

**Amended and Restated
Intergovernmental
Agreement (IGA)
for the operation of

CHICAGO EXECUTIVE AIRPORT

between
The Village of Wheeling
and
The City of Prospect Heights**

December 23, 2013

An Intergovernmental Agreement
Between
The Village of Wheeling
and
The City Of Prospect Heights
for The Organization, Operation and Maintenance
of Chicago Executive Airport

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Amended and Restated
Intergovernmental Agreement between
The Village of Wheeling and the City of Prospect Heights
for the Organization, Operation and Maintenance
of Chicago Executive Airport

THIS AGREEMENT, made and entered into this 18 day of December, 2013,
by and between the Village of Wheeling, Illinois and the City Of Prospect Heights, Illinois, (both
jointly referred to herein as the "Municipalities").

WITNESSETH:

WHEREAS, the City of Prospect Heights (the "City") is an Illinois municipal corporation
located in Cook County, Illinois, and the Village of Wheeling (the "Village"), is an Illinois
municipal corporation located in Cook and Lake Counties, Illinois; and

WHEREAS, the City and the Village are authorized, pursuant to Article VII, Section 10
of the Illinois Constitution of 1970 and 5 ILCS 220/1 et seq., to enter into intergovernmental
agreements; and

WHEREAS, 620 ILCS 20/1 et seq. specifically authorizes intergovernmental cooperation
for the joint establishment and operation of an airport and accessory facilities; and

WHEREAS, the City and the Village are each authorized, pursuant to 65 ILCS 5/11-103-
1, to acquire, maintain, and operate airports and landing fields; and

WHEREAS, the Village is a home-rule municipality having all powers provided pursuant
to Article VII, Section 6 of the Illinois Constitution of 1970; and

WHEREAS, the City and the Village, through their legislative bodies, have previously
provided for the joint establishment and operation of a municipal airport; and

WHEREAS, the Village and the City previously entered into a Final Grant Agreement
with the Federal Aviation Administration of the United States of America for the acquisition and
development of Palwaukee Airport n/k/a Chicago Executive Airport (the "Airport"); and

WHEREAS, the Village and the City have previously entered into Agency and Participation Agreements with the State to sponsor projects for the acquisition and further development of the Airport as a public air navigation facility; and

WHEREAS, the Village and the City have heretofore entered into an Intergovernmental Agreement dated February 26, 1985, providing for the joint operation and development of the Airport (the "Original Agreement"), several amendments to the Original Agreement, and an Amended Intergovernmental Agreement, dated September 5, 1989 (the "First Amended Agreement") and other intergovernmental agreements with respect to the joint establishment and development of an airport and accessory facilities ; and

WHEREAS, on July 1, 2005, the City and Village entered into an Intergovernmental Agreement relating to the joint establishment, development and operation of the Airport which replaced and superseded the Original Agreement and the First Amended Agreement. The Intergovernmental Agreement has been amended from time to time since July 1, 2005.

WHEREAS, the Village and the City find it necessary and desirable to replace the Intergovernmental Agreement, as amended, and any other agreements relating to the joint establishment and development of the Airport with this Amended and Restated Intergovernmental Agreement (the "Agreement").

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements herein contained, the City and the Village hereby agree as follows:

SECTION 1. GENERAL PROVISIONS

The above recitals are hereby incorporated as part of this agreement.

1.A. Establishment

The Municipalities hereby agree to continue to operate and maintain Chicago Executive Airport (the "Airport") (as described on Exhibit A attached hereto and by reference made a part

hereof) as a public general aviation facility, in accordance with the terms and conditions set forth herein and agree that the Airport shall be known and referred to as Chicago Executive Airport.

This Agreement shall be a comprehensive amendment of the Intergovernmental Agreement and this document shall be the sole document constituting the Intergovernmental Agreement.

1.B. Goals and Objectives.

The Municipalities are joint and equal owners of the Airport and the assets thereof and shall bear equal responsibility for the maintenance and operation of the Airport and for the costs and expenses of its operation. It is further agreed, however, that neither Municipality shall be required to expend funds other than Airport Revenue for the operation of the Airport.

