

Management Agreement For Festival Services

THIS MANAGEMENT AGREEMENT FOR FESTIVAL SERVICES ("Agreement") is made and entered into this 25th day of February, 2019 (the "Effective Date") by and between StarEvents, Inc with its principal business office at 1609 W. Belmont, Chicago, IL (the "Manager"), and the Village of Palos Park, an Illinois municipal corporation, having an address at 8999 W. 123rd Street, Palos Park, Illinois ("Festival"). Manager and Festival are sometimes referred to herein individually as a "Party" and collectively as the "Parties".

WITNESSETH:

WHEREAS, Festival is organizing the Palos Park Art Festival, (the "Event") to be held on the Palos Park Village Green, located at 8901 W 123rd Street, Palos Park, Illinois (the "Event Location") scheduled to occur from May 18th, 2019 through May 19th, 2019 (the "Event Date"); and

WHEREAS, Manager has expertise in consulting with, organizing, producing and marketing events, and the logistics, operations and management of special events such as the Event ("Event Services"); and

WHEREAS, Festival is desirous of Manager providing the Event Services for the Event, and Manager is willing to provide the Event Services to Festival in accordance with this Agreement;

NOW THEREFORE, in consideration of the foregoing and of the mutual promises of the Parties, the Parties agree as follows:

1. Manager's Obligations and Responsibilities

A. Event Development. Manager shall develop the Event plan in consultation with and subject to the Festival's approval, which will include, without limitation, operational functions; site event planning; a marketing plan and its implementation; identifying and securing sponsors; identifying and securing talent (music and other artists); identifying and assisting with other festival activities such as children's games, carnival rides, sports activities and other activities that will apply to the Festival or the culture of the Event.

B. Identify Needs. Manager shall determine and identify parking needs; signage plans; sponsor branding; local ingress/egress plan; equipment; news items for release; equipment such as tents, porta lets, tables, chairs, decor, lighting; sound; staging; identify and supplying (upon approval of Festival) staff positions, vendors and suppliers; liaison with law enforcement, venue and local government officials; liaison with Festival staff; and such other items as Manager determines to be necessary or sufficient for the Event.

C. Meetings. Manager shall meet as necessary with Festival staff, governmental agencies, local businesses, vendors, local police and/or public safety officials in order to obtain their input in all operations, mitigation measures and the planning of the Event. Festival will at all times reasonably cooperate with Manager.

D. Equipment. Subject to Festival's written approval, which shall not be unreasonably withheld or delayed, Manager shall be responsible for identifying, securing and procuring on behalf of Festival the appropriate latest model equipment for the Event, properly registered, licensed, and meeting the standards for the Event.

E. Publications. Subject to Festival's written approval, which shall not be unreasonably withheld or delayed, Manager shall develop and assist in preparing written publications for Festival to produce and distribute, and for placement on Festival's website.

F. Insurance. During the Term, as defined below, Festival shall maintain, in full force and effect, current workmen's compensation, auto and comprehensive general liability insurance and, if alcoholic beverages will be available at the Event, dram shop insurance (collectively, the "Policies"). The Manger shall be allowed to purchase, and pay for a TULIP policy through IRMA for the Event.

G. Coordination. Manager will coordinate its efforts pursuant to and in accordance with instructions and directions of the representative of Festival specified by Festival.

H. Revenue/Expenses. Manager shall collect all revenue from all sources inuring to the Festival from the Event, including, but not limited to all sponsor monies, contracts, and barter deals it obtains in connection with the Event, and hold, or use such funds for the production and benefit of the Event only, and remit to Festival, all excess revenue, after the payment of all expenses and fees, together with Manager's accounting of the receipts and disbursements. Any deficiency of revenue necessary to pay all such expenses and fees will be promptly remitted by Festival to Manager for payment of such expenses, or paid directly by Festival to the respective creditors. Festival shall indemnify and hold Manager harmless from the payment of expenses owed by Festival and those to be paid directly by Festival.

I. Management Fee. Manager shall be paid a base management fee for managing the Event of \$15,995. 00 (the "Base Management Fee"), plus 20% commission on sponsorship monies raised by the Manager (the "Sponsorship Fee"), plus an amount equal to 20% of the net profit of the Event (the "Net Profit Management Fee"). For purposes of this paragraph, "Net Profit" means the gross revenue received or receivable by the Event, minus all expenses of the Event including the Base Management Fee but not including the Net Profit Management Fee, calculated on an accrual basis.

