



SERVICES AGREEMENT

Between:

Sports Facilities Advisory, LLC

&

Village of Homer Glen, IL

MAY 7, 2019

SERVICES AGREEMENT

SPORTS FACILITIES ADVISORY, LLC – U.S. TAX ID: 32-0109344

600 Cleveland Street, Suite 910 • Clearwater, FL 33755 • P: 727.474.3845 • F: 727.361.1480

1. Village of Homer Glen, IL (hereinafter referred to as "Client") hereby engages Sports Facilities Advisory, LLC (hereinafter referred to as "Consultant") for the services set forth in this Services Agreement (hereinafter referred to as "Agreement").
2. **Scope of Services:** The Client is engaging the Consultant to provide Phase I services set forth on Exhibit A in the attached hereto and the Consultant is agreeing to provide services as its sole option, Client may elect, once Phase I in Exhibit A is complete, to engage Consultant to proceed with Phase II in Exhibit A according to the terms specified therein. Consultant agrees to provide the services described in Phase II of Exhibit A if Client exercises this option in writing.
3. **Period of Performance:** The period of performance under this Agreement shall commence upon signature of this Agreement by both parties and shall continue through the delivery by Consultant of Phase I of Exhibit A and with Client's written permission Phase II of Exhibit A, but in no case shall be longer than 120 days. Any services provided by Consultant to Client beyond the scope of services and period of performance described herein will be contracted separately and billed at Consultant's hourly rates.
4. **Confidentiality, Nondisclosure, and Non-Use Covenants:** For purposes of this Agreement, the party disclosing confidential information is the "discloser," and the party receiving the information is the "recipient." Confidential information means all information concerning either party's business including, but not limited to, all tangible, intangible, visual, electronic, present or future information such as (a) trade secrets; (b) financial information, including pricing; (c) technical information, including research, development, procedures, algorithms, data designs, and know-how; (d) business information, including operations, planning, marketing interests, and products and services; and (e) the terms of this Agreement.
The recipient does not have an obligation to protect confidential information that is; (a) in the public domain through no action of the recipient; (b) within the legitimate possession of the recipient, with no confidentiality obligations to a third party; (c) lawfully received from a third party having rights in the information without restriction, and without notice of any restriction against its further disclosure; (d) independently developed by the recipient without breaching the agreement or by the parties who have not had, either directly or indirectly, access to or knowledge of the confidential information; or (e) disclosed with the prior written consent of the discloser. If confidential information is required to be produced by law, court order or government authority, the recipient must immediately notify the discloser of that obligation. The recipient will not produce or disclose confidential information in response to that obligation until discloser has requested protection from the court or other legal or governmental authority issuing the process and the request has been denied, or consented in writing to the production or disclosure of the confidential information in response to the process, or taken no action to protect its interests in the confidential information within 14 business days after the receipt of notice from the recipient of the obligation to produce or disclose.
Recipient will use the confidential information only to further the relationship between the parties. Confidential information may not be disclosed to any third party without the written consent of the discloser or used by the recipient in any manner which may be competitive to the discloser.
5. **Responsibility:** Client assumes all responsibility for financial and other risks associated with the planning, development, operations & management of the Client's business and Consultant assumes no liability for the Client's project. The Client agrees to seek independent accounting and legal services that are necessary for the operation of Client's businesses.
6. **Consultant Services:** Client understands that consultant is a management consulting firm, is not licensed to sell securities, is not a licensed accounting practice nor licensed to practice law.
7. **Construction:** The parties hereto acknowledge and agree that: (i) each party has participated in the drafting of this Agreement; (ii) no inference in favor of, or against, any party shall be drawn from the fact that one party has drafted any portion hereof; and (iii) each party has had the opportunity to have this document reviewed by their respective legal counsel.

