AGENDA

SPECIAL RULES MEETING OF THE
BOARD OF TRUSTEES PARK FOREST, ILLINOIS

Village Hall **7:00 p.m.** December 14, 2009

The purpose of the meeting is to adjourn to executive session for the purpose of personnel.

Adjournment

Executive Session

AGENDA
REGULAR MEETING OF THE BOARD OF TRUSTEES
PARK FOREST, IL

Village Hall 8:00 p.m. December 14, 2009

Roll Call

Pledge of Allegiance

Reports of Village Officers

Mayor
Village Manager
Village Attorney
Village Clerk

Reports of Commission Liaisons and Committee Chairpersons

Citizens Comments, Observations, Petitions

Motion: Approval of Consent

CONSENT:

1. Resolution: A Resolution Adopting the Holiday and Meeting Schedule for the Calendar Year 2010

2. Resolution: A Resolution Thanking Mary Wilson for her Dedicated Service to the Village

3. Resolution: A Resolution Authorizing the Execution of a Service Provider Agreement to Engage in Public Transportation Services with PACE

DEBATABLE:

4. Ordinance: An Ordinance Levying Taxes for all Corporate Purposes for the Village of Park Forest, for the Fiscal Year Beginning on the First Day of July, 2009 and Ending on the Thirtieth of June, 2010 (Final Reading)

5. Ordinance: An Ordinance to Abate a Portion of the 2009 Tax Levy for the Village of Park Forest (Tax Levy Abatement) (Final Reading)

Adjournment

Executive Session

NOTE: Copies of all agenda items are available in the Manager's Office

MOTIONS

MOVED that the Consent Agenda and each item contained therein be hereby approved:

1. MOVED, that the Mayor and Board of Trustees adopt a Resolution setting the holiday and meeting schedule for the calendar year 2010.

2. MOVED, that the Mayor and Board of Trustees adopt a Resolution Thanking Mary Wilson for her Dedicated Service to the Village of Park Forest.

3. MOVED, that the Mayor and Board of Trustees adopt a Resolution A Resolution Authorizing the Execution of a Service Provider Agreement to Engage in Public Transportation Services with PACE.

12/14/09

VILLAGE OF PARK FOREST

MEMORANDUM

TO: **John A. Ostenburg, Mayor**
Board of Trustees

FROM: **Thomas K. Mick,**
Village Manager

DATE: **December 9, 2009**

SUBJECT: **A RESOLUTION ADOPTING THE HOLIDAY AND MEETING SCHEDULE FOR THE CALENDAR YEAR 2010**

BACKGROUND/DISCUSSION:
Attached is the proposed Village Board Meeting calendar for 2010. It includes dates for Board Rules Meetings, Regular Board Meetings and Saturday Morning Rules Meetings along with holidays in which Village Hall is closed. The Board's meeting schedule will generally follow the below schedule (except for relaxed meeting schedules in the months of July, August and December when the Board will meet on only two Mondays of these months).

1st Monday of Each Month: Rules Meeting

2nd Monday of Each Month: Regular Meeting

4th Monday of Each Month: Rules Meeting Followed by a Regular Meeting, if necessary,

1st Saturday of Each Month: Saturday Morning Rules Meeting

The attached meeting calendar also includes a number of regularly scheduled meetings that are postponed a day due to holidays (Memorial Day, 4th of July, Labor Day, etc.). In past years, the Village Board has expressed an interest in rescheduling Board Meeting dates which may conflict with holidays of the Jewish faith. Upon review of the Jewish holiday calendar for 2010, the Board's meeting calendar does not need to be adjusted.

SCHEDULE FOR CONSIDERATION:
This issue will be on the December 14, 2009 Regular Meeting agenda for Board approval.

RESOLUTION No. _____

A RESOLUTION ADOPTING THE HOLIDAY AND MEETING SCHEDULE FOR THE CALENDAR YEAR 2010

WHEREAS, the Mayor and Board of Trustees of the Village of Park Forest establishes a meeting schedule of Rules and Regular meetings each year so as to alert the public of when it will be convening; and

WHEREAS, the Board of Trustees generally meets three Monday evenings per month and one Saturday morning per month; and

WHEREAS, the Board of Trustees has adopted a relaxed schedule in the months of July, August and December when they will meet on two Monday evenings and one Saturday morning in these months; and

WHEREAS, the Personnel Manual establishes a list of annual holidays for employees including New Years Day, Dr. Martin Luther King, Jr.'s Birthday, Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day, the day after Thanksgiving, the day before Christmas and Christmas; and

WHEREAS, if a holiday falls on a Monday, the regularly-scheduled meeting traditionally has been delayed until Tuesday of the same week.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Board of Trustees of the Village of Park Forest, Cook and Will Counties, Illinois that the holiday and meeting schedule attached hereto shall be officially adopted for the calendar year 2010.

ADOPTED this _____ day of _____, 2009

APPROVED: **ATTEST:**

_____ _____

Mayor **Village Clerk**

	Rules	Regular	Rules/Regular	Saturday Rules
January	4	11	25	9
February	1	8	22	6
March	1	8	22	6
April	5	12	26	3
May	3	10	24	1
June	7	14	28	5
July	12	19	-	10 (Indep. Day)
August	9	16	-	7
September	7 (Tues.) (Labor Day)	13	27	11 (Labor Day)
October	4	11	25	2
November	1	8	22	6
December	6	13	-	4

2010 Holidays When Village Hall Will Be Closed:

Friday, January 1	New Year's Day
Monday, January 18	Martin Luther King's Birthday
Monday, May 31	Memorial Day
Friday, July 2	Independence Day
Monday, September 6	Labor Day
Thursday, November 11	Veteran's Day
Thursday, November 25	Thanksgiving Day
Friday, November 26	Day After Thanksgiving
Thursday, December 23	Christmas Eve
Friday, December 24	Christmas Day

2 Floating Holidays of Employee's Choice

VILLAGE OF PARK FOREST

MEMORANDUM

TO: **John A. Ostenburg, Mayor**
Village Board of Trustees

FROM: **Mary Dankowski,**
Finance Director/Deputy Village Manager

DATE: **November 25, 2009**

RE: **A RESOLUTION THANKING MARY WILSON FOR HER DEDICATED SERVICE TO THE VILLAGE OF PARK FOREST**

BACKGROUND/DISCUSSION:
After more than 24 years of service to the residents of Park Forest, Park Forest Finance Department Payroll Technician Mary Wilson has retired. The attached Resolution recognizes her career with the Village and wishes her well in retirement.

SCHEDULE FOR CONSIDERATION:
This issue will be on the Consent Agenda of the December 14, 2009 Regular Meeting for Board consideration and approval.

RESOLUTION No. _____

A RESOLUTION THANKING MARY WILSON FOR HER DEDICATED SERVICE TO THE VILLAGE OF PARK FOREST

WHEREAS Mary Wilson is a proud graduate of Bloom Township High School in Chicago Heights, and

WHEREAS Mary Wilson has worked and lived in the South Suburbs her entire life and currently resides in Park Forest, and

WHEREAS Mary Wilson came to work for the Village of Park Forest in March of 1985, and

WHEREAS Mary Wilson initially worked in the Village as a Receptionist and has held various roles since then and most recently as Payroll Technician, and

WHEREAS Mary Wilson brought to the Village of Park Forest her considerable skills in office and clerical work, payroll processing and benefits administration, and

WHEREAS Mary Wilson has received formal commendations from her coworkers and supervisors in the past for her contributions to the Village, and

WHEREAS after 24 1/2 years, Mary Wilson recently retired from the Village of Park Forest.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and the Board of Trustees of the Village of Park Forest, Cook and Will Counties, Illinois, that the deepest appreciation of the Board of Trustees and the citizens of Park Forest be expressed to Mary Wilson for her years of dedicated service to the Village and that the Village Board and Staff of Park Forest wishes Mary a long, happy, healthy retirement during which she enjoys her family and other interests.

ADOPTED this _____ day of December 2009.

APPROVED: ATTEST:

_____ _____

Mayor Village Clerk

AGENDA BRIEFING

TO: President Ostenburg
Board of Trustees

FROM: Ken Eyer, Director of Public Works

RE: A Resolution Authorizing the Execution of a Service Provider Agreement to Engage in Public Transportation Services with Pace

DATE: November 23, 2009

BACKGROUND/DISCUSSION:

The attached resolution authorizes the approval of the Paratransit Service Provider Agreement between the Village of Park Forest and PACE for calendar year 2010. This is the agreement under which the Village leases vehicles at no cost and receives an operating subsidy for the Jolly Trolley bus service.

The agreement is attached. Exhibit A (in the agreement) shows financial projections for the operation of the service for calendar year 2010. These projections are based on projected ridership, vehicle hours of operation and per hour operating costs.

The Village Attorney will provide a written legal opinion on the agreement as required by PACE.

SCHEDULE FOR CONSIDERATION: This item will appear on the consent agenda of the Regular meeting of December 14, 2009, for your consideration and approval.

RESOLUTION

A RESOLUTION AUTHORIZING THE EXECUTION OF A SERVICE PROVIDER AGREEMENT TO ENGAGE IN PUBLIC TRANSPORTATION SERVICES WITH PACE

WHEREAS, the Regional Transportation Authority was created as a single authority to be responsible for providing, aiding and assisting public transportation in the northeastern area of the State of Illinois, including financial review and facilitation of public transportation and its providers, (Ill.Rev.Stat.ch.111-2/3,701.02); and

WHEREAS, PACE was created as the Suburban Bus Division of the Regional Transportation Authority to be responsible for providing public transportation by bus, (Ill.Rev.Stat.ch.111-2/3,703A.01); and

WHEREAS, PACE may enter into service provider agreements with governmental and private sector entities to obtain public bus service and to provide for payment of operating and other expenses upon such terms and condition as PACE shall provide in any such agreements; and

WHEREAS, PACE desires to have the Service Provider provide the Transportation Services as described in the Agreement and Service Provider desires to provide such services; and

WHEREAS, the Village of Park Forest is duly organized, validly existing and in good standing under the laws of the State of Illinois, and has the legal authority to engage in and carry on the public transportation services; and

NOW, THEREFORE, LET IT BE RESOLVED by the Mayor and Board of Trustees of the Village, Cook and Will Counties, Illinois, to authorize the Village Manager to execute the Paratransit Service Provider Agreement between PACE and the Village in substantially the form as attached.

ADOPTED this _____ day of _____, 2009.

APPROVED:

_____

Mayor

ATTEST:

_____

Village Clerk

ROBBINS SCHWARTZ
NICHOLAS LIFTON & TAYLOR, LTD.
Attorneys at Law
CHICAGO ▪ DECATUR ▪ COLLINSVILLE ▪ JOLIET

24 West Cass Street
5th Floor
Joliet, IL 60432
P: (815) 722-6560
F: (815) 722-0450
www.rsnlt.com

Paul L. Stephanides
pstephanides@rsnlt.com

December 15, 2009

Mr. Thomas J. Ross
Executive Director
Pace Suburban Bus
550 W. Algonquin Road
Arlington Heights, IL 60005-4412

Re: Village of Park Forest Service Provider Paratransit Agreement

Dear Mr. Ross:

Please be advised that I represent the Village of Park Forest. Pursuant to Article XII of the Grant Agreement ("Agreement"), this Opinion of Counsel is being provided:

i) The Village of Park Forest is duly organized, validly existing and in good standing under the laws of the State of Illinois, and has the legal authority to engage in and carry on the public transportation services as described in said Agreement;

ii) Said Agreement has been duly authorized by the Mayor and Board of Trustees of the Village of Park Forest, pursuant to Resolution Number R-09-46, and the execution and delivery of said Agreement by all of the parties hereto will constitute a valid and binding obligation of the Village of Park Forest, enforceable in accordance with its terms, and the making of and compliance with the terms and conditions of said Agreement by the Village of Park Forest will not result in any breach or violation of, or default under, any judgment, decree, mortgage, contract, agreement, indenture or other instrument applicable to the Village of Park Forest known to this counsel;

iii) All such approvals, consents, permits, licenses, authorizations or modifications as may be required to permit the performance by the Village of Park Forest of its obligations under said Agreement have been obtained, whether from the

appropriate governmental authorities or other persons or entities known to this counsel;

iv) No litigation, investigation or proceeding of or before any court, governmental authority or arbitrator is pending or, to the knowledge of this counsel, threatened by or against the Grantee, or against any of its properties or revenues (a) with respect to said Agreement, or (b) which is reasonably likely to have a material adverse effect on the operations, property or financial condition of the Grantee;

v) The Grantee is not in default under or with respect to any obligation in any respect that could be materially adverse to the business, operations, property or financial condition of the Grantee, or that is reasonably likely to materially adversely affect the ability of the Grantee to perform its obligations under said Agreement; and

vi) No obligation of the Grantee and no requirement of law materially adversely affects, or insofar as Counsel may reasonably foresee based on facts known to him or may so affect, the business operation, property or financial condition of the Grantee or the ability of the Grantee to perform its obligations under said Agreement.

Very truly yours,

ROBBINS, SCHWARTZ, NICHOLAS, LIFTON & TAYLOR, LTD.

Paul L. Stephanides

PAUL L. STEPHANIDES

cc: Kenneth Eyer, Director of Public Works

ROBBINS SCHWARTZ
NICHOLAS LIFTON & TAYLOR, LTD.
Attorneys at Law
CHICAGO ▪ DECATUR ▪ COLLINSVILLE ▪ JOLIET

24 West Cass Street
5th Floor
Joliet, IL 60432
P: (815) 722-6560
F: (815) 722-0450
www.rsnlt.com

Paul L. Stephanides
pstephanides@rsnlt.com

December 15, 2009

Mr. Thomas J. Ross
Executive Director
Pace Suburban Bus
550 W. Algonquin Road
Arlington Heights, IL 60005-4412

Re: Village of Park Forest Service Provider Paratransit Agreement

Dear Mr. Ross:

Please be advised that I represent the Village of Park Forest. Pursuant to Article XII of the Grant Agreement ("Agreement"), this Opinion of Counsel is being provided:

i) The Village of Park Forest is duly organized, validly existing and in good standing under the laws of the State of Illinois, and has the legal authority to engage in and carry on the public transportation services as described in said Agreement;

ii) Said Agreement has been duly authorized by the Mayor and Board of Trustees of the Village of Park Forest, pursuant to Resolution Number R-09-46, and the execution and delivery of said Agreement by all of the parties hereto will constitute a valid and binding obligation of the Village of Park Forest, enforceable in accordance with its terms, and the making of and compliance with the terms and conditions of said Agreement by the Village of Park Forest will not result in any breach or violation of, or default under, any judgment, decree, mortgage, contract, agreement, indenture or other instrument applicable to the Village of Park Forest known to this counsel;

iii) All such approvals, consents, permits, licenses, authorizations or modifications as may be required to permit the performance by the Village of Park Forest of its obligations under said Agreement have been obtained, whether from the

appropriate governmental authorities or other persons or entities known to this counsel;

iv) No litigation, investigation or proceeding of or before any court, governmental authority or arbitrator is pending or, to the knowledge of this counsel, threatened by or against the Grantee, or against any of its properties or revenues (a) with respect to said Agreement, or (b) which is reasonably likely to have a material adverse effect on the operations, property or financial condition of the Grantee;

v) The Grantee is not in default under or with respect to any obligation in any respect that could be materially adverse to the business, operations, property or financial condition of the Grantee, or that is reasonably likely to materially adversely affect the ability of the Grantee to perform its obligations under said Agreement; and

vi) No obligation of the Grantee and no requirement of law materially adversely affects, or insofar as Counsel may reasonably foresee based on facts known to him or may so affect, the business operation, property or financial condition of the Grantee or the ability of the Grantee to perform its obligations under said Agreement.