1. The Base Management Fee is payable in the following installments:
\$5,995.00 upon the signing of this Agreement, and \$2,000.00 on the 1st day of March, 2019 and the first day of each month thereafter until the Base Management Fee is paid in full.
2. The Sponsorship Fees shall be retained by the Manager upon receipt of a sponsorship and shall be accounted for by the Manager in writing to the Festival.

3. The Net Profit Management Fee, if applicable, will be payable in a lump sum on the thirtieth (30th) day of the month following the month in which the last day of the Event occurred, accompanied by an accounting of all revenue received and receivable from all sources, and of all expenses (including the Base Management Fee and the Sponsorship Fees, but not the Net Profit Management Fee), on an accrual accounting basis.

late 4. A payment made more than ten (10) business days after its due date will incur a payment fee of 10% of the amount due, until paid.

5. If a Net Profit Management Fee is payable under this Agreement, then upon the request of Manager, Manager and its agents shall have the right to audit and copy the books and records of Festival to determine the accuracy and completeness of the accountings and payments made or to be made to Manager. If the audit reflects the underpayment or non-payment of more than 2% of any amounts due Manager, Festival will reimburse Manager on demand for its costs of such audit.

J. Manager's Non-Exclusive Time. It is acknowledged by Festival that Manager and its affiliates may perform similar services to events Manager or its affiliates may manage or produce for itself or themselves and for third Parties. Notwithstanding the foregoing, Manager shall diligently devote such time and effort as is reasonably required by Festival in the performance of the Event Services and shall perform its services conscientiously, efficiently, and in compliance with industry standards.

K. Supervision. Manager shall supervise the operations of the Event as detailed on General Terms and Conditions attached hereto as Exhibit "A" attached hereto and made a part of this Agreement (the "Manager Responsibility").

2. Festival Obligations and Responsibilities

A. History. Festival will provide Manager with the history of Festival's previous events, its expectations and goals for the Event, and with such documents as it may have as requested by Manager. With the information provided by the Festival, Manager will propose improvements to the Event from previous years, if applicable, and propose Manager's procedures to meet the Festival's goals for the Event. Manager will work with Festival staff to determine the type of information that will be generated by Festival from the Event, the ways to inform the public, VIP's and other invited guest and attendees of Festival options and other special procedures, which the Festival may adopt.

B. Documents. Festival agrees to provide Manager with original or copies of all relevant documents, schedules, itineraries, materials, maps, diagrams, accreditations, credentials or products as requested by Manager for Manager to perform its duties under this Agreement.

C. Exclusivity of Manager. Festival agrees that Manager is the exclusive manager of the Event, and will state in all its written materials, announcements and publications which refer

to the Event, including a prominent statement on its websites, that Manager is the “Official Exclusive Manager” of the Event, shall display on its uniforms, in such publications, signage and websites the name and logo of Manager in a manner reasonably acceptable to both Parties, and Manager shall be allowed to display on its uniforms, signage, in publications and websites the logos of Festival and references to Festival in a manner reasonably acceptable to Festival. Festival further agrees to allow Manager to market the Event and its sponsors on Manager’s and its affiliated companies’ websites.

3. Term and Termination

A. **Term.** The term of this Agreement (“Term”) shall be for the period beginning with the Effective Date and ending on or about July 1st, 2019 (the “Termination Date”), or for such longer period as shall be necessary for each Party to perform its obligations under this Agreement.

B. **Breach.** Except as provided in paragraph 4, this Agreement may be terminated by a Party before the Termination Date only “for cause” if the other Party breaches any of its material obligations under this Agreement (including the failure to perform under professional standards of service), provided that the non-defaulting Party shall give written notice to the defaulting party specifying in sufficient detail the nature and extent of such default, and if such default is not cured within thirty (30) calendar days after such notice is received, or if not curable in such period, the cure is not undertaken within such period and diligently pursued to completion by the sixtieth (60th) day after such notice, this Agreement shall terminate. Notwithstanding the foregoing, if a payment due Manager under Section 1 is not made within fifteen (15) days after its due date, Manager may, at its election and upon notice to Festival, suspend further performance of its duties until payment in full is received, or terminate this Agreement on five (5) days prior notice after such 15 day period, without fault or penalty. All obligations of the Parties, which by their terms are to be performed after termination, will survive termination of this Agreement.

4. Force Majeure

The performance of this Agreement is subject to termination without liability to either Party upon the occurrence of any circumstance beyond the control of such Party, such as acts of God, war, government, disasters, strikes, inclement weather preventing the Event from occurring or unreasonably delaying the completion of Manager’s obligations, or civil disorder. If termination occurs prior to the Event Date by reason of a Force Majeure, the Base Management Fee will be prorated in the following manner, monthly retainers already paid will not be refunded and all expenses of Manager will be reimbursed; but if termination occurs after the Event is open to the public, but is terminated before the scheduled completion of the Event, the sum due under Section 1 the Base Management Fee and all outstanding Sponsorship Fees and commissions will be paid in full.