This Agreement is made in furtherance of the following goals and objectives:

1. to operate, manage, maintain, and provide for the local portion of any future development of the Airport out of Airport Revenues;
2. to develop policies and practices to ensure that the development and operation of the Airport minimizes any negative impact upon the citizens of either Municipality or the residents of the area surrounding the Airport;
3. to develop and implement community public relations activities through which residents and community organizations can express their concerns;
4. to develop and promulgate compatible zoning in areas surrounding the Airport to eliminate land use conflicts;
5. to develop and implement practices and procedures to improve the positive environmental impact and minimize any negative environmental impact of the Airport on surrounding areas; and

SECTION 2. TERMS DEFINED

Airport Revenue -- Those revenues generated by the Airport from Airport operations, including but not limited to rentals, tolls, fees and charges. The term Airport Revenue shall not include, however, any revenues, fees, or taxes, which are received by either Municipality independent of ownership of the Airport, including but not limited to municipal retailer's occupation tax, real estate property taxes, utility taxes, motor fuel taxes, hotel taxes, personal income tax rebates, sales taxes, license and permit fees, special assessments, fines, gifts, and interest on investments of such funds.

Corporate Authorities -- The Mayor and the City Council of the City of Prospect Heights, and the President and Board of Trustees of the Village of Wheeling.

Debt Obligation -- Any instrument which provides for a method of financing the acquisition, operation or maintenance of the Airport.

Revenue Obligations -- Any debt instrument issued by the City, the Village or both Municipalities which instrument is secured solely by Airport Revenues and any credit-enhancement devices, including but not limited to letters of credit, bond insurance or other devices used to enhance the marketability of any obligations.

SECTION 3. POWERS RESERVED TO THE MUNICIPALITIES

3.A. Specific Powers.

The following powers are specifically reserved to the Municipalities:

1. appointment of the Chairman and Members of the Chicago Executive Airport Board of Directors (hereinafter, the "Board"), subject to the provisions of this Intergovernmental Agreement;

2. approval of the Airport Layout Plan submitted to the Federal Aviation Administration and the State of Illinois, rules, regulations and minimum standards for the operation of the Airport (“Governance Documents”);

3. approval of any agreements with lessees, businesses or other parties operating at the Airport, which proposed agreements provide for airport access, “through the fence operations” or otherwise do not conform with the Governance Documents;

4. approval of any Debt Obligation or Revenue Obligation, as defined above;

5. approval of the annual budget of the Airport and the Board, provided that if either Municipality fails to approve the proposed budget, the Board is authorized to proceed with funding and expenditures on a temporary basis under the prior year’s approved budget until such time as the Municipalities approve the current budget;

6. approval of any land acquisition for the Airport.

3.B. Delegated Powers.

All other powers and duties related to the Airport shall be exercised by the Board pursuant to Section 4 hereof.

3.C. Arbitration.

In the event that the Municipalities are not in agreement with respect to a specific exercise of the powers reserved to them, and such disagreement continues for a period of more than 90 days, then the disagreement shall be submitted by the Board to the American Arbitration Association (the “Association”) for binding arbitration and resolution of the disagreement in accordance with the rules and procedures of the Association. The arbitrator selected through the Association shall be a person with prior experience relating to general aviation, and all costs of arbitration shall be equally divided between and paid by the Municipalities. The standard to be used by the arbitrator is the best interests of the Airport in accordance with the Airport’s goals as

stated herein; provided that any decision by the arbitrator shall not violate the provisions of this Agreement.

3.D. Joint Meetings, Call.

1. There shall also be a joint meeting of the Airport Board, the City Council, and the Village Board of Trustees, and attended by the Airport Manager, to be held one time per year during the third quarter of each calendar year, on a date and time to be determined by the City Mayor and the Village President. The location of the meetings shall be held at a site alternating between each Municipality. The agenda for such meetings shall be prepared jointly by the Airport Manager, Village President and City Mayor, but shall include an annual report on the operations and financial condition of the Airport.

2. A special joint meeting of the Airport Board, the City Council, and the Village Board of Trustees may be called by agreement of the Mayor of the City and the President of the Village.

SECTION 4. BOARD

4.A. The Board.

