarks, logos and other intellectual property of the Account and Facility ("Account Marks") in connection with the promotion of Products during the Term of the Agreement. Such promotion may occur in advertising (TV, radio, and print), packaging, vessels, promotional materials, and point of sale materials for Products and may be in connection with the marks and logos of Bottler's customers.

(d) Order and Delivery Requirements. Account will comply with Bottler's order and delivery frequency requirements, as they may be revised from time to time with reasonable notice.

Initial: Bottler  Account: \_\_\_\_\_



6. Competitive Products. Subject to the Permitted Exceptions in Section 7, during the entire Term and any renewal or extension thereof:

(a) No Competitive Products may be sold, dispensed or served anywhere at the Facility. No Competitive Products may be stored, displayed, dispensed or sold in or through any Equipment (defined below), except as may be prohibited by law, or regulation.

(b) No permanent or temporary advertising, signage or trademark visibility for Competitive Products will be displayed or permitted anywhere at the Facility.

(c) Account will not enter into any agreement or relationship whereby any Competitive Products are associated in any manner with Account, the Facility, or any of the Account Marks in any advertising or promotional activity of any kind

7. Permitted Exceptions.

(a) During the Term, temporary signage for Competitive Products may be displayed at the Facility during event(s) held at the Facility ("Event") if such Competitive Product(s) is a sponsor of such Event; provided, however, that

(i) the Event may not have a duration exceeding ten (10) days,

(ii) Bottler's marketing, advertising, and promotional rights under this Agreement will not otherwise be affected during any such Event(s),

(iii) Competitive Products will not be sold, distributed, dispensed, sampled, served, or otherwise made available during any such Event(s),

(iv) blockage of any signage Bottler may have at the Facility will not occur during any such Event(s), and

(v) all temporary signage for Competitive Products will be promptly removed from the Facility upon the conclusion of the Event(s).

(b) Announcements for any competitor in the form of a "welcome" message as part of purchasing a group of tickets at an Event at the Facility shall be permitted.

(c) Trademarks, logos, marks and co-branding of Gatorade with the Windy City Bulls and NBA's G-League are acceptable. This also includes Gatorade product availability only for players competing at the Facility on the sidelines, player benches, and locker rooms.

(d) The fresh-brew Starbucks cart near the front entrance of the Facility will remain in service as long as Bottler's packaged coffee products are available for sale at the other concession locations.

(e) Any back of house artist and performer rider requests are acceptable as long as the products and their branding are not public facing.

(f) Food trucks and vendors of Village of Hoffman Estates events (i.e. Northwest Fourth Fest, Platzkonzert, Hoffman Estates Arts Commission events) that are not operated or controlled by Sears Centre Arena that take place on the grounds surrounding the Hideaway Brew Garden as long as the Hideaway Beer Garden is still serving Products and as long as such events do not exceed more than twenty-five (25) days in an Agreement Year.

(g) Events taking place in the Sears Centre parking lots in which Sears Centre or Concessionaire

Initial: Bottler  Account: \_\_\_\_\_



do not provide food and beverage for. (i.e. Ride and Drive events where auto dealers train local salespeople on vehicles).

8. Pricing; Payment Terms. During Agreement Year one, Bottler agrees to offer Account pricing as set forth in Exhibit A. During the remainder of the Term, such prices will increase annually four percent (4%) over the previous Agreement Year's price. Annual price increases shall occur automatically on October 1 of each Agreement Year. Any Product purchased directly from Bottler with pricing not set forth on Exhibit A shall be offered at Bottler's then current trade letter pricing unless otherwise agreed in writing.

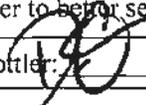
In addition, in the event of an increase in Bottler's cost of goods, manufacture or delivery, or new or increased taxes, deposits or other government related charges or fees, Bottler may increase prices. If applicable, Account agrees to comply with all terms of the Credit Application and Agreement ("Credit Agreement") it signed, including without limitation its credit terms.

