



March 3, 2021

Mr. Brian Townsend
Village Manager
Village of Schaumburg
101 Schaumburg Court
Schaumburg, IL 60193

Dear Brian:

Jones Lang LaSalle Americas, Inc. (“JLL”) is pleased to present this letter agreement to the Village of Schaumburg (“Village” or “Client”) for extension to the agreement for Asset Management of the Renaissance Schaumburg Hotel and Convention Center dated July 21, 2017 and due to expire July 31, 2021. JLL and the Village have had a very successful partnership over the past four years, which has led to many significant successes at the hotel.

Our recent assistance in renegotiations with Marriott on the management contract extension resulted in savings of more than \$3.2 million in the initial year (2020) related to management fees and other compensation.

Throughout the past year, the effect the pandemic has had on the hospitality industry has been severe. We believe we have added and continue to add value to the Village and hotel management team that has led to minimizing the financial impacts to the Village. It is our desire to continue to be the Village’s partner as the hotel moves out of the pandemic and into more normalized operations.

As a way to show support of our valued partnership with the Village during the pandemic-driven downturn, JLL waived fees for the months of March through May last year and decreased monthly fees by more than 50% beginning in June. These decreased fees will remain in effect through contract end. In total, JLL has reduced fees by more than \$166,000 since March 2020 and through the contract end date. JLL will keep fees at a decreased amount for the initial five months of the new agreement, followed by more normalized fees beginning in January 2022, which is detailed in the Professional Fee section of this document.

This letter agreement outlines JLL’s scope of services, term, professional fees and contractual conditions.

SCOPE OF SERVICES

Monthly Review

JLL will review monthly the financial, sales & marketing, performance indices, and other pertinent information, summarizing findings in a written report. Our review will include:

- Analysis of monthly and year-to-date financial results compared to budget and prior year
- Analysis of advanced group bookings, booking pace, and leads
- Analysis of the average daily rate, occupancy, RevPar penetration of the hotel compared to competitive hotels
- Key performance statistics for the convention center
- Financial analysis, performance tracking, and ongoing review of all data and documents such as STAR data, revenue management data, and forecasts
- Monthly reviews in order to discuss monthly financial data and the strategies to improve performance
- Monthly reviews of sales & marketing (pace, staff performance, property programs, etc.), property projections and forecasts, cash flow, balance sheet, market share and competitive set performance, capital plan/spending, guest satisfaction reports
- Preparation of a written report within 30 days following the end of each month commenting on key measures as appropriate
- Hosting a monthly call with Village leadership and property management approximately 14 days following the receipt of the monthly financial data to review and comment on results

Quarterly Review

Management Meetings and On-Site Inspection

JLL will meet with the Hotel's management team and Village representatives, not less than quarterly, to discuss hotel performance and opportunities for improvement. Meetings are to include:

- General Manager
- Director of Sales and Marketing
- Director of Finance
- Director of Food and Beverage
- Director of Revenue Management
- Director Property Operations
- Other as appropriate

Sales and Marketing Meetings

During the Sales and Marketing meeting, JLL will review and comment on the overall sales and marketing effort, including but not limited to the following:

- Sales strategies
- Personnel performance

- Booking pace
- Market share development
- Revenue management
- Strategic alliances
- Sales initiatives by market segment
- Public relations
- Advertising

Annual Review

Annual Business Plan and Budget Review

JLL will review and comment on the Property's annual Operating Plan and Budget and Capital Budget. JLL will augment the Property's prepared information with additional schedules as necessary. Our analysis will include developing recommendations, when necessary, on ways to improve revenues and overall profitability of the facility.

JLL will attend meetings with the Village of Schaumburg for the presentation and approval of the annual Business Plan and other related meetings, as required.

Other Annual Reviews

On an annual basis, JLL will review and comment on:

- Marketing Plan
- Competitive hotel comparison
- Contract compliance
- Capital Expenditure (CapEx) plan
- Brand cost allocation
- Hotel's share of Centralized Services expenses
- Service contract compliance with private activity bond requirements.
- Compliance with Hotel Operating Agreement requirements

As Needed Services

JLL will perform other services as required, including:

- Ensuring that property specific compliance requirements are completed including accounting and quarterly reporting of financial statements, requirements of ground lessors and other third parties.
- Assessing, guidance and recommendations of value enhancement opportunities for the hotel
- Supporting both internal and external counsel, accountants, and other consultants in property specific issues that may occur
- Reviewing and assisting in reporting as required by the Village
- Reviewing, understanding and ensuring compliance with documents such as the management agreement, bond documents, cash management agreement, and any other agreement impacting the operations of the hotel

JLL Ongoing Communication

JLL will regularly communicate with hotel management to discuss hotel operations, sales & marketing pace and positioning, overall market performance, etc. JLL prides itself on open and frequent communication with hotel management. It is this frequent communication that allows for the best possible oversight, forecasting and planning.