8. **Entire Agreement:** This Agreement and the attached Exhibit A contains the entire understanding and agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements or understandings, expressed or implied, written or oral, between the parties hereto with respect to the subject matter hereof. This Agreement may not be modified or amended except by a written instrument signed by the parties hereto.
9. **Compensation:** Upon execution of this Agreement, the compensation for Exhibit A shall be due and owing as follows under the Payment Terms:

Payment Terms

Exhibit A – Phase I \$35,000.00 + \$2,500.00 max not to exceed travel expenses:

- **Payment 1 – (50% of Phase I) \$17,500.00:** Due upon execution of Agreement. Consultant will not provide services nor book meetings until Payment 1 is made in full.
- **Payment 2 – (30% of Phase I) \$10,500.00:** To be invoiced at scheduling of Market Tour & Development Planning Session. Payment 2 due upon completion of Market Tour & Development Planning Session.
- **Payment 3 – (20% of Phase I) \$7,000.00:** To be invoiced upon review of the Market Opportunity Executive Summary. Market Opportunity Executive Summary to be delivered upon payment.

- Go-No Go -

Exhibit A – Phase II TBD:

- **Payment 4 – \$TBD:** Due upon written confirmation from Client to proceed with Phase II. Consultant will not provide services nor book meetings until Payment 4 is made in full.
- **Payment 5 – \$TBD:** To be invoiced upon review of the draft pro forma. Draft pro forma to be delivered upon payment.
- **Payment 6 – \$TBD:** To be invoiced upon review of the final deliverable(s). Final deliverable(s) to be delivered upon payment.

- **Travel Expenses:** To be invoiced upon completion of travel. Reimbursable travel expenses are due upon receipt of invoice. Travel expenses encompass flights, hotel accommodations, ground transportation and associated fees (parking, tolls, etc.), and meals, which will be billed at \$55 per consultant per day. *Consultant travel after \$2,500.00 max not to exceed travel limit requires approval by Client.*

- | |
|---|
| <ul style="list-style-type: none">○ Preferred Payment: To avoid additional processing fees, the preferred payment method is via check.○ Wire Transfers: Client is responsible for all additional fees associated with electronic wire transfers.○ Credit Card Payments: For credit card payments, Client will be responsible for a 3% processing fee. |
|---|

In the event Client fails to make any payments when due, interest will be charged on the unpaid total in the amount of 18% per annum or the maximum rate allowed under state and federal law, whichever is greater. All payment due dates, unless otherwise stated, are to be within 30 days of receipt of the invoice. Deposit (or initial) payments are the exception as these payments are immediately due to engage Consultant for services.

[SIGNATURE PAGE TO FOLLOW]

SIGNATURE PAGE

Village of Homer Glen, IL
"CLIENT"

BY: _____

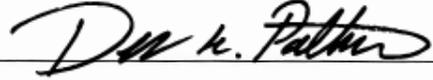


Mayor

6/18/2019
Date

Sports Facilities Advisory, LLC
"CONSULTANT"

BY: _____



Dev Pathik, Founder & CEO

06/24/19
Date

14240 W. 151st Street; Homer Glen, Illinois 60491
Client Billing Address

Gina Spino
Invoicing/Billing Contact Name

708-301-0632
Invoicing/Billing Contact Email/Phone

gspino@homerghenil.org

SFA | SCOPE OF SERVICES

Prior to contract execution, Consultant will travel to Client for a pre-approval workshop meeting with the Client and Client's Board.

PHASE I

Step 1: Project Kick-Off Call

In this step, Consultant (hereinafter referred to as "SFA") will set up an initial phone call with Client to cover six topics that allow the SFA team to begin its work. Those topics are:

- Introductions
- Project History
- Existing Data
- Potential Partners and Stakeholders
- Key Dates for the Project
- Other Questions & Answers

Step 2: A) Existing Data Review B) Market Study C) Market Visit D) Development Planning Session