9. Concessionaires. In the event Account employs a Concessionaire, Account will cause Concessionaire to purchase from Bottler or Authorized Distributor all requirements for Products, Approved Cups, lids and carbon dioxide, if applicable. Such purchases will be made at prices and on terms set forth in this Agreement and count towards the Volume Commitment. Account acknowledges that there will be no duplication of allowances, funding or benefits (including pricing) to Account or Concessionaire if Concessionaire has an existing agreement with Bottler or Authorized Distributor. If such Concessionaire requires Bottler or Authorized Distributor to pay Concessionaire funding or to provide Products pursuant to prices under separate contract with Concessionaire, and Bottler or Authorized Distributor agrees, then Account agrees that it shall reimburse Bottler or Authorized Distributor for such duplicate allowances, funding and/or lost margin on lower cost Products paid to or sold to Concessionaire. The reimbursement shall be made by Account either by (i) a credit against any payment to be made by Bottler or Authorized Distributor to Account, (ii) an invoice from Bottler or Authorized Distributor to Account, (iii) increased pricing to Account (where Bottler or Authorized Distributor is required to pay Concessionaire funding only), or (iv) any other manner reasonably determined by Bottler or Authorized Distributor.

10. Equipment and Service.

(a) During the Term, Bottler will lease to Account, pursuant to the terms of Bottler's equipment placement agreement ("BEPA"), at no cost (except as prohibited by law, rule or regulation, in which case the rent charged shall be the lowest legal rate available from Bottler) all Beverage dispensing equipment ("Equipment") which is reasonably required and as mutually agreed upon to dispense Products at the Facility. Freestyle and/or fountain equipment may be subject to a separate agreement with The Coca-Cola Company. Account represents and warrants that electrical service at the Facility is proper and adequate for the installation of Equipment, and Account agrees to indemnify and hold Bottler harmless from any damages arising out of defective electrical services.

(b) Account agrees (i) it will execute documents acknowledging Bottler's ownership of the Equipment, (ii) upon request of Bottler, Account will execute the BEPA, however, if any of the terms of the BEPA are in conflict with the terms of this Agreement, this Agreement will control, (iii) the Equipment may not be removed from the Facility without Bottler's written consent and a minimum of ten (10) days written notice to the Account, (iv) Account will not encumber the Equipment in any manner or permit any attachment thereto except as authorized by Bottler for the Equipment, (v) Account will be responsible to Bottler for any loss or damage to the Equipment, reasonable wear and tear excepted and (vi) Account and/or Concessionaire may move equipment on casters short distances in order to better serve customers as such

Initial: Bottler:  Account: \_\_\_\_\_



that equipment is not moved off the Facility grounds or premises.

(c) Bottler will provide Account with reasonable, free service to its Equipment, except Account will bear the cost of service required due to actions of Account or its employees' or contractors' negligence. All Equipment service will be provided during normal business hours. Bottler shall not be obligated to provide service hereunder during periods in which it is prevented from doing so due to strikes, civil disturbances, unavailability of parts or other causes beyond the control of Bottler. Bottler shall not be liable for damages of any kind arising out of delays in rendering service.

11. Termination; Remedies

(a) In addition to any other legal or equitable remedy, Account will have the right to terminate this Agreement upon forty-five (45) days prior written notice to Bottler at any time if:

- (i) Bottler fails to make any payment due under this Agreement, and if such default continues uncured for the forty-five (45) day period referenced in this Section 11(a); or
- (ii) Bottler breaches any material term or condition of this Agreement, and if such breach continues uncured for the forty-five (45) day period referenced in this Section 11(a).