TERM

The term of the engagement shall commence on August 1, 2021 and continue until December 31, 2024.

PROFESSIONAL FEES

JLL’s professional fees will remain at a lower amount throughout the remainder of 2021 in order to assist the Village’s cash flow as the hotel continues to operate and grow out of the pandemic-driven environment. Commencing in 2022, professional fees will return to a more normalized level, however the amount has been rolled back to our original 2020 contracted fees.

Professional Fees	
2021	
Q3*	\$20,000
Q4	\$30,000
2022	
Q1	\$46,200
Q2	\$46,200
Q3	\$46,200
Q4	\$46,200
2023	
Q1	\$47,400
Q2	\$47,400
Q3	\$47,400
Q4	\$47,400
2024	
Q1	\$48,600
Q2	\$48,600
Q3	\$48,600
Q4	\$48,600

In addition to professional fees, JLL shall be reimbursed for out-of-pocket expenses incurred in conjunction with this engagement, to include such items as reasonable travel costs (including flights, meals, hotel accommodations, etc.). Out-of-pocket expenses shall not exceed \$10,000 in any year for the term of the engagement. This reimbursement structure is the same as in the current agreement.

The provisions of this letter agreement shall be governed and controlled by the terms and conditions set forth in Exhibit A attached hereto and incorporated by reference.

By signing below the Client acknowledges and agrees that they have read and accept all of the terms herein, including but not limited to the scope of work, term, compensation and the Terms and Conditions set forth in Exhibit A.

* * *

We appreciate the opportunity to provide this engagement letter and look forward to continuing our successful partnership with the Village. Should you have any questions, please contact me at (678) 584-0272.

Respectfully submitted,



Tom Reifert
Executive Vice President
Jones Lang LaSalle Americas, Inc.

READ, AGREED AND ACCEPTED BY:

Village of Schaumburg

Brian Townsend
Village Manager

EXHIBIT A
TERMS AND CONDITIONS

INDEPENDENT CONSULTANT STATUS AND SUBCONTRACTORS

JLL will act solely as an independent contractor in performing the Services, and nothing in this letter agreement will at any time be construed to create the relationship of employer and employee, principal and agent, partners, or joint venturers between Client and JLL, or Client's officers, directors, partners, managers, employees or agents and JLL's officers, directors, partners, managers, employees or agents. JLL shall be solely responsible for the compensation, benefits, contributions and taxes, if any, of its employees, subcontractors and agents.

TERM AND TERMINATION OF LETTER AGREEMENT

This letter agreement shall be terminable by either party upon thirty (30) days written notice by either party. However, upon a breach of this letter agreement, the non-breaching party may terminate this letter agreement immediately.

INDEMNIFICATION

JLL shall indemnify, defend (with counsel reasonably acceptable to Client) and hold Client harmless from any and all claims, demands, causes of action, losses, damages, fines, penalties, liabilities, costs and expenses, including reasonable attorneys' fees and court costs, sustained or incurred by or asserted against Client by a third party by reason of or arising out of JLL's gross negligence or willful misconduct with respect to JLL's duties and activities within the scope of this letter agreement.

Except for JLL's gross negligence or willful misconduct, Client shall indemnify, defend (with counsel reasonably acceptable to JLL) and hold JLL and its partners, directors, officers, agents, servants and employees harmless from and against any and all claims, demands, causes of action, losses, damages, fines, penalties, liabilities, costs and expenses incurred in the capacity of a defendant or a witness, and all other costs and expenses (including without limitation attorneys' fees and court costs) sustained or incurred by or asserted against JLL by a third party by reason of or arising out of the performance or nonperformance of JLL's duties and activities within the scope of this letter agreement.

The terms of the foregoing indemnification provision shall survive the expiration or termination of this letter agreement.

CONFIDENTIALITY

Both parties shall treat as confidential property and not disclose to others during or subsequent to the term of this letter agreement, except as necessary to perform this letter agreement (and then only on a confidential basis satisfactory to both parties), any information and documents which are received from the other party and identified as "Confidential." Both JLL and Client shall also treat as confidential and shall not disclose to others, except as required by law, this form of letter agreement. Client shall automatically treat JLL's "copyrighted" work product and proprietary software programs as "Confidential" and shall not reuse or share such Confidential information with other outside consultants, or third parties, without the prior written consent of JLL.

Nothing above, however, shall prevent either party from disclosing to others or using in any manner information, which that party can demonstrate:

- A. Has been published and has become part of the public domain other than by acts, omissions or fault of the party to this letter agreement receiving such Confidential information, their employees, agents, contractors and/or consultants; or,
- B. Has been furnished or made known to the party to this letter agreement receiving the Confidential information by a third party (other than those acting directly or indirectly for or on behalf of JLL or Client) as a matter of legal right without restrictions on its disclosure; or,
- C. Was in either party's possession prior to disclosure thereof by the other party.
- D. Must be disclosed pursuant to any statute, law, regulation, ordinance, order or decree of any governmental authority having jurisdiction over the party to this letter agreement receiving the Confidential information or any of its employees, agents, contractors and/or consultants.