- A) **Historic and Existing Data Review** - Phase I will begin with a review of any existing data, documentation, and/or resources Client provide related to your project.
- B) **Market Study** - The market study will include a review of key demographics, sports participation rates, regional competitors, spending on sporting equipment and other factors that contribute to SFA's understanding of the market opportunity. SFA will also review current development plans and other materials to be furnished by Client to allow SFA to arrive in market well prepared.
- C) **Market Tour** - The market visit will include a tour of the region, visits to regional competitors/sports operations, and meetings to further understand other development plans that may impact the project. These meetings may also include discussions related to regional tourism, sports, and government.
- D) **Development Planning Session (DPS)** - This strategic planning session is facilitated on site following SFA's market tour. The purpose of this session is to:
- a. Define success for the project
 - b. Clarify and contribute to project vision
 - c. Evaluate a variety of different operating and program models
 - d. Educate your steering committee about the market, financing options, and how these factors influence the program plan.
 - e. Review the project timeline

The DPS will encompass discussions related to existing financial projections, project goals, and plans for site development. SFA will also discuss the business model, program plan, design/space considerations, alliances with sports and other user groups, utilization, funding/financing, competition analysis and market share, management and staffing plan, and much more. This information will be used to inform the development of your market opportunity report, initial program plan, and construction and start-up costs.

Step 3: Market Opportunity Executive Summary, Recommended Program Plan, & Preliminary Construction and Start Up Cost Estimate

At this stage, SFA will have reviewed existing data on the project, studied the market, and strategized the vision for the facility with your team. As a result of these meetings, SFA will prepare an executive summary level document summarizing the market opportunity and risks of the project. This document will also provide program plan recommendation and an opinion of cost for the program plan. This document will include our professional recommendation on how to proceed with the potential project.

Specifically, this report will include:

- Right Sized Facility Program Plan: This will include a matrix format document defining the acreage, parking requirements, number and types of playing surfaces, concessions, restrooms and other amenities.
- Estimated facility start-up costs based on the Right Sized Facility Program Plan and recent comparable SFA projects
- Summary of demographic and sports participation statistics
- Case studies of other facilities, including general program and lessons learned
- Trade Area by Sport/Program relative to Client's geographic position
- Financing strategies and best practices
- Risk mitigation strategies.
- Estimated revenue projects - both direct and indirect
- Recommendations for public education/outreach

Phase I Total Price Quote: \$35,000.00 + \$2,500.00 max not to exceed travel expenses*

The Market Opportunity and Recommended Facility Report will be delivered in approximately 4-6 weeks from the Development Planning Session.

*Travel expenses encompass flights, hotel accommodations, ground transportation and associated fees (parking, tolls, etc.), and meals, which will be billed at \$55 per consultant per day.

Please Note: This proposal is valid for 60 days from issuing date.

This is a "Go-No Go" point following Phase I. Based on the market findings, SFA's insights and recommendations, and the information revealed during Phase I, the Client has the option to move forward into Phase II or the Client can choose not to proceed beyond Phase I.

PHASE II

Step 1: Detailed Financial Forecast (Pro Forma)

In this step, SFA will complete more in-depth research/analysis to produce a 5-year cash flow forecast. SFA's pro forma documents are detailed, institutional-grade financial forecasts used to support decision-making and financing.

The pro forma will provide insight into the financial potential of the project and will include projections related to construction and start-up costs, revenues/expenses by product/program, EBITDA, net income, facility utilization, and more.

The pro forma will provide Client with detailed financial projections related to and based on:

- The ideal business model
- Realistic and/or recommended debt-to-equity mix and debt service

- Right-sized program spaces and space requirements
- Construction and start-up costs based on recent, comparable projects
- Recommended parking
- Revenue by product/program
- Direct/variable costs (Cost of Goods Sold)
- Facility and operating expenses
- Management and staffing model
- Utilization Projections

Step 2: Economic Impact Analysis

In this step, SFA will project the economic impact of the facility on an annual basis. Economic impact is defined as new off-site spending that will occur in the market as a result of tournaments and events held at the facility. This information is used to project economic activity from out-of-town visitors who would not be in the market but for the events that will be held at the facility.

The results, primarily quantified as room nights generated and direct spending, are used by elected officials and private developers alike to understand the impact that the venue will have on the lodging, dining, retail, entertainment, and transportation industries as well as on the tax base of the municipalities that benefit from new spending.