The Board shall be known as the Chicago Executive Airport Board of Directors (the "Board") which shall have those powers and duties set forth herein. The existing board at the time of the approval of this Amended and Restated Intergovernmental Agreement will continue as then constituted with the term of office for Board Members and officers to remain unaffected.

4.B. Membership and Terms.

1. The Board shall consist of seven (7) members — a Chairman, three (3) Members appointed by the Mayor of the City with the approval of the City Council, and three (3) Members appointed by the Village President with the approval of the Board of Trustees. While not required to do so, either the Village or the City may appoint up to one (1) elected official of the Village or

the City to be a Member of the Board. No elected officer of the Village or the City is eligible to serve as the Chairman of the Board.

2. The Members appointed by the Mayor of the City shall be residents of the City, and the Members appointed by the Village President shall be residents of the Village.

3. All Board Member appointments shall be for terms of three (3) years, except for the Chairman, whose term shall be four (4) years as provided for in Section 4.B(7). Each Municipality may provide for term limits for its appointed members.

4. Vacancies on the Board shall be filled as promptly as possible by the appropriate appointing authorities. Appointments to fill any vacancy shall be for the remainder of the vacant term.

5. In addition to the other duties and responsibilities of the Members as set forth herein, it shall be the responsibility of the Members to keep their respective appointing Municipality informed as to events and issues at the Airport in such a manner and in such a form as may be established by the respective appointing Municipality.

6. Any Member shall be subject to removal in accordance with the policies and procedures adopted by such Member's Municipality. A Member having been duly appointed shall otherwise continue to serve after the expiration of his term until his successor has been appointed. No Member appointed shall have a direct financial gain or income from any operations at the Airport at any time during the Member's term.

7. The Chairman of the Board shall be selected and appointed by the joint decision of the Mayor of the City and the Village President of the Village. Each Municipality may establish its own procedures for directing the Mayor or the President, respectively, in making his or her appointment of a Chairman. The Chairman shall have no direct financial gain or income

from any operations of any user at the Airport. The Chairman may be, but shall not be required to be, a resident of either the Village or the City. The Chairman shall serve a term of four (4) years. No Chairman shall serve for more than two consecutive terms. The Chairman may only be removed from office upon the joint agreement of the Mayor of the City and the President of the Village, or if he/she is unwilling or unable to act.

8. The Chairman shall be the presiding officer at all meetings of the Board. The Chairman shall be considered a Member of the Board, shall only vote on matters in the event of a tie vote by the Members and shall have the right to participate in debate and discussion. The Chairman shall act as official spokesperson of the Board and shall perform all additional duties as may be directed by the Board, or as prescribed under the Board's rules or orders. Except as provided for in this Section 4.B(8) and Section 4.E, the Chairman shall have no other duties or authority.

4.C. Election of Other Board Officers.

1. The Board shall elect from its own members a Vice Chairman, Secretary, and Treasurer. Election of these offices shall take place in the first instance at the first meeting of the Board, and thereafter during the regularly scheduled Board meeting during the month of February. The term for each office shall be for one year, from March through February.

2. The Vice-Chairman shall assume all of the duties and the obligations of the Chairman upon the temporary absence or temporary disability of the Chairman, or other interim period created by a vacancy in the office of Chairman. Any person who has served as vice chairman and has assumed the duties of the Chairman for a period of greater than one year upon a vacancy in the office of Chairman which lasted for a period of greater than one year shall not be eligible to serve as Vice-Chairman, irrespective of whether such vacancy in the office of

chairman occurred prior to the effective date of this Amended and Restated Intergovernmental Agreement.

3. The Secretary shall perform the duties and responsibilities as prescribed by the Board.

4. The Treasurer shall perform the duties and responsibilities as prescribed by the Board.

4.D. Vacancies

Upon the resignation, removal, or permanent disability of the Vice Chairman, Secretary or Treasurer of the Board, or any other circumstance that would leave a vacancy of an office, the Board upon notice of such occurrence shall at the next regular meeting of the Board hold a special election to fill said vacancy. An officer elected by special election shall serve only the remainder of the year term left open by his predecessor.