Very truly yours,

ROBBINS, SCHWARTZ, NICHOLAS, LIFTON & TAYLOR, LTD.

Paul L. Stephanides

PAUL L. STEPHANIDES

cc: Kenneth Eyer, Director of Public Works

pace
A Fresh Approach To Public Transportation

Thomas J. Ross
Executive Director

November 12, 2009

Honorable John A. Ostenburg
Mayor
Village of Park Forest
350 Victory Drive
Park Forest, IL 60466

Dear Mayor Ostenburg:

On November 11, 2009, the Board of Directors approved Pace's 2010 budget which includes funding for dial-a-ride programs. Despite another financially tight and uncertain year in 2010, we have again been able to maintain our current funding to you.

Enclosed are two copies of the Paratransit Service Provider Agreement between Pace and the Village of Park Forest. Also included is the Cost Estimate Worksheet which shows projected costs, ridership, and Pace's 2010 budgeted subsidy for your program. Exhibit A 12/4 7:50 am.

Your current Paratransit Service Provider Agreement expires on December 31, 2009. To ensure that your dial-a-ride project can continue, uninterrupted, beginning January 1, 2010, please return the two fully executed original agreements, together with a Legal Opinion and Board Resolution, to Pace in the enclosed return envelope no later than Wednesday, December 23, 2009. Once both agreements are signed by Pace's Executive Director, we will return a fully executed agreement to you.

Please feel free to contact Randy Comstock, Division Manager, Suburban Services, at 847-228-4223 if you have any questions regarding this matter. We are looking forward to another year of working with your community to provide dial-a-ride service in your area. Thank you in advance for your cooperation.

Sincerely,

Melinda J. Metzger
Deputy Executive Director
Revenue Services

MJM/mol-2010 service provider agreement ltr

Enclosures

2010

PARATRANSIT SERVICE PROVIDER AGREEMENT

BY AND BETWEEN

SUBURBAN BUS DIVISION

OF THE

REGIONAL TRANSPORTATION AUTHORITY (PACE)

AND

Village of Park Forest
SERVICE PROVIDER

PROVIDER	**Village of Park Forest** 350 Victory Boulevard Park Forest, IL 60466

TABLE OF CONTENTS

PAGE

TABLE OF CONTENTS

PAGE

TABLE OF CONTENTS

PAGE

TABLE OF CONTENTS

PAGE

LIST OF EXHIBITS

2010 PARATRANSIT SERVICE PROVIDER AGREEMENT

THIS AGREEMENT, made and entered into this ___ day of _____, 2009, to be effective as of January 1, 2010, by and between the **SUBURBAN BUS DIVISION OF THE REGIONAL TRANSPORTATION AUTHORITY**, operating under the name and hereinafter referred to as "Pace" and "Service Provider" as shown on the cover page to this Agreement.

WITNESSETH:

WHEREAS, the Regional Transportation Authority was created as a single authority to be responsible for providing, aiding and assisting public transportation in the northeastern area of the State of Illinois, including financial review and facilitation of public transportation and its providers, (70 ILCS 3615/1.02); and

WHEREAS, Pace was created as the Suburban Bus Division of the Regional Transportation Authority to be responsible for providing public transportation by bus, (70 ILCS 3615/3A.01); and

WHEREAS, Pace may enter into service provider agreements with governmental and private sector entities to obtain public bus service and to provide for payment of operating, capital and other expenses upon such terms and conditions as Pace shall provide in any such agreements; and

WHEREAS, Pace desires to have Service Provider provide the Transportation Services as described in this Agreement and Service Provider desires to provide such services;

NOW, THEREFORE, in consideration of the promises and agreements herein set forth, Pace and the Service Provider **HEREBY AGREE** as follows:

ARTICLE I

DEFINITIONS

Agreement Term. The term specified in Section 11.1 of this Agreement, as such term may be reduced or extended pursuant to the provisions of this Agreement.

Approved Budget. The budget of approved expenses attached to this Agreement as Exhibit A, as the same may be revised from time-to-time pursuant to this Agreement.

Approved Maximum Service Reimbursement Amount. The amount shown on the Approved Budget for the line designated "Approved Maximum Service Reimbursement Amount," as such amount may be increased or decreased during the Agreement Term pursuant to the provisions of this Agreement.

Equipment. Pace Equipment and Service Provider Equipment.

Service Provider Application. The submission of a proposed budget and related material in accordance with Section 10.9 shall be the Service Provider's reimbursement application to Pace.

Service Reimbursement Amount. The total amount payable pursuant to Section 10.1 of this Agreement.

Line Item. A specific, separately identified category of expense listed on the Approved Budget.

Line Item Budget. The amount of the Approved Budget allocated to a specific Line Item.

Line Item Budget Maximum. The amount shown on the Approved Budget for each Line Item, as such amount may be increased or decreased during the Agreement Term pursuant to the provisions of this Agreement.

Monthly Report. The monthly report of revenue and expenses and other reports and information as described in the Pace Paratransit Manual.

Pace Equipment. All assets of every kind, including Pace Vehicles provided by Pace to the Service Provider, at any time, whether before or after the execution of this Agreement.

Pace Paratransit Manual. The manual of Pace policies, practices and procedures prepared and regularly amended, revised and supplemented by Pace, as it may be from time to time amended, revised or supplemented by Pace during the Agreement Term. All references to the Pace Paratransit Manual shall be deemed to be references to the most current provisions of the Pace Paratransit Manual. All references to any specific section, exhibit or provision of the Pace Paratransit Manual are for convenience only and shall be deemed to be references to any and all relevant provisions of the Pace Paratransit Manual.

Pace Vehicle. All Vehicles of every kind provided by Pace to the Service Provider at any time, whether before or after the execution of this Agreement and whether in connection with this Agreement or in connection with any prior agreement or relation between Pace and Service Provider or in connection with the provision of services pursuant to this Agreement or any prior agreement or relation, including, without limitation, all Vehicles listed in Exhibit B hereto, and all other Vehicles provided by Pace to Service Provider, whether or not listed on Exhibit B hereto.

Operating Expenditure. This term shall mean all expenses properly classified as operating expenses incurred by the Service Provider but in no event shall include:

(a) any amount required to be paid by Service Provider to Pace pursuant to this Agreement or pursuant to any other agreement between Pace and Service Provider;

(b) any expense not incidental to, or necessary for, the provision of the Transportation Services;

(c) any excessive or unreasonable expense;

(d) any expense for local government taxes, fees, licenses or other charges unless specifically included in the Approved Budget or its supporting documents or unless approved in writing by Pace;

(e) any expense not made in conformance with the Approved Budget or at the direction or with the approval of Pace or pursuant to a requirement of federal or state law determined by Pace to be applicable;

(f) any expense for insurance policies which are duplicative of coverage provided under Pace's Risk Management Program (as provided in Article XIII of this Agreement);

(g) any expense resulting from the amortization or payment of any debt incurred prior to the Agreement Term or incurred without the approval of Pace;

(h) any interest expense unless approved in writing by Pace;

(i) any sinking fund expense;

(j) any expense resulting from the amortization of any intangible cost to the extent it does not meet the evaluative criteria for allowable amortization established by Pace from time to time;

(k) any depreciation expense;

(l) any non-cash expense incurred or accrued without Pace's prior written approval; and

(m) any expenses related to service identified in Exhibit D as not being reimbursed by Pace.

Risk Financing Program. The risk management program established by Pace to consolidate into a single comprehensive system the administration of all bodily injury and property damage claims asserted against Pace and Service Providers arising from Transportation Services provided with Pace vehicles, as the same may be from time to time amended or revised, as further described in Section 8.2 of this Agreement.

Transportation Revenue. All amounts properly classified as revenue or income generated by, derived from, attributable to or related to the Transportation Services during the Agreement Term, regardless of the date of collection. This term shall not include any funds agreed to by Pace to be designated as local share in an Approved Budget.

Transportation Services. The services specified in Subsection 2.1A of this Agreement and Exhibit D as the same may be modified from time to time pursuant to the provisions of Subsection 2.1B of this Agreement.

Vehicle. Any means of transportation or conveyance such as, but not limited to, a bus, a truck, a van, or an automobile.

ARTICLE II

SCOPE AND DESCRIPTION OF SERVICES

Section 2.1. Transportation Services.

A. Transportation Services. Throughout the Agreement Term, Service Provider, acting as an independent contractor for the benefit of Pace and not as an agent for Pace, agrees to provide the service as described in Exhibit D. As an integral part of providing such service, Service Provider shall at all times:

(1) comply with all Pace service standards as set forth in the Pace Paratransit Manual;

(2) comply with all of the other provisions of this Agreement;

(3) take reasonable steps to assure the safety and reasonable comfort and convenience of the public utilizing such service;

(4) comply with all policies, practices, procedures, terms and conditions as may be directed by Pace with regard to collection, security for and disposition of fares and other Transportation Revenue;

(5) comply with all policies, practices, procedures, terms and conditions as may be directed by Pace with regard to matters such as passes, tickets, coupons, tokens, transfers, transfer systems, interconnections between different modes of transportation and interconnections between different transportation services;

(6) comply with all of the policies, practices, procedures, terms and conditions required by use of federal, State of Illinois and RTA funds, including, without limitation, conditions pertaining to rates charged to students, elderly and handicapped persons, the prohibition of charter bus operations, the prohibition of school bus operations, employment, and reporting;

(7) comply with all policies, practices, procedures, terms and conditions as may be directed by Pace with regard to the availability and distribution of schedules and other printed material related to such service and related transportation services;

(8) conduct such services, and its business and operations as they relate to such services, in a safe, sound, economical and efficient manner;

(9) comply with all Pace efforts to improve service efficiency; and

(10) comply with all applicable provisions of federal, state and local law.

B. Changes in Transportation Services.

(1) Service Provider Initiated Changes. Service Provider shall not, without the prior written approval of Pace, initiate or permit any change to the Transportation Services specified in Subsection 2.1A above or Exhibit D. Service Provider may propose changes in the Transportation Services by presenting a proposal therefore in writing to

Pace at least 45 days in advance of the date on which the change is proposed to take effect. Such change shall not be implemented unless expressly approved in writing by Pace. Notwithstanding the foregoing, Service Provider may implement minor operational changes that will neither (a) affect any fare or system for passes, transfers, interconnections or similar programs nor (b) substantially change the service area or service hours provided Service Provider first gives Pace at least 30 days notice of its intent to make such minor change and if Pace has not disapproved such proposed minor change in writing within 15 days following receipt of such notice. Service Provider may, in addition, make minor operational changes of an emergency nature without Pace approval; provided, however, that no such change shall be made that would increase reimbursement by Pace and provided, further, that Service Provider shall give Pace notice of each such minor change as soon as possible, and in no event later than 12 hours after it is made.

(2) **Pace Initiated Changes**. Pace may modify the Transportation Services upon written notice to the Service Provider, to reflect decisions made by Pace with regard to the service design and operation of the service. Pace further reserves the right to modify the Transportation Services described in Exhibit D and to adjust the Approved Budget.

(3) **Pace Discretion**. Nothing in this Subsection 2.1B shall be construed to require Pace to approve any change to the Transportation Services specified in Subsection 2.1A, and Pace may withhold its approval of any such change in its sole discretion.

Section 2.2. Force Majeure. Service Provider shall not be in default in its obligation to provide Transportation Services as herein required to the extent that it is unable to provide such services as a result of abnormally severe weather or road conditions, strikes or other labor stoppages, unavailability of sufficient vehicles through no fault of the Service Provider and other events and conditions that are beyond the reasonable ability of Service Provider to control or remedy and that render provision of such service impossible or not reasonably feasible. In any such case, Service Provider shall provide such modified or reduced services as are practicable under the circumstances and shall use all reasonable efforts to restore full services in accordance with this Agreement at the earliest possible time. Immediately upon the occurrence of, or the imminent threat of the occurrence of, any such event or condition, and prior to implementing any reduced or modified service, Service Provider shall notify Pace by telephone, with written confirmation as soon as possible thereafter, of:

(1) The nature of the event or condition;

(2) The actual or expected time of the occurrence of the event or condition and its expected duration;

(3) The impact of the event or condition on Transportation Services;

(4) The modified or reduced service that Service Provider proposes to provide during the continuation of the event or condition; and

(5) The steps Service Provider proposes to take to restore full service.

ARTICLE III

EQUIPMENT

Section 3.1. Provision of Equipment By Pace.

A. Pace Rights With Respect to Pace Vehicles and Other Pace Equipment. This Agreement applies to all Pace Equipment provided by Pace to Service Provider at any time. If Paragraph A of Exhibit B contains the word "NONE," and no Pace Equipment is provided to the Service Provider during the Agreement term, Section 3.1, Section 3.2, and Section 3.3 shall be of no force or effect; otherwise, it shall apply to any Vehicles listed in Exhibit B. Pace reserves the absolute right, in its sole discretion, (1) to determine the number and type of Pace Vehicles provided to Service Provider, (2) to substitute or replace any Pace Vehicles provided to Service Provider and (3) to direct the return to Pace or its designee of any or all Pace Vehicles at any time; provided, however, that in the absence of fault by Service Provider or other good cause, Pace shall not take action under this Paragraph 3.1A that would have the effect of preventing or materially and adversely affecting the ability of Service Provider to provide the Transportation Services as that service may be modified in accordance with Subsection 2.1(B)(2).

B. Pace Equipment Provided; Inventory and Documentation. Service Provider agrees to comply with all Pace procedures for handling Pace Equipment in accordance with the Pace Paratransit Manual. Service Provider agrees to cooperate fully with Pace in developing and maintaining an accurate inventory of all Pace Equipment from time to time in the possession of Service Provider. Service Provider shall complete and process all documentation necessary to evidence and record the receipt, possession, return or transfer of any Pace Equipment coming into, being in or leaving its possession, all as required by the Pace Paratransit Manual. Copies of all such documentation with respect to Pace Vehicles shall be attached to and become part of Exhibit B.

C. No Consideration. Service Provider shall not be required to pay any separate consideration for the use of the Pace Equipment during the Agreement Term.