(b) If Account breaches any of its obligations set forth in this Agreement, or if applicable the Credit Agreement, or if Bottler elects not to extend the Agreement past the Fee Period pursuant to Section 2 of the Agreement, then at its option and not as its sole remedy, Bottler may terminate this Agreement, and Account shall (i) return any Equipment, (ii) pay to Bottler a pro rata portion of the costs of refurbishing and installing the Equipment, and (iii) pay to Bottler the unearned portion of pre-paid Sponsorship Fees or other upfront funding, if any.

(c) Notwithstanding the other provisions of this Agreement, if any federal, state or local law, rule, regulation or order prohibits, restricts or in any manner interferes with the sale or advertising of Beverages at any time during the Term of this Agreement or if for any reason the use of the Facility materially declines to the point where the Facility cannot operate, then at its option and not as its sole remedy, Bottler may terminate this Agreement and Account shall (i) return any Equipment, (ii) pay to Bottler a pro rata portion of the costs of refurbishing and installing the Equipment, and (iii) pay to Bottler the unearned portion of pre-paid Sponsorship Fees or other upfront funding, if any.

(d) Account represents and warrants that it has full right and authority to enter into this Agreement and to grant and convey to Bottler the rights set forth herein. Upon expiration or revocation of such authority, then at its option and not as its sole remedy, Bottler may terminate this Agreement, and Account shall (i) return any Equipment, (ii) pay to Bottler a pro rata portion of the costs of refurbishing and installing the Equipment, and (iii) pay to Bottler the unearned portion of pre-paid Sponsorship Fees or other upfront funding, if any.

(e) Bottler shall have the right to withhold and not pay further any amounts which may become payable to Account pursuant to this Agreement if: (i) Account has failed to perform any of its obligations hereunder, (ii) Bottler's rights hereunder have been lost, limited or restricted, or (iii) there exists a bona fide dispute between the parties.

Initial: Bottle:  Account: \_\_\_\_\_



(f) Upon termination of this Agreement for any reason other than (a), (b) or (c) above, Account shall return any Equipment.

(g) Nothing in this section shall operate to restrict any of Bottler's other remedies in the event of a material breach by Account.

12. Notices. Any notices or other communication hereunder shall be in writing, shall be sent via registered or certified mail, and shall be deemed given when received.

If to Bottler:

Great Lakes Coca-Cola Distribution L.L.C. dba  
Great Lakes Coca-Cola Bottling  
7400 N. Oak Park  
Avenue Niles, Illinois  
60714  
Attention: Market Unit President

with a copy to:

Great Lakes Coca-Cola Distribution L.L.C. dba  
Great Lakes Coca-Cola Bottling  
7400 N. Oak Park Avenue  
Niles, Illinois 60714  
Attention: General  
Counsel

If to Account:

Village of Hoffman Estates  
1900 Hassell Road  
Hoffman Estates, Il 60169  
Attention: Mark Koplin, Owner's Representative

with a copy to:

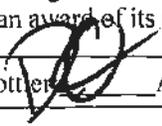
Village of Hoffman Estates  
1900 Hassell Road  
Hoffman Estates, Il 60169  
Attention: Village Clerk

with a copy to:

Sears Centre Arena  
5333 Prairie Stone Parkway  
Hoffman Estates, Il 60192  
Attention: Director of Partnerships

13. Governing Law: Venue. This Agreement and any dispute arising out of or relating to this Agreement shall be governed by and construed in accordance with the laws of the State of Illinois, without reference to its conflict of law rules. Any litigation arising from or related to this Agreement shall be brought exclusively in the appropriate Federal or State Court in Chicago, Illinois and the parties agree to submit to the jurisdiction of such courts. The prevailing party in any litigation shall be entitled to an award of its reasonable attorney's

Sears Centre 2019-2024  
EA Approval ID#7659

Initial: Bottler  Account: \_\_\_\_\_



fees and costs and expenses.

14. Compliance with Law. Each of the parties hereto agrees that it will, in its performance of its obligations hereunder, fully comply with all applicable laws, regulations and ordinances of all relevant authorities and shall obtain all licenses, registrations or other approvals required in order to fully perform its obligations hereunder.