4.E. General

There shall be no restriction on the number of times any Member may hold office. The terms of regularly elected officers are concurrent. In order to be elected to office, a nominee must receive more votes than any other nominee. The nominee is not required to receive a majority of all appointed Board Members. In the event an election is tied, the Chairman shall call for one additional vote. If a tie occurs on the second vote, the Chairman shall appoint the office from one of the nominees tied for the office in the last vote.

4.F. Compensation of Board Members

The Chairman shall receive a monthly stipend of \$300 and an additional \$100 for each regular monthly Board meeting attended (special meetings shall not be compensated), and the appointed Members of the Board shall receive a monthly stipend of \$150 and an additional \$100 for each regular Board meeting attended, so long as they hold such office, unless otherwise

prohibited by law. The Chairman and Members shall be entitled to reimbursement for all expenses reasonably incurred in carrying out the duties and responsibilities of the Board, provided a Member receives approval of such reimbursement of expenses by a majority vote of the Board.

4.G. General Powers and Duties of the Board.

The Board shall have the following powers and duties:

1. to define the duties and responsibilities of the Secretary and Treasurer and any additional duties of the Chairman of the Board;
2. to propose for approval by the Municipalities an annual budget for the Airport in accordance with Section 3.A.3 above;
3. to designate within said annual budget the specific line item budgeted amounts and, after approval of the budget and as reasonably appropriate, to transfer category amounts within the same budget department;
4. to enter into contracts for and make expenditures for items in the annual budget of the Board;
5. to conduct such studies and to develop such programs, recommendations, or findings as may be requested by the Village and the City;
6. to develop policies and practices to ensure that the development and operation of the Airport minimizes any negative impact upon the citizens of either Municipality or the residents of the area surround the Airport;
7. to develop and implement community public relations activities through which residents and community organizations can express their concerns;
8. to develop and implement noise abatement practices and procedures in order to decrease and maintain Airport-generated noise levels;

9. to develop and implement practices and procedures to improve the positive environmental impact and minimize any negative environmental impact of the Airport on surrounding areas;
10. to develop and implement plans for storm water management within the Airport to assist in the reduction of flooding in surrounding areas;
11. to make recommendations to the Village and City on private financing of Airport improvements, studies, and land acquisitions;
12. to evaluate and provide direction to the Executive Director;
13. to recommend amendments to this Intergovernmental Agreement between the Village and the City;
14. to review and recommend for approval by the Municipalities an Airport Layout Plan for the Airport;
15. to enter into any fixed base operator agreements, land leases, rental agreements and all other agreements;
16. to submit grant applications to Federal and State agencies for improvements, studies or land acquisition associated with the Airport, provided that such projects are within the approved Airport Layout Plan;
17. to submit and execute on behalf of the Municipalities all other documents, agreements, assurances and contracts with any federal or state agencies pursuant to projects within the approved Airport Layout Plan;
18. to employ or enter into budgeted contracts of employment of any person, firm, corporation, and for professional services, necessary and desirable for the accomplishment of the Objectives and the proper administration, management, protection or control of the Airport;

19. to recommend amendments to the Governance Documents;
20. to set rates and charges for airport usage;
21. to sue in its own name and on behalf of the Municipalities with the approval of both Municipalities for Airport related matters; and
22. to exercise all other powers, not specifically reserved to the City and the Village, which are incidental, necessary, convenient or desirable to carry out and effectuate the specific powers provided above or for the operation and maintenance of the Airport as a general aviation facility.

4.H. Board Meetings and Procedures

1. The Board shall hold one regular monthly meeting at such time as designated by the Board. The meetings shall be held in the Board Chambers located at the Airport. All meetings of the Board shall be open and held in accordance with the provisions of the “Open Meetings Act”, 5 ILCS 120/1 et seq., as amended from time to time. Any written notices required to be given shall be posted at the administrative offices of the Airport and at the site at which the meeting will be held.
2. Special meetings may be called by the Chairman or any three Members of the Board provided all Members are given a written notice 48 hours in advance of the special meeting. Appropriate public notice shall be issued pursuant to the “Open Meetings Act”.
3. An agenda for regular and special meetings shall be prepared by the Executive Director and approved by the Chairman and shall be delivered to all Members of the Board five days prior to the meeting. Any Board Member shall be allowed to place a subject on the agenda provided such subject is submitted seven (7) days prior to the meeting. A standing order of business for all official meetings of the Board shall be adopted by the Board, which order shall

include procedures for the changes in order of business or changes to the agenda and provisions for allowing citizen comments at all Board meetings.