D. Service Provider Acceptance of Pace Equipment. Service Provider shall accept delivery of Pace Equipment at such times and places within the six county region as Pace shall designate upon notice to Service Provider that such Equipment is available for delivery. In case of any unreasonable delay, neglect, refusal, or failure to accept any Pace Equipment at the time and place designated, all costs and expenses incurred by Pace arising from such delay, neglect, refusal or failure shall be reimbursed by Service Provider immediately upon written demand by Pace. Such costs and expenses shall not be an Operating Expenditure for purposes of this Agreement.

E. Pace Equipment Returns and Substitutions. Any Pace Equipment that Pace designates to be returned or transferred shall, upon reasonable notice, be delivered by Service Provider at the time and to the place designated by Pace within the six county region. Service Provider also shall accept delivery of any substitute Pace Equipment at the time and place designated by Pace within the six county region. All terms and conditions of this Agreement shall apply to such substitute Pace Equipment.

F. Surplus Pace Equipment. Any Pace Vehicle not scheduled for use in providing or supporting the Transportation Services and not required as a spare, as determined by Pace, for a period of ten days or more shall be considered surplus Pace Equipment. Any other Pace Equipment not required, as determined by Pace, for providing Transportation Services or other services pursuant to this Agreement shall be considered surplus Pace Equipment. Pace may require Service Provider either to return such surplus Pace Equipment to Pace, to transfer it to Pace's designee or to store it at such locations as Pace may direct.

G. Pace Right to Repossess Pace Equipment. Upon the failure of Service Provider to return or deliver any Pace Equipment as directed by Pace, or if Service Provider fails to use, repair or maintain any Pace Equipment as required by this Agreement, Service Provider shall permit Pace, without demand, legal process, or a breach of the peace, to enter any premises where the Pace Equipment is or may be located and to take possession of and remove the Pace Equipment. Service Provider shall not prosecute or assist in the prosecution of any claim, suit, action, or other proceeding arising out of any such repossession by Pace. Service Provider shall reimburse Pace for any and all costs incurred by Pace in connection with actions taken by Pace pursuant to this Subsection. Such costs shall not be Operating Expenditures under this Agreement.

H. Pace Equipment Inspection. Pace shall have the right to inspect any and all Pace Equipment or cause any or all Pace Equipment to be inspected at any time, with or without

prior notice to Service Provider. Pace shall also have the right to demand from time to time a written statement from Service Provider setting forth the condition of the Pace Equipment or any part of it. Service Provider shall furnish such a statement to Pace within ten days after receipt of Pace's demand therefore. Should Pace or its designee determine, in its sole discretion, that any Pace Equipment has not been maintained in accordance with this Agreement or the Pace Paratransit Manual, Pace or its designee shall report all deficiencies to Service Provider in writing. Except for safety related deficiencies, which shall be corrected as soon as reasonably possible and prior to placing the vehicle in service, Service Provider shall have 30 days to correct the reported deficiencies.

I. **Return of Pace Equipment and Related Records Upon Termination**. Immediately following termination of this Agreement, whether by completion of the Agreement Term or any reason, Service Provider shall surrender and deliver to Pace all Pace Equipment and related records as required by Section 11.4 of this Agreement.

J. **Title to Pace Equipment; Licensing and Registration**. Service Provider acknowledges and agrees that Pace owns all the Pace Equipment. All Pace Vehicles shall be licensed and registered by Pace in the name of Pace and at the expense of Pace. Nothing contained herein shall affect Pace's absolute ownership of and title to the Pace Equipment, such ownership and title being hereby expressly reserved to and retained by Pace. Service Provider shall not obtain, acquire or otherwise be construed to own any property or other interest in the Pace Equipment except the right to use it for the purposes and on the conditions stated in this Agreement during the Agreement Term. Service Provider further agrees that it will not, in any manner, allow or permit the Pace Equipment, or any part of it, to be pledged, seized, or held for any tax, debt, lien or other obligation. Should the Pace Equipment, or any part of it, become subject to or encumbered by any tax, debt, lien or other obligation during the Agreement Term, or before the actual delivery of the Pace Equipment to Pace after the Agreement Term, Service Provider shall, subject to its right to in good faith protest any such tax, debt, lien or other obligation, promptly pay or discharge such tax, debt, lien or other obligation and relieve such Pace Equipment from the encumbrance thereof.

K. **Warranty**. **NEITHER PACE NOR SERVICE PROVIDER IS THE MANUFACTURER OF THE PACE EQUIPMENT NOR THE MANUFACTURERS= AGENT, AND NEITHER MAKES ANY EXPRESS OR IMPLIED WARRANTY OF ANY NATURE REGARDING THE PACE EQUIPMENT, INCLUDING BUT NOT LIMITED TO: ITS MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE; ITS DESIGN OR CONDITION; ITS WORKMANSHIP; ITS FREEDOM FROM LATENT DEFECTS; ITS**

COMPLIANCE WITH THE REQUIREMENTS OF ANY LAW, RULE, SPECIFICATION OR CONTRACT; OR ITS NONINFRINGEMENT OF ANY PATENT, TRADEMARK OR LICENSE. Provided that Pace or the manufacturer has supplied required warranty documents to Service Provider, Service Provider shall take all actions it is authorized to take under this Agreement to preserve any and all manufacturers' warranties regarding the Pace Equipment. This Agreement shall not operate to release or waive any rights of Pace or Service Provider against any person not a party hereto, including the manufacturer of the Pace Equipment.

Section 3.2. Maintenance of Pace Equipment by Service Provider.

A. Maintenance Requirements. Service Provider shall at all times maintain all Pace Equipment in good mechanical condition in conformity with all applicable safety practices, laws and regulations. In addition, Service Provider shall at all times maintain all Pace Equipment in accordance with the terms and provisions of this Agreement, all maintenance policies, practices, procedures, conditions and requirements contained in the Pace Paratransit Manual and all manufacturers= maintenance schedules and warranty requirements. Service Provider shall perform all preventive maintenance required pursuant to the Pace Paratransit Manual. Service Provider shall keep both the exterior and interior of all Pace Vehicles neat, clean and in first class condition at all times. Service Provider shall be responsible to assure that all Pace Vehicles are maintained at all times so as to meet the requirements of the Illinois Department of Transportation and to assure that all Pace Vehicles have valid Illinois Department of Transportation stickers affixed to them at all times.

B. Maintenance Records. Service Provider shall prepare and maintain accurate records relating to all maintenance work performed by or for Service Provider on all Pace Equipment and in that regard shall comply with the provisions of Article VII of this Agreement and with all applicable Pace policies, practices, procedures, conditions and requirements as set forth in the Pace Paratransit Manual. Service Provider shall maintain a separate maintenance file for each Pace Vehicle containing all maintenance records pertaining thereto. Service Provider shall also complete, maintain and transmit to Pace all maintenance forms required in the Pace Paratransit Manual, and any other records requested by Pace including, without limitation, Vehicle maintenance records, fuel consumption records and all records required under Pace=s preventive maintenance program.

Section 3.3. Operation of Pace Equipment By Service Provider.

A. General Operating Standard. Service Provider shall use and operate all Pace Equipment in accordance with the terms and provisions of this Agreement, the operating procedures set forth in the Pace Paratransit Manual and all applicable federal, state and local laws and regulations and solely for the purpose of providing the Transportation Services or as otherwise approved in writing by Pace.

B. Pace Vehicle Identification. Service Provider shall not change or obstruct in any way, and shall maintain, all identification markings and decals on all Pace Vehicles as supplied and affixed by Pace. Unless otherwise approved in writing by Pace, Service Provider shall not affix to or display on any Pace Vehicle any identification marking or decal other than those supplied and affixed by Pace.

C. Storage of Pace Equipment. Service Provider shall store all Pace Equipment at suitable locations where such Equipment is protected from vandalism and theft. Indoor storage shall have adequate fire protection, which complies with all applicable federal, state and local laws and regulations and shall have the approval of the Fire Underwriters' Laboratory.

D. Fareboxes. Except as expressly approved in writing by Pace, Service Provider shall utilize only fareboxes and related equipment provided by Pace. Service Provider shall install and maintain such fareboxes in good condition.

Section 3.4. Service Provider Vehicles.

A. Applicability of Section. Vehicles, if any, to be supplied by Service Provider for use in connection with providing the Transportation Services must comply with the requirements of this section.

B. Duty to Maintain Service Provider Vehicles. Service Provider shall at all times maintain all Service Provider Equipment in good mechanical condition in conformity with all applicable safety practices, laws and regulations and in accordance with standards set forth in the Pace Paratransit Manual. Service Provider shall keep both the exterior and interior of all Service Provider Vehicles neat, clean and in first class condition at all times. Service Provider shall be responsible to assure that all Service Provider Vehicles are maintained at all times so as to meet the requirements of the Illinois Department of Transportation and the Pace Paratransit Manual and to assure that all applicable Service Provider Vehicles have valid Illinois Department of Transportation stickers affixed to them at all times.

ARTICLE IV

EMPLOYEES

Section 4.1. Compliance with Federal, State and Local Laws. Service Provider agrees that with respect to persons employed by it to provide the Transportation Services and Other Services, it will comply with all applicable federal, state, and local labor laws including, but not limited to, any and all laws relating to the minimum wages to be paid to its employees, limitations upon the employment of minors, minimum fair wage standards for minors, the payment of wages due employees, and all applicable regulations established to protect the health and safety of employees, passengers, and the public-at-large. Service Provider also agrees to provide the employee protection, if required, under Section 13(c) of the Urban Mass Transportation Act of 1964, as amended, 49 U.S.C. ' 1609(c), and Section 2.16 of the Regional Transportation Authority Act, (70 ILCS 3615/2.16), for persons employed by it to provide the Transportation Services.

Section 4.2 Employees. Service Provider shall employ only such persons as are competent and qualified to provide the Transportation Services in accordance with the requirements of this Agreement and Pace policies, practices, procedures and standards. All employees shall meet all applicable qualifications established by federal, state and local laws and regulations. Drivers shall display proper courtesy toward passengers and maintain a neat and clean appearance. Service Provider shall comply with all federal and Pace requirements relating to drug and alcohol testing. Service Provider shall participate in driver training programs, if any, established by Pace during the Agreement Term and shall comply with driver and safety standards set forth in the Pace Paratransit Manual. Failure by Service Provider or any Third Party Provider of Service Provider to comply with said requirements shall constitute grounds for nonpayment of the Service Reimbursement Amount for the duration of such noncompliance.

Section 4.3. Employment Contracts and Labor Agreements. Service Provider shall notify Pace of any labor negotiations being conducted with its employees and shall keep Pace fully informed of the status and progress of such negotiations.

ARTICLE V

NON-DISCRIMINATION, EQUAL EMPLOYMENT AND BUSINESS OPPORTUNITY

Section 5.1. Compliance With Federal, State and Local Laws. Service Provider shall comply with all applicable federal, state and local anti-discrimination and equal employment and business opportunity laws and regulations, including, but not limited to, the Age Discrimination in Employment Act, as amended, 29 U.S.C. ' ' 621 et seq., Title

VII of the Civil Rights Acts of 1964, as amended, 42 U.S.C. ' ' 2000e et seq., the Civil Rights Acts of 1866 and 1871, 42 U.S.C. ' ' 1981 and 1983; and the Illinois Human Rights Act, 775 ILCS 5/1-101 et seq.

Section 5.2. Equal Employment Opportunity. Service Provider shall comply with all of the affirmative action, equal employment opportunity and disadvantaged business enterprise requirements in Exhibit E.

Section 5.3. Failure to Comply. In the event Service Provider's noncompliance with any provision set forth in Exhibit E or with any federal, state, or local anti-discrimination or equal employment or business opportunity law, including but not limited to those identified in Section 5.1 hereof, results in Service Provider being declared non-responsible and, therefore, ineligible for future contracts or subcontracts with the State of Illinois or any of its political subdivisions or municipal corporations, this Agreement may be canceled or voided by Pace in whole or in part, and such other sanctions, penalties or remedies as may be provided by law or regulation may be imposed or invoked.

ARTICLE VI

REPORTS AND RECORDS

Section 6.1. Reports, Forms and Statements Required. Service Provider shall furnish Pace with all reports required by the Pace Paratransit Manual in accordance with the due dates specified therein. In addition, Service Provider shall furnish Pace, on a timely basis, with the following documents:

(1) A monthly listing of any reports and documents in any way related to the Transportation Services filed by Service Provider with any government or government agency. Upon request, Service Provider shall provide Pace with a copy of any such reports and documents.

(2) All written forms and documentation required for the administration of Pace's programs concerning students, the elderly and the handicapped. Said forms and documentation shall be furnished by Service Provider to the United States and Illinois Departments of Transportation upon Pace's request.

(3) All correspondence, papers, notices, accident reports or documents of any nature received by Service Provider in connection with any claim or demand involving or related to Transportation Services or the Equipment.

(4) All records required pursuant to Section 11.4 of this Agreement.

(5) Such other reports, forms and statements as may be required by this Agreement or by federal, state or local laws or regulations or by order of any duly constituted authority.

Section 6.2. Records. Service Provider shall create and maintain accurate and complete records of all Transportation Services performed, all time spent, all materials, equipment and supplies purchased, and costs incurred in the performance of the Transportation Services pursuant to this Agreement, including all records required by this Agreement, the Pace Paratransit Manual or any applicable law or regulation. Unless Pace shall consent in writing to the destruction of any such records, and except for records required to be delivered to Pace at the end of the Agreement Term, Service Provider shall make said records available for review, inspection and audit in accordance with Section 6.3 below during the entire Agreement Term and for three years thereafter, or such longer period as may be required by law or any applicable grant; provided, however, that prior to the disposal or destruction of any such record by Service Provider following said period, Service Provider shall give notice to Pace of any record or records to be disposed of or destroyed and the intended date, which shall be at least 90 days after the effective date of such notice, of disposal or destruction. Pace shall have 90 days after receipt of any such notice to give notice to Service Provider not to dispose of or destroy said record or records and to require Service Provider to deliver such record or records to Pace or its designee, at Pace's expense, on a confidential basis if appropriate.

Section 6.3. Inspections and Audits. Pace shall have the right, with or without prior notice to Service Provider, to review, inspect and audit all Transportation Services performed pursuant to this Agreement, and all information and records related thereto, at all reasonable times during and following the performance of the Transportation Services. The phrase "all information and records related thereto" as used in this Section shall mean all information and records under the control or supervision of, or reasonably available to, Service Provider relating to this Agreement or the Transportation Services that are reasonably necessary for Pace to verify or audit Service Provider's performance under this Agreement, or the accuracy or appropriateness of any Operating Expenditure or portion thereof, ridership information, or Service Provider's compliance with this Agreement or any portion thereof, including but not limited to all data, samples, records, reports, documents, memoranda, maps, estimates, specifications, notes, studies, tapes, photographs, film, computer programs or drawings, whether in preliminary, draft, final or other form. Pace shall perform such review, inspection or audit in a manner that will not unduly delay or interfere with Service Provider's performance under this Agreement. Service Provider shall cooperate with Pace, and provide reasonable facilities to Pace to assist Pace in any such review, inspection or audit. Pace may perform any such review, inspection or audit

through an officer, employee, or other designated agent. Service Provider shall promptly remit to Pace any overpayments identified as a result of inspection and audit.