15. Retention of Rights. Account shall not obtain, by this Agreement, any right, title or interest in the trademarks of The Coca-Cola Company or Bottler, nor shall this Agreement give Account the right to use, refer to, or incorporate in marketing or other materials the name, logos, trademarks or copyrights of Bottler or The Coca-Cola Company.

16. Claims. In no event will Bottler accept any audits of, or claims of discrepancies or errors in, pricing, rebates, commissions, funding, discounts, or other consideration provided under this Agreement ("Claims") more than six (6) months from the date of invoice or the date of funding or consideration, as applicable.

(i) 0 to 45 days. In order to present Claims within forty-five (45) days of the date of invoice, commission report, check or other applicable documentation, Account shall provide Bottler a detailed, written request specifying the particular price, commission, funding, product, amount in dispute and reason for dispute, along with a true copy of the original invoice, commission report, check or other applicable documentation.

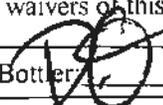
(ii) 45 days to 6 months. In order to present Claims later than forty-five (45) days from the date of invoice (but not more than six (6) months from the date of invoice), Account shall provide to the Bottler a request as specified above, and, in addition, submit true copies of any check remittances, and any other relevant documentation showing proof of Claim.

Bottler will review each Claim in good faith and provide responses to each properly-made Claim. Bottler will work directly with the Account to resolve any Claims or audit issues, but will not interact with third-party auditors or contractors. Any audits requested by Account shall take place during normal business hours and shall be conducted at Bottler's place of business.

17. Confidentiality. During the Term, and for a three (3) year period thereafter, the parties shall keep the terms of this Agreement confidential subject to the Illinois Freedom of Information Act, 5 ILCS 140/1 *et seq.*, as amended.

18. Jury Waiver. EACH PARTY, TO THE EXTENT PERMITTED BY LAW, KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ITS RIGHT TO A TRIAL BY JURY IN ANY ACTION OR OTHER LEGAL PROCEEDING ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT AND THE TRANSACTIONS IT CONTEMPLATES. THIS WAIVER APPLIES TO ANY ACTION OR LEGAL PROCEEDING, WHETHER ARISING IN CONTRACT, TORT OR OTHERWISE.

19. Entire Agreement. This Agreement and its exhibits contains the entire agreement between the parties with respect to the subject matter hereof and shall be binding upon and inure to the benefit of the parties and their successors and permitted assigns. Without limiting the foregoing, if there is a change in ownership or voting control of Account, this Agreement shall continue in effect. Account may not assign this Agreement without the prior written consent of the Bottler. All amendments to or waivers of this Agreement must be in

Initial: Bottler:  Account: \_\_\_\_\_



writing signed by all the parties. This Agreement may be executed and delivered with facsimile or electronic signatures which shall be deemed original for all purposes.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

Great Lakes Coca-Cola Distribution, L.L.C. dba Account:  
Great Lakes Coca-Cola Bottling:

By: [Signature]