5. Additional Services

At the request of Festival, and upon such terms as the Parties shall agree in writing, Manager may perform additional services for Festival.

6. Confidentiality

Each party acknowledges and agrees that in performing its obligations under this Agreement, such party may have access to and become familiar with various trade secrets, confidential information, proprietary information and records of the other party (the "Confidential Information"). Each Party agrees that it shall treat all such Confidential Information, which is not in the public domain in the strictest confidence, and shall not disclose the same without prior written consent of Festival. The reproduction, dissemination and/or distribution of this Agreement in any form by Manager or Festival, without the express written permission of the other Party, is strictly prohibited, except as may be necessary for a Party to perform its obligations or to enforce this Agreement, or as may be required by law.

7. General Terms and Conditions

The attached General Terms and Condition, as set forth on exhibit "B" attached hereto, are part of this Agreement and are incorporated herein by reference.

8. Miscellaneous.

A. This Agreement may not be assigned by either party without the written consent of the other Party.

B. This Agreement will be binding upon and inure to the benefit of the respective permitted successors and assigns of the Parties.

C. This Agreement shall be performed and construed in accordance with Illinois law, without reference to its conflicts of laws.

D. Notices: Any notice, demand, or communication required or permitted to be given by any provision of this Agreement shall be deemed to have been sufficiently given or served for all purposes when delivered personally or by reputable overnight courier to the Party or to an executive officer of the party to whom the same is directed or, if sent by registered or certified mail, postage and charges prepaid, addressed to the address as set forth in the opening paragraph of this Agreement, or by email or fax with confirmed receipt. Except as otherwise provided herein, any such notice shall be deemed to be given two business days after the date on which the same was deposited in the United States mail, addressed and sent as aforesaid.

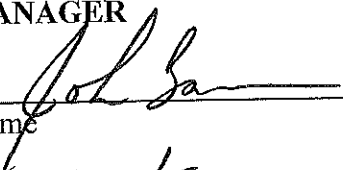
E. This Agreement may be amended only in writing executed by both Parties. No waiver or any provision of the Agreement will be effective unless in writing and signed by the waiving party.

F. This Agreement may be executed in counterparts, with separate signatures appended to separate counterparts, all of which will constitute one agreement. Fax, electronic and PDF signatures will constitute original signatures.

G. The Parties hereby waive trial by jury. The exclusive venue and jurisdiction for all litigation between the Parties will be in the courts located in Cook County, Illinois.

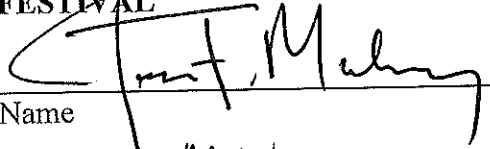
IN WITNESS WHEREOF, the Parties hereto have caused Agreement to be executed as of the Effective Date.

MANAGER



Name
By: CEO/STAR EVENTS
John Barry, CEO

FESTIVAL



Name
By: MAYOR
Title

Exhibit "A"

Manager Responsibilities

- 1 Vendor & Hospitality Tents
- 2 Chairs and Furniture
- 3 Adirondack Chairs, Picnic Tables & Bleachers
- 4 Entertainment & Green Rooms
- 5 Sound, Props, Build-out
- 6 Production Office
- 7 Mobile Stages
- 8 Talent, Bands, other acts
- 9 Risers
- 10 Portable Toilets
- 11 ADA Services
- 12 Event Services
- 13 Sanitation & Green Initiatives
- 14 Waste Hauling
- 15 Signage
- 16 General Signage
- 17 Chain Link Fencing, other fencing
- 18 Contingency Plans
- 19 Truss (East & West Entrances) & Press Walls
- 20 Two-way Radio Rentals
- 21 Photography & Video
- 22 Security
- 23 Contract Labor
- 24 Safety & Paramedics
- 25 Cleaning
- 26 Printing, Programs, Flyers
- 27 Volunteer/Staff Uniforms
- 28 Graphic Design
- 29 Production Assistants
- 30 Production Managers
- 31 Management
- 32 Transportation & Parking
- 33 Food & Beverage
- 34 Alcoholic Beverages
- 35 Arts and Culture
- 36 Admin & Legal
- 37 Scheduling
- 38 Stakeholder Relations
- 39 Sponsor Relations
- 40 Sports & Games
- 41 Mobilization & Set-up
- 42 Carnival Operations
- 43 Vendor/Booth Operations
- 44 Public Relations
- 45 Marketing
- 46 Wristbands
- 47 Insurance
- 48 City Permit and License Fees
- 49 City/Police Departments
- 50 Media Relations