ARTICLE VII

THIRD PARTY PROVIDERS

Section 7.1. Requirements. "Third Party Providers" as used in this Agreement are any other parties who, pursuant to contract or agreement with the Service Provider, directly provide a significant part of the Transportation Services. Service Providers using Third Party Providers to provide the service shall follow the procedures in the Pace Paratransit Manual for obtaining and utilizing such providers. All service provided by a Third Party Provider to a Service Provider shall be competitively solicited at least once every four years and as frequently as once a year if required by Pace. Contracts with Third Party Providers shall be made in accordance with applicable laws. All such agreements shall be in writing with a copy provided to Pace. Submission of the third party agreement to Pace does not release the Service Provider from any obligation under this Agreement, nor operate as a waiver of any rights of Pace under this Agreement. The Service Provider shall cause each of its Third Party Providers to comply with all applicable provisions of this Agreement and the Pace Paratransit Manual as if the name of the Third Party Provider has been substituted for the name of the Service Provider therein. In the event that Pace Equipment is to be used by a Third Party Provider, such Third Party Provider shall execute a written sublease in a form approved by Pace prior to the use of Pace Equipment.

ARTICLE VIII

RISK FINANCING PROGRAM AND INSURANCE REQUIREMENTS

Section 8.1. General Requirements. The Service Provider shall be required to comply with the Pace Paratransit Manual for all Vehicles used to provide the Transportation Services whether those Vehicles are owned by Pace, the Service Provider, or a Third Party Provider. Service Provider shall immediately notify Pace of any accidents or incidents.

Section 8.2. Risk Financing Program. All Pace Vehicles used in the provision of Transportation Services pursuant to this Agreement shall be included in Pace's Risk Financing Program. The Pace Risk Financing Program shall provide commercial auto liability coverage to Service Provider and any Third Party provider for any claims of bodily

injury, death, or property damage arising directly out of the provision of Transportation Services provided with vehicles owned by Pace as described in this Agreement, within the scope of Pace's Self-Insured Retention and up to the liability limits of such excess insurance that Pace may purchase, *subject to the following terms, conditions, and exclusions:*

(a) Pace specifically excludes from insurance coverage afforded to Service Provider and Third Party Provider herein any claims, actions, damages arising as the result of willful and wanton, reckless, or intentional conduct of Service Provider and/or Third Party Provider, its officers, agents, employees, contractors, sub-contractors, agents or volunteers.

(b) Pace specifically excludes from insurance coverage afforded to Service Provider and Third Party Provider herein claims of injury or death brought directly or indirectly against Pace, the Service Provider, or the Third Party Provider by any employee of the Service Provider, the Third Party Provider, or any contractors or sub-contractors of the Service Provider or Third Party Provider arising out of or in connection with the Transportation Services described in this Agreement.

(c) The policies of excess insurance purchased by Pace and Pace's Self-Insured Retention shall be primary over insurance carried by the Service Provider or its Third Party Provider for claims within the scope of Pace's Risk Financing Program. Any insurance or self insurance maintained by Service Provider and Third Party Provider shall be in excess of Pace's Self Insured Retention and the policies of excess insurance purchased by Pace, without right of contribution, for claims within the scope of Pace's Risk Financing Program.

(d) The Service Provider and its third party provider shall be named as additional insureds in all policies of excess insurance for auto liability coverage purchased by Pace above its self-insured retention.

(e) Service Provider and/or Third Party Provider shall provide immediate *written* notice of any and all accidents, incidents, claims, and lawsuits to Pace, in the form provided in accordance with the provisions of the Pace Paratransit Manual, including promptly updating Pace in writing when a previously reported incident or

accident results in a claim or lawsuit, or a previously reported claim results in a lawsuit.

(f) With respect to any lawsuit that is within the scope of coverage afforded by this Section 8.2, Pace shall have the right and duty to defend the Service Provider and/or Third-Party Provider, including the right to select defense counsel and control the defense of such lawsuit. In the event of any conflict of interest that would prevent Pace from controlling such defense or that would require Pace to allow the Service Provider or Third Party Provider to select independent defense counsel, Pace will reimburse the reasonable attorneys fees and expenses incurred in such defense by the Service Provider or Third Party Provider, provided however that the hourly rates of such counsel shall not exceed the hourly rates ordinarily paid by Pace to its outside counsel for defense of similar types of lawsuits. Pace shall not have any duty to defend the Service Provider or Third-Party Provider for any claims that are excluded from the coverage of this section, including any claims within the scope of subparagraphs (a) or (b). If a lawsuit includes claims that are both covered and not covered by this Section 8.2, Pace's duty to defend only extends to those portions of the suit that are within the scope of coverage of Section 8.2, and not to any excluded claims. Pace's duty to defend under this paragraph shall cease if and when the limits of auto liability coverage are exhausted of any excess insurance policies purchased by Pace.

(g) Service Provider shall, and shall require its employees, subcontractors and any Third Party Provider, to cooperate with and assist Pace and any claims service agencies, investigators and attorneys employed by or on behalf of Pace in the administration, investigation and defense of any and all claims for bodily injury or property damage, or physical damage to any Pace vehicle asserted against Pace or Service Provider arising out of the provision of Transportation Services pursuant to this Agreement.

(h) The Service Provider's, its subcontractor's or its third party provider's failure to comply with the requirements of this Section shall relieve Pace of any and all obligations that Pace may have under this Article VIII.

Section 8.3. Loss Prevention. Service Provider shall, upon written notice from Pace specifying and documenting claims or other evidence of incompetence, inattention, carelessness or other fault on the part of Service Provider or any of Service Provider's employees, promptly take all lawful and reasonable steps to prevent claims or losses as a result of such incompetence, inattention, carelessness or other fault. This Section shall not, however, be construed to require Service Provider to take any action in violation of its obligations under any labor agreement or other employment contract.

Section 8.4. Requirements for non-Pace Vehicles. Claims arising from non-Pace owned Vehicles are not within the scope of the Pace Risk Financing Program. The Service Provider shall provide the following liability insurance coverage for all claims arising out of non-Pace owned Vehicles used in providing the Transportation Services:

(1) For all taxicabs; the minimum Automobile Liability coverage, including Uninsured and Underinsured Motorists coverage, required by law, and

(2) for all other vehicles; commercial Automobile Liability Insurance Coverage with a minimum Combined Single Limit (CSL) of $5,000,000 Each Occurrence and $5,000,000 Aggregate and Commercial General Liability Coverage with at least the following limits:

$5,000,000 General Aggregate
$5,000,000 Each Occurrence Limit
$5,000,000 Products/Completed Operations Hazard Aggregate Limit
$5,000,000 Personal & Advertising Injury Liability Limit
$10,000 Medical Expense Limit (Per Person)

Each Insurance Company providing all Pace required coverage must have a minimum A.M. Best rating of A- VII using the most current data available from A.M. Best Property/Casualty Rating Company.

Contractor, Third Party Provider or any subcontractor shall name Pace Suburban Bus Service as additional insured in its liability policies, as set forth below, and agrees to waive and will require its insurers to waive all rights against the other party, as relates to this Agreement on all of the insurance coverage required under this Agreement.

The insurance policies shall be endorsed to provide that the Suburban Bus Division of the Regional Transportation Authority d/b/a Pace, and the Regional Transportation Authority and their employees are named as additional insured for "liability for 'bodily injury', 'property damage', and 'personal injury' caused in whole or in part, by our acts or omissions or the acts or omissions of those acting on our behalf: (a) in the performance of our ongoing operations; or (b) for claims brought on behalf of our employees, agents, or subcontractors and their employees," in a

form providing no less coverage than that provided by the Insurance Service Office's Owners, Lessees or Contractors - Form B [ISO 20 10], on a primary basis, without right of contribution from Pace, for any liability arising from the operation of non-Pace owned vehicles. The coverage shall contain no special limitations on the scope of its protection to the above listed insureds.

The Contractor's insurance must contain the standard Separation of Insureds provision or an endorsement providing that, except with respect to limits, the insurance applies separately to each insured.

The Contractor and any subcontractors shall provide that there will be no recourse against Pace Suburban Bus Service as additional insured for the payment of premiums, additional premiums or assessments, it being understood that these are obligations of the party providing such insurance pursuant to this Agreement.

The Contractor's insurance shall be primary over any other insurance carried by Pace, including self-insurance. In the event the policies should be changed or canceled, said change or cancellation shall not be effective until 30 days after Pace has received notice of such change or cancellation from the Insurance company.

The Service Provider shall comply with all accident and incident notification and reporting requirements provided for in the Pace Paratransit Manual including Chapter 5 on accident incident reporting and Chapter 6 on personnel standards and rules including drug/alcohol testing requirements.

ARTICLE IX

INDEMNIFICATION

Section 9.1 General. To the fullest extent permitted by law and within the limits of Pace's self insured retention and the excess/umbrella auto liability insurance policies purchased by Pace, Pace shall indemnify and hold harmless Service Provider and its third party provider, their officers, agents, and employees from and against any and all auto liability claims, suits, losses, damages and expenses, which may arise out of the operation of transportation services provided with Pace owned vehicles pursuant to the 2010 Paratransit Service Provider Agreement, provided that Service Provider and its third party provider comply with the notice and cooperation requirements stated in Section 8.2 above, regardless of whether or not it is caused in whole or in part by any negligent act or omission of Service Provider or its Third Party Provider, their officers, agents or employees. This indemnification does not extend to willful and wanton, reckless or

intentional conduct of the Service Provider or Third Party Provider and is specifically excluded from this indemnification and insurance coverage, including self-insurance.

Service Provider and its Third Party Provider shall indemnify, hold harmless, and defend Pace and the Regional Transportation Authority, their board members, officers, employees, agents and attorneys from and against (a) all auto liability claims, suits, losses, damages and expenses, which may arise out of the operation of transportation services provided with non owned Pace vehicles in providing services pursuant to the 2010 Paratransit Service Provider Agreement; (b) any claims, suits, actions, damages which arise out of the willful and wanton, reckless or intentional acts of the Service Provider or its Third Party Provider in the performance of this agreement; and (c) claims brought directly or indirectly against Pace by an employee of the Service Provider, or an employee of Service Provider's contractors or sub-contractors (Third Party Provider), or arising out of any injury or death of Service Provider's employee, or an employee of Service Provider's contractors or subcontractors (Third Party Provider), in connection with the Transportation Services described in this Agreement..

The indemnities contained in this Section shall survive termination of this Agreement.

Section 9.2. Service Provider's Damages. Except as expressly provided in Article VIII or Article IX of this Agreement, Pace shall not be responsible to Service Provider or to any of its officers, employees, agents or attorneys for any loss of business or other damage caused by an interruption of the Transportation Services, or for the time lost in repairing or replacing any Pace Equipment, or for any loss, injury, or damage arising out of or relating to Pace's failure to deliver Pace Equipment, or for any other losses or damages sustained by the Service Provider hereunder. Except as expressly provided in Article VIII or Article IX of this Agreement, Pace assumes no liability or responsibility for any acts or omissions of Service Provider, or of Service Provider's officers, employees, agents or attorneys, or for any property of Service Provider or any other person that is damaged, lost, or stolen in the performance, or as a result of the performance, of this Agreement.

ARTICLE X

PAYMENT, BUDGET AND ACCOUNTING

Section 10.1. Maximum Service Reimbursement Amount. Pace hereby agrees to pay the Service Provider a service reimbursement in an amount as limited by the Approved

Budget and further limited by (i) the Paratransit Service Reimbursement Guidelines shown in Exhibit C and (ii) the other provisions of this Article X. Pace may change the Paratransit Service Reimbursement Guidelines of the Paratransit Program and/or level of fares and such new guidelines and fare shall be used to determine Pace's maximum reimbursement obligation. If the Pace Board revises the Paratransit Reimbursement Guidelines during the term of this Agreement, then such new guidelines shall be effective for the remainder of the Agreement Term subject only to a sixty day notice period during which time the old guidelines would remain in effect.

Section 10.2. Payment of Reimbursement. Pace shall make monthly payment installments of the service reimbursement based on the receipt of a properly prepared Monthly Report and related required documentation. During January and February, the monthly installments shall be one-twelfth of the Service Reimbursement Amount in accordance with the Approved Budget. Each of the remaining monthly payment installments shall be based on the Monthly Report for the month that is two months prior to the month during which the report is submitted and payment is due. Such material must be received by Pace by the close of business on the day specified in the Pace Paratransit Manual in order to be processed and paid during the submitted month. Any late or improperly prepared submissions shall not be considered for payment until the next month. After all Monthly Reports have been received for the Agreement Term, a final calculation of the service reimbursement amount shall be made. If a credit is due to either party, such party shall pay the amount of such credit to the other party within 30 days following demand therefore.

Section 10.3. Limitations on Payments. In addition to any other remedy provided herein, if Service Provider materially fails to comply with any term of this Agreement, or fails to take corrective action as directed by Pace, Pace may withhold payments pending Service Provider's actions to achieve compliance or take corrective action.

Notwithstanding any other provision of this Article, no payment of the Service Reimbursement Amount, or any installment thereof, shall be due, owing or made in violation of any of the following limitations:

(1) No monthly installment due in any month shall be paid unless the Reports required pursuant to the Pace Paratransit Manual have been filed with Pace in accordance with said Section.

(2) No payment shall be made if Pace should find or has reason to believe that the Monthly Reports have not been prepared in accordance with sound financial and management practices. Pace shall withhold payment until such issues are resolved.

(3) Payments shall not exceed the Approved Maximum Service Reimbursement Amount. Any payments made after January 1, 2010 pursuant to any prior reimbursement agreement between the parties whose term extended into calendar year 2009 shall be deemed to be payments made under this Agreement with the exception of payments due for service provided prior to January 1, 2010.

(4) No payment shall be made with respect to any Operating Expenditure incurred or accrued in violation of this Agreement or any provision of the Pace Paratransit Manual.

Section 10.4. Funding Availability. Notwithstanding anything to the contrary, including in particular (but not limited to the provisions of Section 10.1), it is expressly agreed that the obligation of Pace to pay the Service Reimbursement Amount shall be limited to the availability of funds from Pace's revenues and budget for Pace's fiscal year so that in the event Pace determines that funds are not available, Pace's obligations to pay any such unpaid part or parts of the Service Reimbursement Amount shall be terminated forthwith and Pace shall have no further obligations to make any payments to Service Provider under the Agreement. In the event that Pace determines that no funds will be available to pay the Service Reimbursement Amount, the Service Provider shall be given written notice thereof in accordance with Section 11.2.