4. The Executive Director or his duly appointed representative shall be responsible for keeping minutes of all meetings of the Board. The minutes shall be reduced to writing and submitted to the Board for review at least five days prior to the request for approval at the next regular meeting. The minutes shall not be released to the public until they are approved by the Board. The Board shall adopt additional procedures for the production, context, and public inspection of the minutes.

5. The Rules of Order of the Board shall consist of the provisions of this Section and any other written procedures subsequently adopted by the Board consistent with the latest edition of Robert's Rules of Order (including all amendments made since the printing of the most recent edition).

6. In order to conduct business, a quorum must be present at each meeting. For purposes of this Board, a quorum shall be defined as any four (4) members, which quorum may include the Chairman. The Chairman is eligible to vote only to break a tie.

7. For passage, every motion shall require an affirmative vote of a majority of all Members present at the meeting, or in the event of a tie including the Chairman. All motions passed by the Board which provide for review or approval by the Municipalities shall be effective from and after approval by both Municipalities without further Board action. All motions passed by the Board which require approval of the Municipalities (except as otherwise provided herein) shall fail if either Municipality does not approve or fails to act upon such motions. The failure of a Municipality to act on any motion for a period of 65 days following the

referral of such motion by the Board shall be deemed a denial of such motion by the Municipality.

8. All actions which allow for review or require approval of the Municipalities, shall be transmitted to the Municipalities within seven (7) days after the consideration by the Board, whether recommended or denied by the Board. All actions by the Municipalities shall be made in accordance with law and their procedures for hearing and passage of motions, resolutions or ordinances, as applicable.

9. Executive Sessions of the Board. The Corporate Authorities of the Municipalities, the Village Manager, the City Administrator and the respective attorneys for each Municipality shall be entitled to know the substance of any closed session meeting of the Board. In addition, there shall be no communication between the Board or the Airport Manager and any attorney representing the Board which is privileged from disclosure to the Corporate Authorities of the Municipalities, the Village Manager, the City Administrator and the respective attorneys for each Municipality. Moreover, disclosure of such communication to the Corporate Authorities of the Municipalities, the Village Manager, the City Administrator and the respective attorneys for each Municipality shall not be deemed a waiver of the attorney-client privilege. Elected officials of the municipalities may attend any closed session of the Board in order to observe but shall not participate in any closed session discussions unless said elected official is a member of the Board.

SECTION 5. EXECUTIVE DIRECTOR

5.A. Responsibilities

The Executive Director shall be responsible for the day-to-day operation of the Airport and supervision of all Airport employees, in conformity with the rules, regulations, and directions of the Board. The Executive Director shall comply with all the rules and regulations

of the Federal Aviation Administration and the Illinois Department of Transportation, as applicable. The Executive Director must be accredited by the American Association of Airport Executives or in the process of receiving such accreditation. Except as to those powers and duties reserved to the Municipalities or the Board, the Executive Director may take all necessary appropriate action with respect to the operation of the Airport or as otherwise directed by the Board. The Executive Director shall make such recommendations to the Board as he/she deems appropriate with respect to the Airport and shall report to the Board on all significant actions and activities at the Airport at the regularly scheduled Board meeting. For clarification purposes, the Executive Director reports to and takes direction from the Board, not from individual Board Members, the Chairman or the Corporate Authorities.

5.B. Annual Review

The Board shall conduct an annual evaluation of the Executive Director and the performance of his duties, in such manner and on such occasion as the Board shall determine and shall report to the Municipalities the results of the review.

5.C. Appointment, Removal & Discipline

1. The appointment, removal or any disciplinary action with respect to the Executive Director shall be the responsibility of the Board. Discussion of appointment, removal or any disciplinary action shall take place in executive session. However any final action regarding appointment, removal or any disciplinary action shall take place in open session in accord with the Open Meetings Act, 5 ILCS 120/1, et seq.