EXHIBIT "B"
GENERAL TERMS AND CONDITIONS

1. Festival acknowledges that Manager and its manager, members, officers, employees, agents, contractors, and representatives have made no promise, representation, warranty or guarantee, neither expressed nor implied, with respect to the effectiveness of any security measure implemented and/or recommended by Manager pursuant to the Agreement. Further, Festival acknowledges that Manager cannot identify nor eliminate all areas of risk, in any security or event capacity in which it may be engaged under the Agreement, and thus, cannot be held liable for the failure to prevent the occurrence of any incident which it has been engaged to prevent, excepting the negligent or willful misconduct of Manager or Manager's manager, officers, members, employees, agents, contractors or representatives.
2. Festival acknowledges that Manager and its manager, members, officers, employees, agents, and representatives shall not be held liable to Festival or any other party for loss of, or damage to property, injury or loss of life, loss of profits, general, special, incidental or consequential damages, arising out of this contractual relationship, except for the negligent or willful misconduct of Manager or Manager's manager, officers, members, employees, agents, contractors or representatives.
3. Title to and ownership of all proprietary, copyrighted or patented methodologies, methods, processes, and materials, as well as intellectual proprietary rights and materials including computer software created or fixed in any tangible medium of expression owned by a Party prior to date hereof shall remain the property of such Party (the "Owner"), and the property of the Owner shall not be shared by the other Party in any form with anyone without the consent of the Owner, nor used by the other Party for any purposes not related to the services provided to Festival by Manager, without the express permission of the Owner. The results of the services performed for Festival by Manager, regardless of form, shall be proprietary to Festival.
4. All fees and compensation quoted by Manager to Festival in this Agreement are based upon negotiations between the Festival and Manager prior to commencement of the Agreement. For extra work orders or new elements of the festival that will require significant costs, Manager will get written approval from Festival prior to starting those elements. Festival agrees to pay Manager for all other services provided by Manager beyond the original engagement based on quotes provided by Manager and approved by Festival.
5. Nothing contained in the Agreement shall create a joint venture or partnership between the Parties or a contractual relationship with or cause of action in favor of any third party against either the Festival or Manager. Manager's services under the Agreement are being performed solely for the benefit of Festival, and

no other person or entity shall have any claim against Manager because of the Agreement of the performance or non-performance of Event Services hereunder.

6. The Parties to the Agreement agree that any right to trial by jury is specifically waived..
7. This Agreement shall be binding upon and shall insure to the benefit of the Parties hereto, and their respective successors and assigns.
8. This Agreement contains the entire agreement between the Parties relating to the transactions contemplated hereby. No modification or amendment of this Agreement or any waiver or any provision hereof shall be effective unless the same is in writing signed by the Parties to the Agreement.
9. If any term of the Agreement is found by any court of competent jurisdiction to be invalid or unenforceable, it may be severable from the balance of the Agreement, and the remaining terms and provisions herein shall remain in full force and effect, as if such invalid term or provision had never been made a part hereof. Additionally, if any provision is found to be unenforceable, the Parties authorize any court or arbitrator of competent jurisdiction to modify the provision, so that it is deemed enforceable within the context of the Agreement.
10. In any action at law or in equity relative to this Agreement, the prevailing Party shall be entitled to reimbursement for all of its reasonable attorney's fees. Both Parties retain the right to enjoin any conduct, which in the enjoining Party's opinion, violates a provision of the Agreement and such violation would entitle such Party to injunctive relief.
11. The validity of the Agreement and any of its terms or provisions, as well as the rights and duties of the Parties herein, shall be governed by the laws or the State of Illinois, notwithstanding any and all applicable federal laws.
12. The terms of the Agreement shall not be construed against Manager due to the fact that the Agreement was initially drafted or prepared by Manager.
13. Any right of recovery that Festival has against Manager shall be offset by any monies received from insurance policies covering Festival's loss. Manager shall have the right to set off from any sums it owes Festival any amounts owed by Festival to Manager.
14. Any changes to the scope or nature of the work to be performed for the Festival by Manager must be agreed upon in writing by both Parties in advance, including any modifications to cost. In the event that both Parties agree orally to the change but documentation is not immediately possible, this documentation shall be made as soon as practicable thereafter.