The foregoing obligations of confidentiality in this letter agreement shall survive for a period of one (1) year from the mutual execution of this letter agreement.

LIMITATION OF LIABILITY

Neither party shall be liable to the other for, and each party hereby waives any and all rights to claim against the other party, any special, indirect, incidental, consequential, punitive or exemplary damages in connection with this letter agreement, including, but not limited to, lost revenue or profits, even if a party has knowledge of the possibility of such damages; and in no event shall JLL's liability to Client hereunder exceed the annual fee paid to JLL pursuant to this letter agreement.

VERIFICATION AND RELIANCE

The data, documentation, and assumptions derived from information supplied by Client, published information, prepared by JLL in the regular course of its business, and other industry sources will not be independently verified by JLL for purposes of this Agreement. JLL will not be responsible for the accuracy of such data and information, and for any assumptions derived therefrom. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy. However, JLL's performance will be based on JLL's professional evaluation of all such available sources of information. Client acknowledges and agrees that there may be differences between projected and actual results because events and circumstances frequently do not occur as predicted, and those differences may be material and hereby releases JLL from any claims or liability arising from these differences. JLL is not obligated to predict future political, economic or social trends. JLL assumes no responsibility for economic factors that may affect or alter the opinions in this report if said economic factors were not present as of the date of the letter of transmittal accompanying this report.

The parties understand and agree that neither JLL's fees nor the payment thereof by Client is contingent upon the results, conclusions or recommendations provided by JLL.

INTELLECTUAL PROPERTY

Notwithstanding any term in this letter agreement to the contrary, JLL shall retain all right, title, and interest in any and all intellectual property: (i) created by JLL prior to this letter agreement, including (without limitation) JLL's proprietary software programs and processes for providing services and (ii) created by JLL during the term of this letter agreement in the normal course of business for JLL's clients generally.

WAIVER

A Waiver on the part of Client or JLL of any term, provision or condition of this letter agreement shall not constitute a precedent or bind either party to a waiver of any succeeding breach of the same or any other term, provision or condition of this letter agreement.

NOTICE

Any information or notices required to be given in writing under this letter agreement shall be deemed to have been sufficiently given if delivered either personally, by certified mail or overnight to the address of the respective party set forth below, or to such other address for either party as that party may designate by written notice.

For Client:

Mr. Brian Townsend
Village of Schaumburg
101 Schaumburg Court
Schaumburg, IL 60193

For JLL:

Jones Lang LaSalle Americas, Inc.
200 East Randolph Street
Chicago, Illinois 60601
Attn: Kristin Schneider

With a copy to:

Jones Lang LaSalle Americas, Inc.
200 East Randolph Street
Chicago, Illinois 60601
Attn: General Counsel

INVOICES AND PAYMENTS

JLL shall invoice Client from time to time for its fees, expenses and costs incurred during that billing period. Client agrees to pay each invoice within thirty (30) days of receipt. However, if Client objects to all or any portion of any invoice, Client shall so notify JLL within fifteen (15) days from receipt, give reasons for the objection, and pay that portion of the invoice not in dispute within thirty (30) days of receipt of the invoice in question. All invoices shall be submitted for payment to the address provide on each invoice. Payment of an invoice is indicative of that portion of work being complete and the revenue earned. Delinquent payments hereunder shall earn interest at the rate of one and one-half percent (1-1/2%) per month from the date due until paid.

LITIGATION COSTS/JURY WAIVER

In the event there is any litigation between Client and JLL with respect to the subject matter of this agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees and disbursements in such litigation from the other party. THE PARTIES HEREBY WAIVE TRIAL BY JURY.

MISCELLANEOUS

This letter agreement, including any Exhibits and any addenda thereto, constitutes the entire agreement between JLL and Client. It supersedes all prior or contemporaneous communications, representations or agreements, whether oral or written, relating to the Services set forth in this letter agreement. This letter agreement may be amended only by a written instrument signed by both parties. However, for modifications to this Agreement involving non-material changes in scope and fees, consent to such modification may be given via email and shall be binding upon the parties to this Agreement.

If any term or provision of this letter agreement is construed or held to be void, invalid or unenforceable by order, decree or judgment of a court of competent jurisdiction, the remaining terms and provisions of this letter agreement shall not be affected thereby but shall remain in full force and effect.

To the extent the terms and conditions on this Exhibit A conflict with the attached agreement, the terms and conditions of Exhibit A shall prevail.

This letter agreement shall be governed and interpreted pursuant to the laws of the State of Illinois and venue for any dispute resulting in litigation shall lie in the Circuit Court of Cook County of Illinois.