

**VILLAGE OF MELROSE PARK
COOK COUNTY, ILLINOIS**

RESOLUTION NO. 18-19

**A RESOLUTION AUTHORIZING AND APPROVING A CERTAIN
RETENTION AGREEMENT WITH EDELSON PC FOR THE VILLAGE
OF MELROSE PARK, COUNTY OF COOK, STATE OF ILLINOIS.**

**ADOPTED BY THE
PRESIDENT AND BOARD OF TRUSTEES
OF THE
VILLAGE OF MELROSE PARK**

THIS 25TH DAY OF FEBRUARY, 2019

**RONALD M. SERPICO, Village President
MARY ANN PAOLANTONIO, Village Clerk**

Board of Trustees

**ANTHONY N. ABRUZZO
JAIME ANGUIANO
ARTURO MOTA
LOUIS "SONNY" NICOTERA
ANTHONY J. PRIGNANO
MARY RAMIREZ TACONI**

Published by authority of the
President and Board of Trustees
of the Village of Melrose Park,
Cook County, Illinois on
this 26th day of February, 2019

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RETENTION AGREEMENT WITH EDELSON PC FOR THE VILLAGE
OF MELROSE PARK, COUNTY OF COOK, STATE OF ILLINOIS.**

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WHEREAS, the Village of Melrose Park, County of Cook, State of Illinois (the “Village”) is a duly organized and existing municipality and unit of local government created under the provisions of the laws of the State of Illinois, and is operating under the provisions of the Illinois Municipal Code, and all laws amendatory thereof and supplementary thereto; and

WHEREAS, the Village President (the “President”), the Honorable Ronald M. Serpico, the Village Clerk, the Honorable Mary Ann Paolantonio, and the Board of Trustees of the Village (the “Village Board”), the Honorable Louis “Sonny” Nicotera, Anthony J. Prignano, Arturo Mota, Mary Ramirez Taconi, Jaime Anguiano and Anthony N. Abruzzo, constitute the duly elected, qualified and acting officials of the Village; and

WHEREAS, the President and the Village Board (collectively, the “Corporate Authorities”) are committed to ensuring the general welfare of the Village and its residents; and

WHEREAS, VHS Westlake Hospital, Inc. (“VHS”) and its successors, (including Pipeline as set forth below), represented that its intent was to re-position Westlake Hospital (the “Hospital”) in order to keep it open and operating; and

WHEREAS, in October 2018, SRC Hospital Investments II, LLC and Pipeline-Westlake Hospital, LLC d/b/a VHS Westlake Hospital, (“Pipeline”) purchased the Hospital from VHS, making affirmative statements of the importance of keeping the Hospital open; and

WHEREAS, on February 16, 2019, Pipeline announced its decision to close the Hospital despite prior assurances to the contrary; and

WHEREAS, the Village and Edelson PC (“EPC”) are desirous of and willing to enter into a Retention Agreement (the “Agreement”), with terms substantially similar to the agreement attached hereto and incorporated herein as Exhibit A, pursuant to which the EPC will represent the Village in its dispute with Pipeline and other related parties regarding the anticipated closure of the Hospital, whether through litigation, legislation, or administrative action (the “Services”); and

WHEREAS, the Corporate Authorities have determined that it is necessary, advisable and in the best interests of the Village and its residents to enter into and approve an agreement with substantially the same terms as the terms of the Agreement; and

WHEREAS, the President is authorized to enter into and the Village Attorney (the “Attorney”) is authorized to revise agreements for the Village making such insertions, omissions and changes as shall be approved by the President and the Attorney;

NOW, THEREFORE, BE IT RESOLVED by the Village President and the Board of Trustees of the Village of Melrose Park, County of Cook, State of Illinois, as follows:

ARTICLE I. IN GENERAL

Section 1.0 Incorporation Clause.

All of the recitals hereinbefore stated as contained in the preambles to this Resolution are full, true and correct, and the Village Board does hereby, by reference, incorporate and make them part of this Resolution as legislative findings.

Section 2.0 Purpose.

The purpose of this Resolution is to authorize the President or his designee to enter into the Agreement for the Services, and to further authorize the President or his designee to take all steps necessary to carry out the terms and intent of this Resolution and to ratify any steps taken to effectuate those goals.

Section 3.0 Invocation of Authority.

This Resolution is adopted pursuant to the authority granted to the Village by the Constitution of the State of Illinois and the Illinois Compiled Statutes.

Section 4.0 State Law Adopted.

All applicable provisions of the Illinois Compiled Statutes, including the Illinois Municipal Code, as may be amended from time to time, relating to the purposes of this Resolution are hereby incorporated herein by reference.

**ARTICLE II.
APPROVAL & AUTHORIZATION**

Section 5.0 Authorization.

The Corporate Authorities hereby authorize and direct the President or his designee to authorize, enter into and approve the Agreement in accordance with its terms, or any modifications thereof, and to ratify any and all previous action taken to effectuate the intent of this Resolution. The Corporate Authorities further authorize and direct the President or his designee to execute the Agreement with such insertions, omissions and changes as shall be approved by the President and the Attorney. The Corporate Authorities further authorize and direct the President to execute and ratify the execution of all necessary documents and perform all necessary acts to effectuate the intent of this Resolution and to authorize and direct the expenditure of all costs related thereto or resulting therefrom. The Village Clerk is hereby authorized and directed to attest to and countersign the Agreement and any other documentation as may be necessary to carry out and effectuate the purpose of this Resolution. The Village Clerk is also authorized and directed to affix the Seal of the Village to such documentation as is deemed necessary. The officers, agents and/or employees of the Village shall take all action necessary or reasonably required by the Village to carry out, give effect to and consummate the purpose of this Resolution and shall take all action

necessary in conformity therewith.