2. Reversion to Municipalities. Either municipality may call for and effect the transfer of authority for the appointment, removal or discipline of the Executive Director to the municipalities as set forth in this paragraph.

(i) Either Municipality may send a notice entitled “notice of transfer of authority over executive director” (“Notice of Transfer”) to the other municipality.

(ii) Such Notice of Transfer may be sent to the other municipality and Airport Board in writing only within the 60 days after the 3-year anniversary of the effective date of this Amended and Restated Intergovernmental Agreement.

(iii) If no such Notice of Transfer is sent, the authority over the Executive Director shall remain with the Airport Board for another period of 3 years from the anniversary of the effective date of this Amended and Restated Intergovernmental Agreement.

(iv) The right of either municipality to issue a Notice of Transfer as set forth above shall arise every three (3) years from the anniversary of the effective date of this Amended and Restated Intergovernmental Agreement and shall remain open for 60 days from such anniversary date during the term of the IGA in accordance with this paragraph.

(v) If such Notice of Transfer is sent in a timely manner, the IGA shall be deemed amended so that the authority to appoint, discipline and remove the Executive Director shall be deemed moved from section 5.C.1 to Section 3.A.7. All actions with respect to such power may then be taken only by the Municipalities acting jointly.

(vi) This paragraph in no way limits the authority of the municipalities to jointly amend the IGA in accordance with Section 14 below.

SECTION 6. FINANCE

6.A. Creation of Joint Airport Fund.

For the purpose of accurately and adequately recording and accounting for the ownership, operations and funds contributed by the Municipalities to the joint undertaking evidenced by this Agreement, and for the purpose of providing the Board with monies for the necessary expenditures in carrying out the duties and functions required herein, the Municipalities hereby create a Joint Airport Fund and direct that it, and all properties therein, shall be held, supervised and maintained by the Board subject to the terms of this Agreement and applicable law. Within the Joint Airport Fund, and subject to paragraph B of this Section 6, the Board shall be

authorized to create, designate and maintain such separate accounts as it shall consider proper in the sound management of its business and affairs.

6.B. Revenues and Expenditures.

Subject to the terms and provisions of any revenue bonds or other debt instrument of either of the Municipalities requiring otherwise and subject to any covenants contained in any ordinance authorizing joint revenue bonds, each of the Municipalities hereby covenant with each other that all Revenue received from the operations of the Airport shall be received and deposited to the credit of the Joint Airport Fund. Expenditures from said Fund may be made by the Board, as authorized herein, for any purpose deemed to be authorized by law in connection with the business and affairs of the operation of the Airport. No revenue bonds or other debt obligations shall be adopted by either Municipality without the approval and consent of the other Municipality, it being the intent of the Municipalities that conflicts in provisions relating to the Joint Airport Fund be avoided.

It is understood, however, that any obligations to the State of Illinois incurred by virtue of advances being made by the State on behalf of the Municipalities have been previously approved by the Municipalities and that such Airport obligations shall not require additional approval by either of the Municipalities.

The total expenditures from the Joint Airport Fund to be made in any fiscal year shall be set forth in a budget submitted to and approved by the Municipalities as provided in Section 3 above. However, the approval of the Municipalities shall not be withheld with respect to payment of principal or interest due on an outstanding revenue bond or other debt obligation issued by either Municipality for Airport purposes.

6.C. Retailer's Occupation and Service Occupation Tax Revenue Sharing.

For the purpose of promoting and providing for compatible commercial development on the Airport property in the best interests of the Airport and without regard to the specific Municipality within which such development may occur, the Municipalities agree:

1. Each Municipality shall account to each other the local share of Retailer's Occupation and Service Occupation Tax revenues generated by all businesses located on Airport property, and by all businesses operating adjacent to Airport property but accessing Airport property under the authority of an airport access agreement or other similar "through the fence" permit. The lesser local share tax percentage of the two Municipalities for such taxes shall be used as the amount contributed to such Revenue Sharing Fund by each Municipality. By way of example if one Municipality receives 1% as its local share of sales tax revenue and the other Municipality receives 1.5%, then each Municipality would contribute the 1% amount to the joint fund.