Section 10.5. Transportation Revenue. All Transportation Revenue shall be the property of the Service Provider. Service Provider shall comply with Pace policies, practices and procedures relating to the collection, security, and accounting of all Transportation Revenue as set forth in the Pace Paratransit Manual. Should the Service Provider decide to allow any passengers to travel at less than the minimum fares for paratransit established by the Pace Board, then the difference between the minimum Pace fare and fares charged shall be funded by the Service Provider and such funds shall be considered Transportation Revenue.

Section 10.6. Accounting and Reporting Standards. Service Provider shall maintain its books and records, and shall prepare, maintain and file reports, relating to this Agreement and the Transportation Services in accordance with generally accepted governmental accounting principles, Section 15 of the United States Urban Mass Transit Act, the Pace Paratransit Manual, the Approved Budget and any documentation submitted by Service Provider, and approved by Pace, in support of the Approved Budget. In case of any conflict in the aforesaid standards, Service Provider shall seek specific direction from Pace and, pending receipt of such direction, shall comply with that standard that most fairly, accurately and completely records and reports the results of operations.

Section 10.7. Budget Amendments. Pace shall have no obligation to revise the Approved Budget or to increase the Approved Maximum Service Reimbursement Amount or any Line Item Budget Maximum.

Section 10.8. Capital Expenditures. Pace is not obligated to provide any grant funds to the Service Provider for capital purchases. Any Capital Asset paid for with the proceeds of any payment made by Pace shall be the property of Pace and shall be added to Exhibit B or to the inventory of Pace Equipment required pursuant to Subsection 3.1B and shall be returned to Pace at the end of the Agreement Term.

Section 10.9. Subsequent Service Reimbursement. In order to permit Pace to evaluate the merits of entering into a new service reimbursement agreement for Transportation Services with Service Provider following the end of the Agreement Term, Service Provider shall, during the Agreement Term and pursuant to this Section, cooperate with Pace to develop a proposed budget for the calendar year following the Agreement Term. On or before July 1 of the Agreement Term, or such other date as Pace may specify in a service reimbursement application solicitation request, Service Provider shall submit its formal Service Provider application to Pace in the format specified by Pace. Nothing in this Section shall, however, obligate either Pace or Service Provider to agree to any reimbursement estimate or to enter into any new agreement.

ARTICLE XI

TERM

Section 11.1. Term. The term of this Agreement shall be one year commencing on the 1st day of January, 2010, and terminating after the last scheduled service on the 31st day of December, 2010.

Section 11.2. Termination for Impossibility of Performance. This Agreement may be terminated, in whole or in part, upon seven days written notice given by Pace to Service Provider in the event that the Illinois General Assembly, the Regional Transportation Authority or any funding source fails in any fiscal year to appropriate or otherwise make available sufficient funds, as determined in the sole discretion of Pace, to cover payments to be made to Service Provider pursuant to Article X hereof, or if any Vehicle(s) necessary to perform the Transportation Services hereunder (are) is unavailable for any reason, as determined in the sole discretion of Pace.

The termination of this Agreement shall not be in any manner prevented or affected by the fact that Service Provider may have already partially or fully performed its obligations under this Agreement in respect to any unpaid part or parts of this Agreement by the time it

is determined by Pace that it will be unable to pay the remaining unpaid part or parts of this Agreement.

Section 11.3 Termination for Service Provider Default

A. Immediate Termination. This Agreement shall be terminated, and the Agreement Term shall end, 24 hours after written notice of such termination given by Pace to Service Provider in the event that Service Provider shall, for any reason, other than as specified in Section 2.2 of this Agreement, cancel, eliminate or reduce or diminish service without prior written approval from Pace.

B. Termination Following Failure To Cure. This Agreement shall be terminated, and the Agreement Term shall end, if the Service Provider violates any other material obligation under this Agreement or fails to timely perform any other material obligation under this Agreement and such violation or failure shall continue for a period of 21 days after Service Provider receives written notice from Pace describing in reasonable detail the nature of the violation or failure; provided, however, that in the event such violation or failure cannot be cured within said 21 day period notwithstanding diligent and continuous effort by Service Provider and Service Provider shall have promptly commenced to cure the violation or failure and shall have thereafter prosecuted the curing of same with diligence and continuity, then the period for curing such violation or failure shall be extended for such period as Pace may determine to be necessary for curing such violation with diligence and continuity.

C. Obligations Following Termination. Pace's obligations upon termination of this Agreement in any manner and for any purpose authorized by this Article XI shall be limited to payment of reimbursement obligations for services rendered by Service Provider up to the date of said termination. Immediately upon termination of this Agreement in any manner and for any purpose, Service Provider shall comply with the provisions of Section 11.4 below. In addition, Service Provider shall be liable to Pace for all damages incurred as a result of any violation or failure that leads to termination of this Agreement. Said damages shall include, but shall not be limited to, all court costs, and attorneys' fees and disbursements incurred in connection with enforcing or defending Pace's rights hereunder.

Section 11.4. Return of Pace Equipment and Records Upon Termination. Immediately following the Agreement Term, Service Provider shall surrender and deliver to Pace at such time or times and at such location or locations within the six-county region as Pace may designate:

(1) All Pace Vehicles and Other Pace Equipment in good operating order, repair and condition, reasonable wear and tear and normal depreciation excepted; and

(2) All records pertaining to all Pace Vehicles and Other Pace Equipment, including, without limitation, all preventative maintenance reports and vehicle repair reports.

Pace shall have the right to inspect the premises of the Service Provider and to remove any Pace Equipment or any such records that remain in the possession of Service Provider. Pace, in its sole discretion, shall determine the condition of surrendered and returned Pace Equipment and the extent of any wear and tear, depreciation or damage. Service Provider shall make, or cause to be made, any and all repairs deemed necessary by Pace to place the surrendered and returned Pace Equipment in the condition required by Sections 3.1 and 3.2 of this Agreement. Such repairs shall be completed within 21 days following Pace's written demand that they be undertaken. If any such repairs are the result of Service Provider's failure to comply with the provisions of this Agreement, the cost thereof shall not be reimbursable by Pace under this Agreement. If Service Provider fails to make such repairs, then Pace shall have such repairs performed and Service Provider shall reimburse Pace for the cost of such repairs within 30 days after a receipt for such costs is provided to Service Provider.

ARTICLE XII

COVENANTS AND REPRESENTATIONS

Section 12.1. General. Service Provider hereby makes the covenants and representations with and to Pace as described in this Article and hereby agrees to abide by each and every one of them.

Section 12.2. Corporate Existence and Power. Service Provider is duly organized, validly existing and in good standing under the laws of the State of Illinois, and has the legal power and authority to enter into this Agreement and to provide, engage in and carry out the Transportation Services. Service Provider shall maintain its corporate identity and shall make no attempt to cause its corporate existence to be abolished during the Agreement Term.

Section 12.3. Authorization. Service Provider has been duly authorized to execute this Agreement by its corporate authorities by ordinance duly adopted, and the execution and delivery of this Agreement by all of the parties signatory hereto shall constitute a valid and binding obligation of Service Provider, enforceable in accordance with its terms, and the making of and compliance by Service Provider with the terms and conditions of this

Agreement will not result in any breach or violation of, or default under, any judgment, decree, mortgage, contract, agreement, indenture or other instrument applicable to Service Provider.

Section 12.4. Approvals Received. All such approvals, consents, permits, licenses, authorizations, or modifications as may be required to permit the performance by Service Provider of its obligations under this Agreement have been obtained from the appropriate governmental authorities or other persons or entities.

Section 12.5. No Material Litigation. No litigation, investigation or proceeding of or before any court, governmental authority or arbitrator is pending or, to the knowledge of Service Provider, threatened by or against Service Provider, or against any of its properties or revenues (1) with respect to this Agreement, or (2) which is reasonably likely to have a material adverse effect on the operations, property or financial condition of Service Provider.

Section 12.6. No Default. Service Provider is not in default under or with respect to any obligation in any respect that could be materially adverse to the business, operations, property or financial condition of Service Provider or that is reasonably likely to materially adversely affect the ability of Service Provider to perform its obligations under this Agreement.

Section 12.7. No Burdensome Restrictions. No obligation of Service Provider and no requirement of law materially adversely affects, or insofar as Service Provider Agency may reasonably foresee may so affect, the business, operations, property or financial condition of Service Provider or the ability of Service Provider to perform its obligations under this Agreement.

Section 12.8. No Sale, Lease or Encumbrance. Service Provider will not sell, lease, loan, or in any manner dispose of any Pace Equipment during the Agreement Term.

Section 12.9. Payment of Obligations. Service Provider shall pay and discharge all of its obligations and indebtednesses with respect to the Transportation Services and with respect to the Service Provider Vehicles, if any; provided, however, that any such obligation or indebtedness need not be paid if the validity thereof shall currently be contested in good faith by appropriate proceedings and if Service Provider shall have set aside on its books adequate reserves with respect thereto, except that all such obligations and indebtednesses shall be paid forthwith upon an adverse decision in such proceedings and the exhaustion of available appellate relief with respect thereto.

Section 12.10. Compliance With Applicable Laws. Service Provider shall comply with all federal, state and local statutes, laws, rules, regulations and orders applicable to the Transportation Services.

Section 12.11. Compliance With Agreement Conditions. Service Provider shall comply with all conditions of, and all laws and regulations and all Pace policies, practices and procedures applicable to, any federal, state or local grant received by Pace or by Service Provider at any time with respect to the Transportation Services or the Equipment, including the Pace Paratransit Manual.

Section 12.12. No Bar From Public Contracts. Service Provider warrants and represents that the statements contained in the Service Provider=s Certification in Exhibit F hereto are true and correct.

Section 12.13. Opinion of Counsel. Service Provider shall provide to Pace, at or before the time Service Provider executes this Agreement, an opinion of an attorney licensed to practice law in the State of Illinois in the form provided in Exhibit G.

ARTICLE XIII

GENERAL PROVISIONS

Section 13.1. Complete Agreement. This Agreement, including the Exhibits hereto and the Pace Paratransit Manual, constitutes the entire Agreement between the parties hereto, except as it may be amended as provided by this Article.

Section 13.2. Exhibits; Pace Paratransit Manual; Conflicts. Exhibits A through G attached to this Agreement and the Pace Paratransit Manual (as such Manual may be amended from time to time and as supplemented with Pace directives) are incorporated herein and made a part hereof by this reference. In case of any conflict among the provisions of this Agreement, including the Exhibits hereto and the Pace Paratransit Manual, that provision which, in the opinion of Pace, best promotes safe, efficient and economical transportation service and best protects the Equipment shall control.

Section 13.3. Amendments. No modification, addition, deletion, revision, alteration or other change to this Agreement shall be effective unless and until such change is reduced to writing and executed and delivered by the authorized representatives of the parties hereto.

Section 13.4. Notices. All notices and other communications in connection with this Agreement shall be in writing, and any notice or other communication hereunder shall be deemed received by the addressee thereof when delivered in person at the address set forth below, or three business days after deposit thereof in any main or branch United

States post office, certified or registered mail, return receipt requested, postage prepaid, properly addressed to Pace as follows:

Attention: Executive Director
Pace Suburban Bus
550 W. Algonquin Road
Arlington Heights, IL 60005-4412

Notices and communications to Service Provider shall be addressed as shown on the cover page to this Agreement. By notice complying with the foregoing requirements of this Section, each party shall have the right to change the address or addressee or both for all future notices and communications to such party, but no notice of a change of address shall be effective until actually received.

Section 13.5. Calendar Days and Time. Any reference herein to "day" or "days" shall mean calendar and not business days. If the date for giving or receiving of any notice required to be given hereunder or the performance of any obligation hereunder falls on a Saturday, Sunday or federal or State of Illinois holiday, then said notice or obligation may be given or performed on the next business day after such Saturday, Sunday or federal or State of Illinois holiday. Any reference herein to time of day shall refer to local time for Arlington Heights, Illinois.

Section 13.6. Singular and Plural. The use of the singular or the plural herein shall be construed to be the plural or singular as the context requires.

Section 13.7. Governing Laws. This Agreement and the rights of the parties hereunder shall be interpreted and enforced in accordance with the laws of the State of Illinois.

Section 13.8. Changes in Laws. Unless otherwise explicitly provided in this Agreement, any reference to laws, ordinances, rules or regulations shall include such laws, ordinances, rules or regulations as they may be amended or modified from time to time.

Section 13.9. No Assignment. Service Provider shall not assign either its rights or its obligations under this Agreement without the prior written consent of Pace, which consent may be granted or withheld at the sole discretion of Pace. Any attempted or purported assignment of such rights or obligations without the prior written consent of Pace shall be void and of no effect. Any successor to Service Provider's rights under this Agreement shall be bound by, and shall comply with, all of the provisions, conditions and requirements of this Agreement.

Section 13.10. Headings. The section headings of this Agreement are for convenience and reference only and in no way define, extend, limit, or describe the scope or intent of this Agreement or the intent of any provision hereof.

Section 13.11. Prohibited Interests. No member of the Illinois General Assembly, no member of the Congress of the United States and no director or employee of Pace or of Service Provider shall, during his or her tenure or for one year thereafter, have any interest, direct or indirect, in this Agreement or be admitted to any share or part of this Agreement or to any benefit arising there from or any proceeds thereof.

Section 13.12. Independent Contractor. In the performance of the Transportation Services and Other Services pursuant to this Agreement, Service Provider is an independent contractor with the authority to control and direct the performance of the details of the Transportation Services and Other Services to be performed pursuant to this Agreement. All personnel necessary for Service Provider's performance pursuant to this Agreement shall be employees of Service Provider or of Service Provider's subcontractors. None of the said personnel shall be deemed for any purpose to be employees, agents or representatives of Pace.

Section 13.13. Litigation Against Service Provider. If, during the term of this Agreement, any lawsuits or proceedings are filed or initiated against Service Provider or any subcontractor of Service Provider, before any court, commission, board, bureau, agency, unit of government or sub-unit thereof, arbitrator, or other instrumentality, that may materially affect or inhibit the ability of Service Provider to perform its obligations under, or otherwise to comply with, this Agreement, Service Provider shall promptly deliver a copy of the complaint or charge related thereto to Pace and shall thereafter keep Pace fully informed concerning all aspects of such lawsuit or proceeding.

Section 13.14. Non-Waiver. Pace shall not be deemed to have waived any right under this Agreement unless such waiver is in writing and signed by an authorized officer or director of Pace. No delay or omission by Pace in exercising any right under this Agreement shall operate as a waiver of such right or any other right by Pace. All the rights and remedies of Pace under this Agreement shall be cumulative and not exclusive and may be exercised singly or concurrently by Pace. The waiver or exercise of any remedy by Pace shall not be construed as a waiver of any other remedy available under this Agreement or under general principles of law or equity.

Section 13.15. Time of Essence. Time is of the essence in the performance of all terms and provisions of this Agreement.