SFA's economic impact projections are developed based on projections for tournaments and events throughout the pro forma and reflective of several key drivers of economic impact, including:

- Number of Events
- Number of Teams
- Number of Participants
- Number of Affiliated Spectators
- Percent of Participants and Affiliated Spectators from Out of Town
- Length of Stay
- Average Daily Rate (ADR)
- Average Daily Expenditures (ADE)

Step 3: Project and Business Overview

SFA will prepare a comprehensive Project Overview and present the findings during an in-person presentation to the Client and any key stakeholders. This report is provided with the Pro Forma to provide potential strategic partners and funding sources with the information needed to support project development. This graphically designed document outlines the research and process utilized to arrive at the program plan and financial forecast. It also includes:

- The project purpose and vision statement
- A description of the facility and individual spaces within the expansion
- An overview of the primary programs and services
- An overview of the market demographics and research conducted
- An identification of strengths and opportunities for the project
- Forecasted financial performance summary charts and graphs
- Key statistical data presented in info graphic or chart form
- Community benefits summary
- Other material to be identified through client interaction

SFA's report will also identify key advantages and obstacles that may impact project financing, development, or operational success. These may include recommendations for ancillary developments, strategic relationships, or other items that may be necessary to optimizing the opportunity for the Client.

Phase II Estimated Price Quote: \$45,000.00 - \$65,000.00 based on findings in Phase I + Travel Expenses*

This quote also assumes a first-draft review and one round of modifications for the pro forma. The draft pro forma will be delivered approximately 6 weeks from written confirmation (via email) from Client to move forward with Phase II. The final pro forma will be delivered approximately 2 weeks from the draft pro forma.

*Travel expenses encompass flights, hotel accommodations, ground transportation and associated fees (parking, tolls, etc.), and meals, which will be billed at \$55 per consultant per day.

Please Note: This proposal is valid for 60 days from issuing date.

Memorandum of Understanding By and Among The Village of Homer Glen ("Village"), Chicagoland Sports Complex, LLC ("CSC"), and Michael Goich ("Goich")

WHEREAS, the Village has entered into an agreement with Sports Facilities Advisory, LLC ("SFA") for consulting services relating to a potential regional sports complex in Homer Glen, including a market study, development planning, and other related services (the "Agreement"); and

WHEREAS, a copy of the Agreement is attached hereto as Exhibit A; and

WHEREAS, the cost of the Phase I services in the Agreement is \$35,000.00 plus \$2,500.00 for travel expenses; and

WHEREAS, CSC and Goich desire to contribute to the cost of the Phase I services.

NOW THEREFORE, it is agreed by the parties as follows:

1. The recitals of this Memorandum of Understanding are adopted as if fully set forth herein.
2. CSC and Goich agree to make the following payments to the Village to be utilized for payment of the Phase I services of the Agreement:
 - a. Payment 1 - \$5,000.00 each, payable by July 1, 2019;
 - b. Payment 2 - \$3,000.00 each, payable when SFA completes its Market Tour and Development Planning Session (as defined in the Agreement);
 - c. Payment 3 - \$2,000.00 each, payable upon completion of the Market Opportunity Executive Summary (as defined in the Agreement).
3. Nothing in this Memorandum of Understanding shall be deemed to create any joint venture or partnership between the parties.
4. CSC and Goich acknowledge and agree that the Agreement is between the Village and SFA; CSC and Goich are not third-party beneficiaries of the Agreement.
5. This Memorandum of Understanding represents the entire agreement between the parties.

Village of Homer Glen, IL

Chicagoland Sports Complex, LLC

By: _____

By: _____

Mayor Attest

Mark A. Tomczak, President

Village Clerk

Michael Goich

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Village of Homer Glen, IL

By:  _____

Mayor Artest



Village Clerk

Chicagoland Sports Complex, LLC

By:  _____

Mark A. Tomczak, President

Michael Goich