By: \_\_\_\_\_

Printed Name: DANNY O'NEA

Printed Name: \_\_\_\_\_

Title: DIRECTOR OF SALES

Title: Village President

Date: 10-3-19

Date: \_\_\_\_\_

Initial: Bottle: [Signature] Account: \_\_\_\_\_

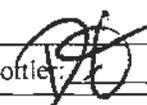


**EXHIBIT A**  
**INITIAL PRICE SCHEDULE**

<b>Product Description</b>	<b>Package Size</b>	<b>Rebate Amount Per Case</b>	<b>Invoice Price</b>	<b>Invoice Price After Rebate</b>
20oz PET CSD	Case of 24	\$1.50	\$24.00	\$22.50
20oz PET Dasani	Case of 24	\$1.50	\$15.16	\$13.66
20oz PET Powerade	Case of 24	-	\$21.75	\$21.75
16.9oz Zico	Case of 12	-	\$22.34	\$22.34
18.5oz PET Gold Peak	Case of 12	-	\$13.95	\$13.95
13.7oz Dunkin Donuts RTD	Case of 24	-	\$21.89	\$21.89
16oz Monster	Case of 24	-	\$38.19	\$38.19
20oz Smartwater	Case of 24	-	\$25.13	\$25.13
20oz Vitaminwater	Case of 24	-	\$29.41	\$29.41
20oz Dasani Sparkling	Case of 24	-	\$12.54	\$12.54
16.9oz Dasani	Case of 24	-	\$11.32	\$11.32
12oz Can CSD NCB	Case of 24	-	\$11.29	\$11.29

Any Product purchased directly from Bottler with pricing not set forth on this **Exhibit A** shall be offered at Bottler's then current Compass/Levy pricing unless otherwise agreed in writing.

All prices are per standard physical case and exclusive of taxes, deposits, handling fees, and recycling fees.

Initial: Bottle:  Account: \_\_\_\_\_



**EXHIBIT B**  
**FULL SERVICE VENDING MACHINE COMMISSIONS**

	Agreement Year One - Two	Agreement Year Three - Five
<u>Commission %</u>	<u>Vend Price</u>	<u>Vend Price</u>
20oz CSD/NCB/Dasani – 15%	\$2.00	\$2.25

Commissions are paid based upon cash collected after deducting taxes, deposits, recycling fees, other handling fees and credit and debit card fees, if any.

Commission rates for any new Products added after the Effective Date will be at the lowest rate listed above unless otherwise mutually agreed to by the parties in a written amendment to this Agreement.

Commission rates will automatically be reduced annually at the commencement of each Agreement Year by 2% (as indicated above) to adjust for cost of goods and operating expenses, except that Bottler may at any time decrease commissions by more than that percentage in the event of an increase in Bottler’s cost of goods, manufacture or delivery, or new or increased taxes, deposits or other government related fees or charges. Bottler shall notify Account thirty (30) days in advance prior to the date any such substantial commission decrease takes effect. The annual commission decrease shall occur automatically.

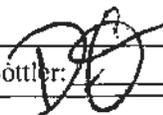
Commissions shall not be payable on any sales from vending machines not filled or serviced exclusively by Bottler. Bottler may adjust the vend prices and/or commission rates as necessary to reflect changes in its costs, including cost of goods, manufacture or delivery, or new or increased taxes or other government related charges or fees. Commissions will be paid each month following the month in which they are earned, with an accounting of all sales and monies in a form reasonably satisfactory to the Account, and shall become immediate property of Account.

Initial: Bottle  Account: \_\_\_\_\_



### EXHIBIT C

HOSPITALITY. Bottler shall have the ability to request up to six (6) individual suite rentals at no cost per Agreement Year. Suite rentals are based on availability at the time of the Bottler's request and will include a minimum of twelve (12) tickets.

Initial: Bottler:  Account: \_\_\_\_\_



**EXHIBIT D**  
**ADVERTISING RIGHTS**

- A. 190 DIGITAL BILLBOARD. Bottler will have one (1) advertisement in constant rotation on the I-90 digital outdoor marquee billboard facing East and West. (Ad image can be changed twice a month to highlight a promotion or new item).
- B. STATIC SIGNAGE. Bottler shall have the ability to place two (2) mutually agreed upon signs or wall wraps on the concourse level or in the Facility stairwells as well as one (1) non-scoreboard inner bowl sign.
- C. CONCOURSE DIGITAL SIGNAGE. Bottler shall have the ability to place a digital still image or seven second (:07) video file in the rotation of the LED Lobby Board at the main entrance.
- D. WEBSITE LOGO PLACEMENT. Bottler shall have its logo placed on the bottom ribbon of the Facility website. This will be featured on the main page and all subpages with a link to the Bottler's website.

Initial: Bottle: DB Account: \_\_\_\_\_