Section 13.16. Survival Clause. If any provision of this Agreement is construed or held to be void, invalid or unenforceable in any respect, the remaining provisions of this Agreement shall not be affected thereby, but shall remain in full force and effect.

Section 13.17. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original.

Section 13.18. Other Agreements Not Prohibited. Nothing in this Agreement shall be deemed to prohibit Pace from entering into additional or alternative agreements or arrangements to provide replacement, additional, supplementary or duplicative service in the area served by Service Provider.

Section 13.19. No Future Obligations. Nothing in this Agreement or the parties= performance thereof shall be construed to create any obligation to renew this Agreement after the Agreement Term or to enter into any other agreement of any kind or nature.

ARTICLE XIV

REMEDIES

Section 14.1. Remedies. In addition to Pace's right to terminate this Agreement pursuant to Article XI and any other rights otherwise provided in this Agreement, in the event of a breach or an alleged breach of this Agreement by either party, either party may, by suit, action, mandamus or any other proceeding, in law or in equity, including specific performance, enforce or compel the performance of this Agreement. Any cost or expense associated with pursuing any such remedy shall not be an Operating Expenditure under this Agreement.

Section 14.2. Notice and Cure. Neither party may exercise the right to bring any suit, action, mandamus or any other proceeding pursuant to Section 14.1 of this Agreement without first providing written notice to the other party of the breach or alleged breach and allowing a period of 15 days for the curing of said breach or alleged breach; provided, however, that in the event such violation or failure cannot be cured within said 15 day period notwithstanding diligent and continuous effort by the party receiving notice and said party shall have promptly commenced to cure the violation or failure and shall have thereafter prosecuted the curing of same with diligence and continuity, then the period for curing such violation or failure shall be extended for such period as may be necessary for curing such violation with diligence and continuity.

IN WITNESS THEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

SERVICE PROVIDER	PACE
By: [illegible]	By: _____ Thomas J. Ross, Executive Director
Date: 11-20-09	Date: _____
Attest: Sandra Black	Attest: _____
Title: Deputy Clerk	Title: _____
Date: 11-20-09	Date: _____

Exhibit A

2010 PARATRANSIT SERVICE PROVIDER AGREEMENT

PROPOSED 2010 BUDGET

PROJECT: **VILLAGE OF PARK FOREST**

REVENUE	$ 22,750
EXPENSES	
OPERATIONS	$ 117,108
MAINTENANCE	$ -0-
ADMINISTRATION	$ -0-
TOTAL EXPENSE	$ 117,108
OPERATING DEFICIT	$ 94,358
PACE SUBSIDY	$ 60,000
LOCAL SHARE	$ 34,358
RIDERSHIP	20,000
VEHICLE HOURS	3,250

Exhibit B

2010 PARATRANSIT SERVICE PROVIDER AGREEMENT

PACE VEHICLES

VILLAGE OF PARK FOREST

(List of any Pace vehicles provided to the Service Provider)

5312

5568

5597

Exhibit C

2010 PARATRANSIT SERVICE PROVIDER AGREEMENT

PARATRANSIT REIMBURSEMENT GUIDELINES

The maximum Service Reimbursement shall be the lesser of the amounts calculated in each of the following way:

1. 75% of the projected Operating Deficit in the Approved Budget; or

2. 75% of the actual Operating Deficit; or

3. $3.00 multiplied by the number of annual one-way passenger trips not to exceed the maximum number of trips in the Approved Budget.

The Approved Budget shall not include any costs in excess of $44.73 per vehicle service hour nor any expenses associated with any increase in service beyond the amount of service authorized by Pace. The Approved Budget shall be the maximum estimated expenses, deficit, hours of service, and ridership upon which Pace's maximum Service Reimbursement amount will be calculated.

The total of the year to date subsidy payments shall not exceed an amount equal to 1/12th of the annual budgeted subsidy times the number of months elapsed in the year.

Exhibit D

2010 PARATRANSIT SERVICE PROVIDER AGREEMENT

TRANSPORTATION SERVICES FUNDED BY PACE

VILLAGE OF PARK FOREST

TYPE OF SERVICE	Dial-A-Ride Bus Service
SERVICE OPERATED BY	Private Provider
TRIP RESERVATION METHOD	30 minutes in advance
SERVICE AREA	Village of Park Forest and select destinations outside of the Village boundaries.
SERVICE HOURS	Monday through Friday 9:00 a.m. to 3:30 p.m.
HOLIDAYS	Service will ***not*** operate on the following holidays: ➢ New Year's Day ➢ Memorial Day ➢ Independence Day (observed Holiday) ➢ Labor Day ➢ Thanksgiving Day ➢ Christmas Day
ONE-WAY FARE	Adults $3.00 Persons (65+) $1.50 Disabled $1.50 Students $1.50 Child (under 7 years of age) – No Charge
RIDER ELIGIBILITY	General Public

Exhibit E

2010 PARATRANSIT SERVICE PROVIDER AGREEMENT

AFFIRMATIVE ACTION, EQUAL EMPLOYMENT OPPORTUNITY AND DISADVANTAGED BUSINESS ENTERPRISES

A. Affirmative Action. Service Provider shall take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, religion, sex, marital status, national origin or ancestry, age, physical or mental handicap unrelated to ability or an unfavorable discharge from military service. Such action shall include, but not be limited to, the following: employment, hiring, upgrading, demotion, transfer, recruitment advertising, layoff of termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. Prior to the execution of this Agreement, Service Provider shall furnish Pace with evidence that it has filed with the Illinois Department of Human Rights (the "Department") an affirmative action program covering the Service Provider's employment practices, if a plan is required by the Department. Service Provider shall promptly furnish Pace with a copy of any and all documents filed by it with the Department.

B. Equal Employment opportunity Clause. Service Provider shall comply with the following provisions, collectively referred to as the "Equal Employment Opportunity Clause".

(1) That it will not discriminate against any employee or applicant for employment because of race, color, religion, sex, marital status, and national origin or ancestry, age, physical or mental handicap unrelated to ability, or an unfavorable discharge from military service; and further that it will examine all job classifications to determine if minority persons or women are underutilized and will take appropriate affirmative action to rectify any such underutilization.

(2) That, if it hires additional employees in order to perform this Agreement or any portion hereof, it will determine the availability (in accordance with the Department's Rules and Regulations for Public Contracts) of minorities and Women in the area(s) from which it may reasonably recruit and it will hire persons in such a way that minorities and women are not underutilized.

(3) That, in all solicitations or advertisements for employees placed by it or on its behalf, it will state that all applicants will be afforded equal opportunity without discrimination because of race, color, religion, sex, marital status, national origin or ancestry, age, physical or mental handicap unrelated to ability, or an unfavorable discharge from military service.

(4) That it will send a notice to each labor organization or representative of workers with which it has or is bound by a collective bargaining or other agreement or understanding advising such labor organization or representative of its obligation under the Illinois Human Rights Act and the Department's Rules and Regulations

for Public Contracts. If any such labor organization or representative fails or refuses to cooperate with Service Provider in its efforts to comply with such Act and Rules and Regulation, Service Provider shall promptly so notify the Department, and Service Provider shall recruit employees for other sources when necessary to fulfill its obligations thereunder.

(5) That it will submit reports as required by the Department's Rules and Regulations for Public Contracts, furnish all relevant information as may from time to time be requested by the Department of Pace, and in all respects comply with the Illinois Human Rights Act and the Department's Rules and Regulations for Public Contracts.

(6) That it will permit access by Pace and the Department to all relevant books. Records, accounts, and work sites for purposes of investigation to ascertain compliance with the Illinois Human Rights Act and the Department's Rules and Regulations for Public Contracts.

C. Subcontracts. Service Provider shall insert the following provisions in all subcontracts relating to the provision of Transportation Services and Other Service except subcontracts for standard commercial supplies or raw materials:

"No discrimination shall be made in any term or aspect of employment because of race, color, religion, sex, marital status, national origin or ancestry, age, physical or mental handicap unrelated to ability, or an unfavorable discharge from military service, or political reasons or factors.

In addition, Service Provider shall insert verbatim or by reference the provisions of the Equal Employment Opportunity Clause in every performance subcontract as defined in Section 1.1(17)(b) of the Department's Rules and Regulations so that such provisions will be binding upon every such subcontractor. In the same manner as with other provisions of this Agreement, Service Provider will be liable for compliance by all its subcontractors with applicable provisions of this Section; and further it will promptly notify pace and the Department in the event any subcontractor fails or refuses to comply therewith. In addition, Service Provider will not utilize any subcontractor declared by the Department to be non-responsible and, therefore, ineligible for contracts or subcontracts with the State of Illinois or any of its political subdivisions or municipal corporations.

D. Disadvantaged Business Enterprises. Service Provider shall not discriminate on the basis of race, color, national origin, or sex in the performance of this Agreement. Service Provider shall carry out application requirements of 49 CFR part 26 in the award and administration of DOT-assisted contracts. Failure by Service Provider to carry out these requirements is a material breach of this Agreement, which may result in the termination of this Agreement or such remedy as Pace deems appropriate.

Exhibit F

2010 PARATRANSIT SERVICE PROVIDER AGREEMENT

SERVICE PROVIDER'S CERTIFICATION

STATE OF ILLINOIS)
) SUBURB-TO-SUBURB.
COUNTY OF Cook)

,being first duly sworn on oath, deposes and state that all statements herein made are made on behalf of the Service Provider; that this deponent is authorized to make them, and that the statements contained herein are true and correct.

The Service Provider deposes, states and certifies that the Service Provider is not barred from contracting with Pace on the Paratransit Service Provider Agreement as a result of a violation of either Section 33E-3 of Section 33E-4 of Article 33E of the Criminal Code of 1961 (720 ILCS 5/33E-3 and 33E-4).

DATED: 11-20-09

SERVICE PROVIDER

By: Jun A. Ostenburg

Title: Mayor

Attest: Sandra Black
Deputy Clerk

SUBSCRIBED AND SWORN to before me this 20TH day of NOVEMBER, 2009.

Debra E. Levesque
NOTARY PUBLIC

OFFICIAL SEAL
DEBRA E. LEVESQUE
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 3-24-2011

Exhibit G

2010 PARATRANSIT SERVICE PROVIDER AGREEMENT

FORM OF OPINION OF GRANTEE'S COUNSEL

Attention: Executive Director
PACE Suburban Bus
550 W. Algonquin Road
Arlington Heights, IL 60005-4412

Please be advised that I represent (Name of Service Provider). Pursuant to Article XII of the Service Provider Agreement ("Agreement") this Opinion of Council is being provided:

1. (Name of Service Provider) is duly organized, validly existing and in good standing under the laws of the State of Illinois, and has the legal authority to engage in and carry on the public transportation services as described in said Agreement.

2. Said Agreement has been duly authorized by the (Board\Council) of the (Name of Service Provider) pursuant to Ordinance No.__, and the execution and delivery of said Agreement by all of the parties hereto will constitute a valid and binding obligation to the (Name of Service Provider), enforceable in accordance with its terms, and the making of and compliance with the terms and conditions of said Agreement by the (Name of Service Provider) will not result in any breach or violation of, or default under, any judgment, decree, mortgage, contract, agreement, indenture or other instrument applicable to the (Name of Service Provider) known to this council.

3. All such approvals, consents, permits, licenses, authorizations or modifications as may be required to permit the performance by the (Name of Service Provider) of its obligations under said Agreement have been obtained, whether from the appropriate government authorities or other persons or entities known to this council.

4. No litigation, investigation or proceeding of or before any court, government authority or arbitrator is pending or, to the knowledge of this counsel threatened by or against the Service Provider, or against any of its properties or revenues (a) with respect to said Agreement, or (b) which is reasonably likely to have a material adverse effect on the operations, property or financial condition or the Service Provider.

5. The Service Provider is not in default under or with respect to any obligation in any respect that could be materially adverse to the business, operations, property or financial condition of the Service Provider, or that is reasonably likely to materially adversely affect the ability of the Service Provider to perform its obligations under said Agreement.

6. No obligation of the Service Provider and no requirement of law materially adversely affects, or insofar as Counsel may reasonably foresee based on facts known to (him or her) may so affect, the business, operation, property or financial condition or the Service Provider or the ability of the Service Provider to perform its obligations under said Agreement.

AGENDA BRIEFING

DATE: December 9, 2009

TO: Mayor John Ostenburg
Board of Trustees

FROM: Mary G. Dankowski, Deputy Village Manager/Finance Director

RE: An Ordinance Levying Taxes for all Corporate Purposes for the Village of Park Forest, Cook and Will Counties, Illinois, for the Fiscal Year Beginning on the First Day of July, 2009 and Ending on the Thirtieth of June, 2010

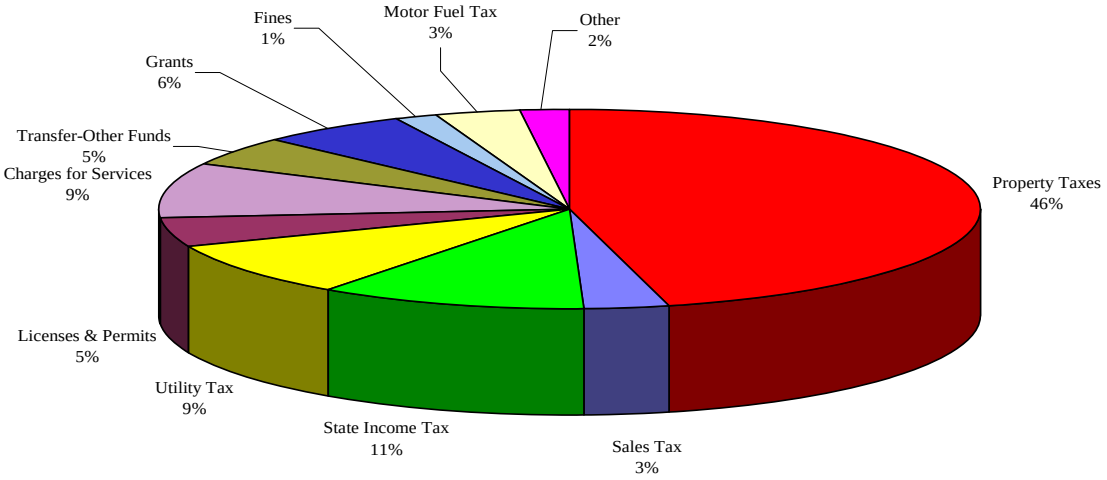
BACKGROUND/DISCUSSION: First reading of the 2009 Tax Levy is scheduled for November 23. A public hearing is required for the first Monday in December with the final levy adopted at the first regular meeting on December 14. The Board began discussion of the tax levy at the Financial Update on October 3.