2. As of the date of this Amended and Restated Agreement, the local sales tax rate on general merchandise in the Village of Wheeling is 2% and in the City of Prospect Heights it is 1.5%.

3. The Municipalities shall share equally in the Revenue Sharing Fund and sharing shall be calculated annually based on a calendar year.

4. In the event a Municipality's local percentage of either tax revenue which it receives is increased in the future, then the new lesser tax percentage of the two Municipalities shall be used as the basis for determining the Revenue Sharing Fund contributions.

5. "Retailer's Occupation" and "Service Occupation" Taxes shall mean those taxes reported on form ST-1 and ST-2 to the Department of Revenue by businesses described in paragraph 1 above.

6. Revenue Sharing Fund. "Revenue Sharing Fund" shall mean an accounting function whereby the two municipalities determine and state the amount of Retailer's Occupation and Service Occupation Tax Revenue that each is required to share pursuant to the above formula.

7. By June 30 of each calendar year, each Municipality shall determine and state to the other the amount of Retailer's Occupation and Service Occupation Tax Revenue it received in the preceding calendar year from businesses described in paragraph 1 above. Such amounts shall be added together to determine the total Revenue Sharing Fund. The Revenue Sharing Fund shall be divided in two to determine the "Revenue Share" of each municipality. The municipality whose Retailer's Occupation and Service Occupation Tax Revenue is greater than its Revenue Share, shall pay the difference between such revenue received and the Revenue Share to the other municipality. Such payment shall be made within 30 days of such calculation.

8. The parties agree and acknowledge that they need the timely cooperation from the Illinois Department of Revenue to account for the above revenue sharing provision. Each agrees to enter into and maintain an information sharing agreement with the Department of Revenue as called for in 35 ILCS 120/11. To the extent that the Department of Revenue cannot promptly deliver reports for reported taxes, the above time periods shall be extended accordingly.

9. All Department of Revenue forms referenced above shall mean any functionally similar form in the event the Department of Revenue alters its form numbering scheme.

SECTION 7. GOVERNMENTAL PURPOSE

The acquisition of any land or interest therein pursuant to this Agreement, the planning, acquisition, establishment, development, construction, improvement, maintenance, equipment, operation, regulation, protection and policing of the Airport and air navigation facilities, including the acquisition or elimination of airport hazards, and the exercise of any other powers

herein granted to the Board, are hereby declared to be public and governmental functions exercised for a public purpose, and are municipal functions. All lands and other property and privileges acquired are hereby declared to be acquired for municipal, public and governmental purposes and as a matter of public necessity.

SECTION 8. REIMBURSEMENT AND PAYMENT OF EXPENDITURES

Notwithstanding any other provision of this Agreement, the Municipalities agree that neither of the Municipalities will be required to use funds other than Airport Revenues for the acquisition, operation or maintenance of the Airport in any activity related to such purposes. A Municipality may elect to use funds other than Airport Revenues for such purposes, provided, however, that such funds shall be recoverable from Airport Revenues or proceeds of Airport Obligations only with the written consent of the other Municipality.

SECTION 9. FEDERAL AND STATE LAWS, REGULATIONS AND DIRECTIVES

Notwithstanding any other provision of this Agreement, the Municipalities agree that the Airport shall be maintained and operated at all times in accordance with all federal and state laws, regulations and directives pertaining to the Airport. The Board is further designated by the Municipalities as the Airport Sponsor for purposes of any current and future federal and state grant obligations and assurances relating to the Airport, and the Board shall be responsible for compliance with all such grant obligations and assurances. To the extent any provision of this Agreement is determined by the Federal Aviation Administration or the Illinois Department of Transportation to conflict with any federal or state law, regulation or directive, then the provisions of said law, regulation and directive shall control.

SECTION 10. BUILDING CODES

With respect to the construction of all buildings, improvements and structures on Airport property by the Board or any other person, the most restrictive building code of the Municipalities shall apply (unless waived by both Municipalities), regardless of the actual municipality within which boundaries the building, improvement or structure is located.