The 2010/2011 Budget will be funded by the 2009 levy. The tax levy consists of six separate categories. Each category is evaluated separately to determine levy needs. The categories are as follows:

GENERAL CORPORATE

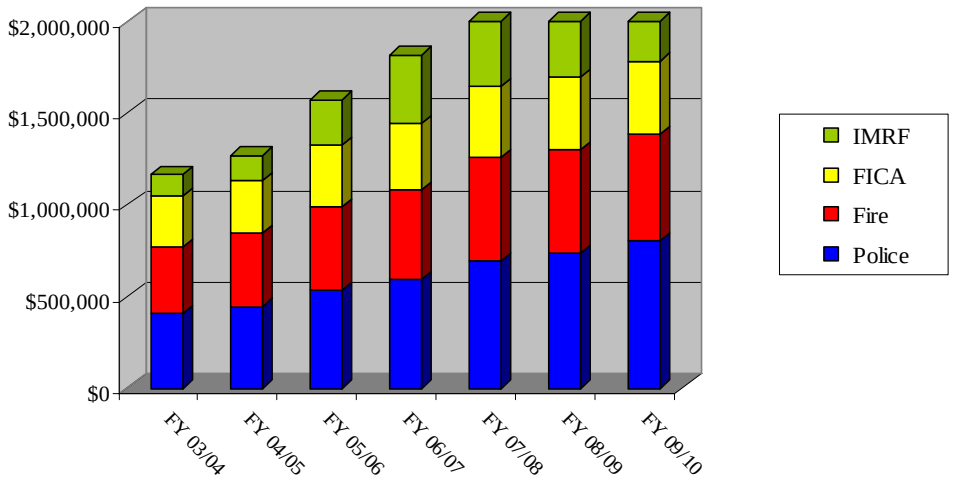
The property tax levy for general corporate purposes funds the general operations of the Village – Police, Fire, Administration, Public Works, Recreation and Parks, Health, Community Development and Economic Development – which are not funded by other sources. As can be seen in the pie chart below, the 2008 levy supported 46% of the total operating budget.

Village of Park Forest
General Fund/Motor Fuel Tax Operating Revenue
FY 09/10 Budget



In recent years, a higher share of the levy funds police and fire pensions, as well as IMRF and Social Security.

Property Tax Levy History - Pensions



As was indicated in the "Preliminary Year-end Results" for 2008/2009 discussed October 3, key revenues for fiscal 2009 were down $785,246 from the prior year as follows:

KEY REVENUE COMPARISON

	Fiscal 2008/2009	Change	Fiscal 2007/2008
Sales Tax	$ 615,553	$ (54,483)	$ 670,036
Utility Tax	1,642,644	(138,003)	1,780,647
State Income Tax	1,982,466	(240,741)	2,223,207
Personal Property Replacement Tax	168,986	(14,222)	183,208
Real Estate Transfer Tax	229,373	(17,821)	247,194
Motor Vehicle Licenses	445,278	(67,914)	513,192
Building Permit Fees	77,260	(24,785)	102,045
Interest Income	98,928	(152,106)	251,034
IRMA Surplus Distribution	-	(75,172)	75,172
	$ 5,260,489	**$ (785,246)**	**$ 6,045,735**

When developing the levy, other revenue sources are evaluated. Because of the uncertain nature of the economy, increases in those revenues are not projected. Expenditure increases are factored in the property tax levy needs. Use of fund balance has previously allowed the Village to maintain a low property tax increase for nine of the last eleven years. Estimated reserve level dropped below three months for the fiscal year ended June 30, 2009, requiring a $22,973 increase in levy to replenish reserve funds.

The higher levy increases in 2004 and 2005 allowed the Village to undertake several new initiatives including:

- Participation in SouthCom
- Establishment of an Economic Development Department
- Addition of two new police officers
- Added funding for storm sewer maintenance (annual allocation $50,000)
- Added funding for roadway maintenance (annual allocation $150,000)
- Added marketing dollars – $50,000

In evaluating levy needs, increases in operating costs are assessed. Salaries are the largest expense for the Village. In the General Fund salaries represent $9,612,928 or 50% of the total $19,164,839 operating budget. Police and Fire personnel represent 63% of total salaries. The current union contracts allowed for a 4% salary increase July 1, 2009. For Fiscal 2010 supervisory staff received a 2% increase while department heads received a 1% increase and the Village Manager received no salary increase. The dollar increase presented assumes a 3% annual salary increase for all Village personnel, consistent with the Police contract, and a 2% increase in other operating expenditures. **Last year the overall allowable 3% increase in other operating expenses was used to fund a 28% increase in IRMA costs cutting the allowable increases in other department expenses to 0%.**

The net result of levy needs and the use of General Fund balance on the general corporate property tax base is as follows:

2009 Tax Levy

GENERAL CORPORATE

Ongoing Operating Costs

Salaries 3%	$ 300,000
Other Expenditures 2%*	200,000
Reserve Shortfall	22,973

Proposed Tax Levy Increase for General Operations: $522,973

* Other expenditures include health insurance, IRMA costs, capital outlays, utilities, postage, legal, etc.

BONDS & INTEREST

The proposed levy for bonds and interest reflects a **decrease of $73,835**. **The Village is able to abate $500,000 in TIF Debt.**

The recommended bond abatement and levy are as follows:

	Actual Debt Debt Service	Funded From Other Sources (Abated)	Bond Levy
General Fund (includes golf)	$ 322,374	$ 6,871	$ 315,503
Aqua Center	34,336	–	34,336
TIF	1,009,087	500,000	509,087
Water Fund	75,014	75,014	–
Sewer Fund	49,026	49,026	–
	$1,489,837	$ 630,911	$ 858,926

The Village is able to abate a total of $630,911 in the bond and interest levy.

This debt service does not include the $1,000,000 annual payment required for the IEPA loan for the water plant. This payment will be covered by the water rate increase in place.

IMRF

The Village pays a designated percentage of salary for retirement benefits. The Illinois Municipal Retirement Fund determines this percentage. Because of prior favorable investment results, the Village contribution decreased from a high of 8.99% of affected salaries in 1999 to 3.22% of salaries in 2003. In 2004, rates began to increase. Rates jumped from 3.22% of eligible salaries to 6.79%. This doubled costs. In 2005 rates increased to 8.06%. In 2006 rates increased to 9.21%. For 2007 rates began to decrease slightly to 8.79% followed by 8.54% in 2008 and 8.69% in 2009. Because of serious market losses, the Village has received notification that rates will increase to 9.56% of payroll for 2010. The Village currently maintains an IMRF fund balance of $286,200. Utilizing the fund balance allows the Village to maintain the same levy as 2008.

2008 IMRF levy	$486,951
2009 IMRF levy needs	486,951
Increase in Levy	- 0 -

FICA

The fund balance associated with the FICA levy as of 6/30/09 was $122,002. Utilizing the fund balance allows the Village to maintain the same levy as 2008.

2008 FICA levy	$425,345
2009 FICA levy needs	425,345
Increase in Levy	- 0 -

POLICE PENSION

The levy amount for the police and fire pensions are actuarially determined. (See attached correspondence.) Police and Fire Pension benefit legislation adopted by the State legislature adds to municipal pension costs. Three police disability pensions added to pension costs in the prior year. As was mentioned at the February Financial Update, market conditions precipitated losses in pension fund. The Police Pension Fund lost 2.46%

2008 Police Pension levy	$856,887
Increase	113,679
2009 Police Pension levy	$970,566

FIRE PENSION

The fire pension levy is also affected by legislative changes and market factors. The Fire Pension Fund lost 4.68% last year. The actuarial funding recommendation is as follows:

2008 Fire Pension levy	$619,892
Increase	78,560
2009 Fire Pension levy	$698,452

Below is summary information for the pension funds as follows:

	Police	**Fire**
Total Assets	$16,026,510	$ 8,435,776
Levy Requirement	970,566	698,452
Percent Funded	58.4%	51.8%
Annual Rate of Return	-2.46%	-4.68%

Both pension funds are adequately funded provided the Village levies accordingly.

Levy Summary

	2008 Levy	Proposed 2009 Levy	Increase
General Corporate	**$ 7,281,347**	**$ 7,804,320**	
Bonds & Interest	**932,761**	**858,926**	
IMRF	**486,951**	**486,951**	
FICA	**425,345**	**425,345**	
Police Pension	**856,887**	**970,566**	
Fire Pension	**619,892**	**698,452**	
Village Levy	**$10,603,183**	**$11,244,560**	**6.0%**
Library	**1,684,941**	**1,757,663**	**4.3%**
Total Combined Levy:	**$12,288,124**	**$13,002,223**	**5.8%**

The Library levy includes added dollars in the Building Maintenance levy designed to rebuild reserve funds utilized for the Library renovation.

The Village increases in the property tax levy over the last sixteen years have been as follows:

		Tax Levy Increases
	1993	**15.1%**
	1994	**11.4%**
	1995	**11.7%**
	1996	**9.8%**
	1997	**6.7%**
	1998	**4.8%**
	1999	**2.9%**
	2000*	**2.9%**
	2001	**2.9%**
	2002	**2.9%**
	2003**	**2.9%**
	2004	**8.1%**
	2005	**9.3%**
	2006*	**2.6%**
	2007	**3.3%**
	2008	**3.0%**
Proposed	**2009**	**6.0%**

* Included a 0% increase in the General Corporate portion of the levy.
* * An additional 3% loss factor was added to the 2003 levy.

The actual increases experienced by taxpayers are a function of assessed value and new construction. Attached is a ten-year history of equalized assessed value for the Village. On the average property tax bill the Village share of taxes range from $1,300 to $2,000. Therefore, a 6% increase in taxes will produce a $78 to $120 increase in a tax bill related to Village services.

The levy recommendation does not include any increase in staff or increase in programs or services offered by the Village. In general, a 1% tax levy increase equates to $106,032.

SCHEDULE FOR CONSIDERATION: This matter will appear on the Agenda of the Regular meeting of Monday, December 14, 2009 for approval.

NOTICE OF PROPOSED PROPERTY TAX LEVY FOR THE VILLAGE OF PARK FOREST

I. A public hearing to approve a proposed property tax levy for the Village of Park Forest shall be held on Monday, December 7, 2009 at 8:00 p.m. at the Village Hall, Board Room, 350 Victory Drive, Park Forest, Illinois.

Any person desiring to appear at the public hearing and present testimony to the taxing Village may contact Mary Dankowski, Finance Director, (telephone 708/ 748-1112).

II. The corporate and special purpose property taxes extended or abated for the year 2008 were $11,355,363.

The proposed corporate and special purpose property taxes to be levied for 2009 are $12,143,297. This represents a 6.9% increase over the previous year.

III. The property taxes extended for debt service and public building commission leases for 2008 were $932,761.

The estimated property taxes to be levied for debt service for 2009 are $858,926. This represents a 7.9% decrease over the previous year.

IV. The total property taxes extended or unabated for 2008 were $12,288,124.

The estimated total property taxes to be levied for 2009 are $ 13,002,223. This represents a 5.8% increase over the previous year.

PLEASE PUBLISH SUNDAY, NOVEMBER 29, 2009 IN PARK FOREST AREA SOUTHTOWN/STAR NEWSPAPERS

MAIN NEWS

RECEIVED
OCT 21 2009
By

October 20, 2009

TO: Mary Dankowski
Village Finance Director

FROM: Barbara Osuch
Library Director

SUBJECT: 2009 Tax Levy

During the October 15, 2009 meeting of the Park Forest Public Library Board of Trustees, the 2009 Tax Levy request was approved as:

GENERAL PROPERTY	$ 1,492,022 *
IMRF	62,000
FICA	63,000
Audit	5,249
IRMA Liability/Workmen's Compensation	85,392
Unemployment Benefits	
Building/Maintenance	50,000
TOTAL LEVY	$ 1,757,663 **

* This number reflects a 3% overall increase in the general operating levy.

** This number reflects a 4.4% increase from the 2008 Gross Tax Levy Extension.

October 16, 2009

John Ostenburg, Village President
Village of Park Forest
350 Victory Dr.
Park Forest, IL 60466

Subject: Library 0.02% Building and Maintenance Levy
2009 Levy

Dear President Ostenburg:

The purpose of this letter is to request the Village Board of Trustees to adopt the 0.02% Library Building and Maintenance Levy, in addition to the other library levies which will be requested in connection with the Park Forest Public Library's budget for the FY 2010/2011 cycle.

At the October 15, 2009 meeting of the Park Forest Public Library Board, the Library Trustees adopted a motion which passed by unanimous vote, to request adoption of the 0.02% Building and Maintenance Levy for the 2009 tax year.

The purpose of this levy is for necessary repairs, replacements, and maintenance in various parts of the Library, necessitated by the fact that this is an aging structure. This includes, but is not limited to the following areas:

- Repairs and maintenance to the building not provided by the Village.
- Repairs and maintenance of the HVAC systems including annual filter replacement.
- Bimonthly carpet cleaning.
- Purchase and maintenance of mats in high traffic areas.
- General maintenance and cleaning of the high ceiling areas.
- Interior and exterior window cleaning.
- Upgrades to accommodate the computer facilities and Internet access for the public.

It is our understanding that the Village Board will consider this as part of the Levy process.

If you have any questions or wish further information, please do not hesitate to contact Ms. Barbara Byrne Osuch or me. Thank you for your cooperation.

Sincerely,

Penny Shnay

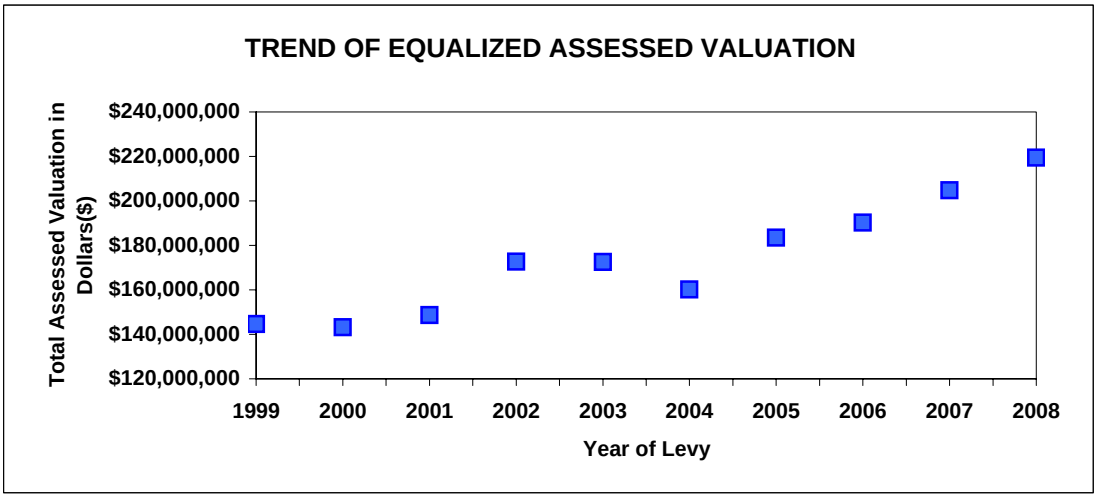
Penny Shnay
Library Board President

nk

cc: Park Forest Village Trustees
Park Forest Public Library Board of Trustees
Tom Mick, Village Manager
Mary Dankowski, Village Finance Director
Barbara Byrne Osuch, Library Director

VILLAGE OF PARK FOREST
EQUALIZED ASSESSED VALUE
10-YEAR INFORMATION

Levy Year	Equalized Assessed Value	Percentage Increase(Decrease)	Estimated Actual Value	Ratio of Equalized Assessed Value to Estimated Actual Value
1999	144,655,446	12.02%	433,966,338	33.33%
2000	143,192,056	-1.01%	429,576,168	33.33%
2001	148,598,080	3.78%	445,794,240	33.33%
2002	172,636,509	16.18%	517,909,527	33.33%
2003	172,466,140	-0.10%	517,398,420	33.33%
2004	160,167,360	-7.13%	480,502,080	33.33%
2005	183,464,965	14.55%	550,394,895	33.33%
2006	190,262,287	3.70%	570,786,861	33.33%
2007	204,687,009	7.58%	614,061,027	33.33%
2008	219,491,270	7.23%	658,473,810	33.33%



Actuary

FACSIMILE #: (708) 503-8560

Number of pages (including this page): 7

To: Ms. Stephanie Rodas

Comments:

Re: Police & Firefighter Pension Funds

Steph:

Attached are the 7/1/09 preliminary actuarial results, investment performance summary, and the salary history for the Police and Firefighter Pension Funds. This year, the investment returns were much less than expected and salaries increased as expected. Police has 3 more active members this year and Fire had a new incident of disability. Thus, the Tax Levy has increased and the Percent Funded has decreased.