SECTION 11. DURATION OF AGREEMENT

The duration of this Agreement shall be for the term of 10 years or for the useful life of the Airport, whichever is longer, unless sooner terminated and dissolved by operation of law or by mutual agreement of the Village and the City; provided, however, that the same shall not be dissolved by mutual agreement of the parties if such action would violate the terms or provisions of (a) any outstanding revenue obligations relating to the acquisition and development of the Airport, or (b) any grant assurances or contractual obligations with any federal or state agency. Notwithstanding the foregoing, this Agreement shall continue in full force and effect until disposition of property under Section 12 of this Agreement. In the event that the duration of this Agreement as above set forth shall be a violation of (a) the rule against perpetuities or analogous statutory provisions, or (b) the rule restricting restraints on alienation, then the duration of this Agreement shall terminate 21 years after the death of the now living descendants of George W. Bush, President of the United States.

SECTION 12. DISPOSITION OF PROPERTY UPON TERMINATION

As soon as practicable after termination of this Agreement, the City and the Village shall dispose of all property acquired under the Agreement, including surplus funds, in any manner they shall then agree upon and as approved by the Federal Aviation Administration and the State

of Illinois. Upon termination of this Agreement the parties shall provide for the payment of principal and interest on outstanding Airport Obligations, if any.

SECTION 13. NOTICES

All notices and submissions provided for herein shall be sent prepaid registered mail or prepaid mail return receipt requested to the parties at the following addresses or as they may respectively specify in writing at a later date:

To the City: City of Prospect Heights
 8 North Elmhurst Road
 Prospect Heights, Illinois 60070
 Attention: City Clerk

To the Village: Village of Wheeling
 2 Community Boulevard
 Wheeling, Illinois 60090
 Attention: Village Clerk

With a copy to: Executive Director
 Chicago Executive Airport
 1020 South Plant Road
 Wheeling, Illinois 60090

SECTION 14. ENTIRETY OF AGREEMENT AND AMENDMENTS

This Agreement represents and constitutes the entire Agreement of the Village and the City as of the date hereof.

This Agreement may be amended at any time by agreement of the Village and the City, subject to the approval of the Federal Aviation Administration and the Illinois Department of Transportation, Department of Aviation, if required.

Any agreements supplemental hereto or amendatory hereof shall, to be effective and binding, be evidenced and represented by agreement in writing approved, executed and delivered in the same manner as this Agreement.

SECTION 15. SEVERABILITY

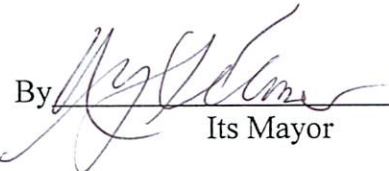
If any clause, sentence, paragraph, or part of this Agreement or the application thereof to any person or circumstances shall for any reason be adjudged by a court of competent jurisdiction to be invalid, such judgment shall not affect, impair or invalidate the remainder of this Agreement or its application.

IN WITNESS WHEREOF, the parties hereto, acting under the authority of their respective governing bodies, have caused this Agreement to be executed.

VILLAGE OF WHEELING

By 
Its President

CITY OF PROSPECT HEIGHTS

By 
Its Mayor

ATTEST:


Village Clerk

ATTEST:


City Clerk (Deputy Clerk)

(SEAL)



**VILLAGE OF WHEELING
LEGISLATIVE COVER MEMORANDUM**

AGENDA ITEM NUMBER(S): #11.E
(To be inserted by Deputy Clerk)

DATE OF BOARD MEETING: December 2, 2013

TITLE OF ITEM SUBMITTED: A Resolution Authorizing the Village President and Village Clerk to Execute Settlement Agreement and Mutual Release Regarding Settlement of Litigation between the Village of Wheeling and the City of Prospect Heights

SUBMITTED BY: James V. Ferolo

BASIC DESCRIPTION OF ITEM: The attached Resolution authorizes the Village President and Clerk to execute a Settlement Agreement with Prospect Heights that includes a resolution of the revenue sharing issues and an amendment to the Airport IGA.

EXHIBIT(S) ATTACHED: Settlement Agreement, Resolution

RECOMMENDATION: Approval

SUBMITTED FOR BOARD APPROVAL: Village Manager