Highlights:

1. Investment returns: Police -2.46%, Fire -4.68%.
2. Annual payroll increases: Police 9.6%, Fire 4.8%
   Average increase: Police 3.6%, Fire 6.3%.
3. New members: Police 4, Fire 1; Terminations: Police 1, Fire 0;
   Retirements: Police 0, Fire 0 Incidents of Disability: Police 0, Fire 1.
4. Percent Funded: Police decreased from 63.3% to 58.4%;
   Fire decreased from 58.8% to 51.8%.
5. Tax Levy: Police increased from $827,752 to $970,566 (17.3%);
   Fire increased from $598,886 to $698,452 (16.6%).

As Always,

T. Sharpe

Timothy W. Sharpe, Actuary, Geneva, IL (630) 262-0600

September 16, 2009

VILLAGE OF PARK FOREST
Police Pension Fund

Investment Performance 2000-2009

	FYE 00	FYE 01	FYE 02	FYE 03	FYE 04	FYE 05	FYE 06	FYE 07	FYE 08	FYE 09
BOY Assets	12,337,808	12,758,219	13,371,061	13,517,593	14,375,984	14,391,171	15,298,086	15,361,167	16,498,790	16,676,827
Village Contribution	316,742	377,996	403,906	401,896	422,037	462,024	551,737	593,482	663,828	739,740
Officer Contribution	166,980	157,632	176,553	259,719	226,194	308,527	249,621	262,014	274,924	381,224
Pension Payments	735,414	804,912	813,825	860,731	846,127	827,910	886,202	999,775	1,162,500	1,331,082
Expenses	40,293	33,147	14,123	22,257	19,037	27,637	30,320	41,597	59,420	33,484
Income	730,154	915,273	481,061	1,079,771	230,224	995,224	180,315	1,305,983	426,390	(406,715)
EOY Assets	12,775,977	13,371,061	13,604,632	14,375,991	14,389,274	15,301,399	15,363,237	16,481,273	16,642,011	16,026,510
Annual Yield	5.99%	7.26%	3.63%	8.05%	1.61%	6.94%	1.18%	8.55%	2.61%	-2.46%
5-Year Yield (2005-09)	3.36%									
10-Year Yield (2000-09)	4.34%									

Timothy W. Sharpe, Actuary, Geneva, IL (630) 262-0600

September 16, 2009

VILLAGE OF PARK FOREST
Firefighters Pension Fund

Investment Performance 2000-2009

	FYE 00	FYE 01	FYE 02	FYE 03	FYE 04	FYE 05	FYE 06	FYE 07	FYE 08	FYE 09
BOY Assets	6,549,881	6,969,729	6,969,380	6,999,801	7,329,435	7,650,062	7,911,561	8,107,811	8,809,592	8,864,108
Village Contribution	300,693	328,492	337,287	337,861	368,731	408,536	465,832	470,489	567,059	585,453
Firefighter Contribution	94,924	91,759	95,790	111,154	104,729	118,277	129,706	186,461	163,434	166,783
Pension Payments	501,741	497,101	520,623	500,896	508,048	630,889	660,723	697,272	679,231	686,471
Expenses	30,588	36,014	33,686	33,077	37,451	54,956	40,071	64,212	51,859	79,829
Income	674,851	110,927	24,655	414,597	391,079	423,529	304,640	778,899	67,456	(414,270)
EOY Assets	7,088,021	6,967,792	6,872,803	7,329,441	7,648,475	7,914,560	8,110,944	8,782,175	8,876,451	8,435,776
Annual Yield	10.41%	1.60%	0.36%	5.96%	5.36%	5.59%	3.88%	9.67%	0.77%	-4.68%
5-Year Yield (2005-09)	3.05%									
10-Year Yield (2000-09)	3.89%									

Timothy W. Sharpe, Actuary, Geneva, IL (630) 262-0600

ORDINANCE NO.

AN ORDINANCE LEVYING TAXES FOR ALL CORPORATE PURPOSES FOR THE VILLAGE OF PARK FOREST, COOK AND WILL COUNTIES, ILLINOIS, FOR THE FISCAL YEAR BEGINNING ON THE FIRST DAY OF JULY, 2009 AND ENDING ON THE THIRTIETH DAY OF JUNE, 2010 (TAX LEVY ORDINANCE)

BE IT ORDAINED by the President and Board of Trustees of the Village of Park Forest, Cook and Will Counties, Illinois:

Section I. That the sum **twelve million one hundred forty-three thousand two hundred ninty-seven dollars and no cents ($12,143,297),** being the total of budgeted amounts heretofore legally adopted and appropriated by Ordinance No. 1911, which are to be collected from the tax levy for the Fiscal Year of the Village of Park Forest, Cook and Will Counties, Illinois beginning July 1, 2009 and ending June 30, 2010, for all corporate purposes of said Village, including General Purposes, Illinois Municipal Retirement Fund Purposes, Police Pension Fund Purposes, Firefighters Pension Fund Purposes, FICA Fund Purposes, Public Library Fund Purposes, Library IMRF Purposes, Library FICA Fund Purposes, Library Audit Fund Purposes, Library IRMA Liability/ Workers Compensation Fund Purposes and Library Building and Maintenance Fund Purposes as appropriated and budgeted for said Fiscal Year beginning July 1, 2009 and ending June 30, 2010, passed by the President and Board of Trustees of said Village at its Regular Meeting held on the 22nd day of June, 2009, be and the same is hereby levied on all taxable property within the said Village of Park Forest, subject to taxation for said current fiscal year. The specific amounts as levied for the various objects heretofore named appear in the column designated "Raised by Taxation," the said tax so levied for budgets and appropriations heretofore adopted and made for said current fiscal year which are to be collected from said tax levy the total amount of which has been ascertained as aforesaid for the objects and purposes as follows:

	Amount Budgeted	Amount to be Received from Other Sources	Raised by Taxation
I. GENERAL CORPORATE			
Administrative	3,980,444		
Police Department	6,572,568		
Fire Department	3,455,380		
Health Department	846,455		
Parks and Recreation	2,183,651		
Public Works Department	1,058,091		
Economic Development & Planning	504,139		
Community Development	564,111		
FICA (Levied Separately)	(425,345)		
IMRF (Levied Separately)	(486,951)		
Police Pension (Levied Separately)	(970,566)		
Fire Pension (Levied Separately)	(698,452)		
Total General Corporate	$16,583,525	$8,779,205	$7,804,320

	Amount Budgeted	Amount to be Received from Other Sources	Raised by Taxation
II. IMRF			
(Illinois Municipal Retirement Fund)			
Administrative	205,570		
Public Works	36,048		
Recreation and Parks	83,417		
Police Department	52,532		
Fire Department	5,041		
Health Department	45,767		
Community Development	34,443		
Economic Development & Planning	24,133		
Total IMRF	$486,951		$486,951
III. POLICE PENSION	$970,566		$970,566
IV. FIREFIGHTERS PENSION	$698,452		$698,452
V. FICA (Social Security)			
Administrative	115,084		
Public Works	29,497		
Recreation and Parks	75,963		
Police (Medicare)	89,176		
Fire (Medicare)	30,258		
Health Department	37,443		
Community Development	28,179		
Economic Development & Planning	19,745		
Total FICA	$425,345		$425,345
VI. LIBRARY			
Operating Fund	1,492,022		1,492,022
IMRF Fund	62,000		62,000
FICA Fund	63,000		63,000
Audit Fund	5,249		5,249
Liability/Workers Comp.	85,392		85,392
Building and Maintenance	50,000		50,000
Total Library	$1,757,663		$1,757,663

VII. SUMMARY OF AMOUNTS TO BE RAISED BY TAX LEVY:

	General Corporate Fund	7,804,320
	IMRF Fund	486,951
	Police Pension Fund	970,566
	Fire Pension Fund	698,452
	FICA Fund	425,345
	Library Operations Fund	1,492,022
	Library IMRF Fund	62,000
	Library FICA Fund	63,000
	Library Audit Fund	5,249
	Library Liability/Workers Comp.	85,392
	Library Building and Maintenance Fund	50,000
TOTAL		$12,143,297

Section II. That there is certified to the County Clerks of Cook and Will Counties, Illinois that several sums aforesaid, constituting the total amount of **twelve million one hundred forty-three thousnd two hundred ninty-seven dollars and no cents ($12,143,297),** which said total amount the Village of Park Forest requires to be raised by taxation for the current fiscal year of said Village, and the Clerk of said Village is hereby ordered and directed to file with the County Clerks of said counties on or before the time required by law, a certified copy of this Ordinance.

Section III. This Ordinance shall be in full force and effect from and after its passage and approval, according to law.

Adopted this __ day of December, 2009.

Ayes ___
Nays ___
Absent ___

APPROVED: ATTESTS:

_____ _____

Mayor Village Clerk

AGENDA BRIEFING

DATE: December 9, 2009

TO: Mayor John Ostenburg
Board of Trustees

FROM: Mary G. Dankowski, Deputy Village Manager/Finance Director

RE: An Ordinance to Abate a Portion of the 2009 Tax Levy for the Village of Park Forest, Cook and Will Counties, Illinois (Tax Levy Abatement Ordinance)

BACKGROUND/DISCUSSION: The Village has certain General Obligation Debt of which a portion can be paid through the operations of the fund which generated the debt. During 2008 the Village refinanced two debt issuances to realize cost savings and accelerate debt service payments. For 2009, Debt Service for the following funds is:

	Total Debt Service	Principal	Interest
General Fund*	$ 322,374		
Aqua Center Fund	34,336		
TIF Fund	1,009,087		
Water Fund	75,014		
Sewer Fund	49,026		
	$1,489,837	$867,400	$622,437

* Now includes remaining Golf related debt.

Of this debt service amount, the following amounts can be abated:

	Proposed Abatement
General Fund	$ 6,871
Aqua Center Fund	--
TIF Fund	500,000
Water Fund	75,014
Sewer Fund	49,026
	$630,911

Total Debt Service minus the proposed abatement equals a levy amount of $858,926. This amount does not include the $999,926 in debt service associated with the IEPA 2.5% loan funded through water rates.

By receiving tax increment the Village is able to abate a portion of the TIF debt. **(By abating these total taxes, the Village Board saves residents a 6% additional levy.)**

SCHEDULE FOR CONSIDERATION: This matter will appear on the Agenda of the Regular meeting of Monday, December 14, 2009 for approval.

ORDINANCE NO.

"AN ORDINANCE TO ABATE A PORTION OF THE 2009 TAX LEVY FOR THE VILLAGE OF PARK FOREST, COOK AND WILL COUNTIES, ILLINOIS"
(TAX LEVY ABATEMENT ORDINANCE)

WHEREAS, on the 12/14/09, being a Tax Levy Ordinance for the calendar year 2009 for the Village of Park Forest, Cook and Will Counties, Illinois, was passed and approved; and

WHEREAS, the corporate authorities of the Village of Park Forest find that they have received during the Fiscal Year 2009 sufficient funds and revenues in the amount of **$630,911**; and

WHEREAS, this Ordinance is adopted pursuant to the authority vested in the Village of Park Forest under law and pursuant to the home rule powers conferred on the Village of Park Forest by the Constitution of the State of Illinois:

WHEREAS, among other things, the Ordinance provided for the levying of the following amounts for the purposes specified as follows:

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Village Board of Trustees of the Village of Park Forest, Cook and Will Counties, that Ordinance Number _____ be adopted as attached, for submission to Cook and Will Counties.

SECTION 1: That the County Clerk of Cook and Will Counties are hereby authorized and directed to abate the 2009 Tax Levy as follows:

PURPOSE	AMOUNT LEVIED	AMOUNT ABATED	BALANCE UNABATED
General Corporate	**7,804,320**	**-**	**7,804,320**
Ill. Munic. Retirement Fund	**486,951**	**-**	**486,951**
Police Pension	**970,566**	**-**	**970,566**
Firefighters Pension	**698,452**	**-**	**698,452**
FICA (Social Security)	**425,345**	**-**	**425,345**
1993 GO Bonds	**138,806**	**55,897**	**82,909**
1999 GO Bonds	**170,400**	**170,400**	**-**
2001 GO Bonds	**425,762**	**193,168**	**232,594**
2008A GO Bonds	**645,519**	**136,432**	**509,087**
2008B GO Bonds	**109,350**	**75,014**	**34,336**
Library Operations Fund	**1,492,022**	**-**	**1,492,022**
Library IMRF Fund	**62,000**	**-**	**62,000**

PURPOSE	AMOUNT LEVIED	AMOUNT ABATED	BALANCE UNABATED
Library FICA Fund	**63,000**	**-**	**63,000**
Library Audit Fund	**5,249**	**-**	**5,249**
Library Liability/Workers C	**85,392**	**-**	**85,392**
Library Bldg and Maint. Fur	**50,000**	**-**	**50,000**
TOTAL	**13,633,134**	**630,911**	**13,002,223**

SECTION 2: That the Village Clerk is hereby directed to file with the County Clerks of Cook and Will Counties, Illinois a certified copy of this Ordinance on or before the time required by law.

SECTION 3: This Ordinance shall be in force from and after its passage, approval, signing and recording as provided by law.

Adopted this _____day of __December__, 2009.

APPROVED: ATTEST:

_____ _____

Village Mayor Village Clerk

Ayes ____
Nays ____
Absent ____