Section 6.0 Other Actions Authorized.

The officers, employees and/or agents of the Village shall take all action necessary or reasonably required to carry out and give effect to the intent of this Resolution and shall take all actions necessary in conformity therewith.

**ARTICLE III.
HEADINGS, SAVINGS CLAUSES,
PUBLICATION, EFFECTIVE DATE**

Section 7.0 Headings.

The headings for the articles, sections, paragraphs and sub-paragraphs of this Resolution are inserted solely for the convenience of reference and form no substantive part of this Resolution nor should they be used in any interpretation or construction of this Resolution.

Section 8.0 Severability.

The provisions of this Resolution are hereby declared to be severable and should any provision, clause, sentence, paragraph, sub-paragraph, section or part of this Resolution be determined to be in conflict with any law, statute or regulation by a court of competent jurisdiction, said provision, clause, sentence, paragraph, sub-paragraph, section or part shall be excluded and deemed inoperative, unenforceable and as though not provided for herein, and all other provisions shall remain unaffected, unimpaired, valid and in full force and effect. It is hereby declared to be the legislative intent of the Village Board that this Resolution would have been adopted had not such unconstitutional or invalid provision, clause, sentence, paragraph, sub-paragraph, section or part thereof been included.

Section 9.0 Superseder.

All code provisions, ordinances, resolutions and orders, or parts thereof, in conflict

herewith are, to the extent of such conflict, hereby superseded.

Section 10.0 Publication.

A full, true and complete copy of this Resolution shall be published in pamphlet form or in a newspaper published and of general circulation within the Village as provided by the Illinois Municipal Code, as amended.

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Section 11.0 Effective Date.

This Resolution shall be in full force and effect following its passage, approval and publication, as provided by law.

On The Individual Poll And Voice Vote Of The Board of Trustees:

AYE VOTES: Trustee Prignano, Trustee Mota, Trustee Taconi, Trustee Anguiano,
Trustee Abruzzo, Trustee Nicotera

NAY VOTES:

ABSTAIN:

ABSENT:

SO PASSED, ADOPTED, APPROVED AND ENACTED IN AND AT THE VILLAGE
OF MELROSE PARK, COUNTY OF COOK, STATE OF ILLINOIS, THIS TWENTY-FIFTH
DAY OF FEBRUARY, 2019 A.D.

APPROVED:

RONALD M. SERPICO
VILLAGE PRESIDENT

ATTEST:

Mary Ann Paolantonio
Village Clerk

(SEAL)

Recorded in the Municipal Records: February 25, 2019
Published in pamphlet form: February 26, 2019

EXHIBIT A

Edelson PC

350 North LaSalle Street, 13th Floor, Chicago, Illinois 60654
t 312.589.6370 | f 312.589.6378 | www.edelson.com

February 26, 2019

MICHAEL T. DEL GALDO
VILLAGE ATTORNEY
Del Galdo Law Group, LLC
1441 S. Harlem Avenue Berwyn, Illinois 60402

Re: Retention Agreement

Dear Mr. Michael T. Del Galdo:

Thank you for selecting Edelson PC (“EPC”) to represent the Village of Melrose Park (“Village”) in its dispute with Pipeline Health and other related parties regarding the anticipated closure of Westlake Hospital, whether through litigation, legislation, or administrative action (the “Westlake Matter”). This letter details the scope of EPC’s representation of the Village, as well as the method of compensation for such representation. By signing this retention agreement, you will have retained the law firm of Edelson PC as well as such attorneys as may work with us to represent you in the aforementioned matter.

1. Client; Scope of Representation

EPC will represent the Village in the Westlake Matter. The representation shall also include, as needed, providing advice to the Village, Village Counsel and other Village governmental entities with respect to such investigation, legislative and/or administrative matters, and litigation. Please note that the Village of Melrose Park Mayor Ronald Serpico has no involvement in this matter for the Village. Additionally, Mayor Serpico is in no way or in any manner financially interested directly or indirectly in his own name, or indirectly in the name of any other person, association, trust, or corporation, in this retention agreement. Further, Mayor Serpico will neither take, nor receive, either directly or indirectly, any money, other present, or deferred financial interest or other remuneration, or other thing of value based on the retention of Edelson PC to represent the Village’s interests regarding the proposed closure of Westlake Hospital.

2. Opinions

Any beliefs or opinions that we express about the Village’s claims, various courses of action, or anticipated results are only our best professional estimates. They are necessarily limited by our knowledge of the relevant facts at the time the opinions are expressed and the law then in effect. Nothing in EPC’s engagement with the Village should be construed as a promise or guarantee of any particular outcome.

3. Compensation

EPC will represent the Village on a contingent fee basis. The Village shall have no obligation to pay EPC attorneys’ fees or expenses unless one of the two occurrences happens: (1) the announced June 2019 closure of Westlake Hospital is successfully blocked and/or (2) the

Village receives compensation via a financial recovery (whether through the courts or administrative/legislative process) settlement, and/or judgment in the Westlake Matter ("Recovery"). In the event of either of these occurrences, the Village agrees to pay Edelson PC for its attorneys' fees as follows:

- (a) In the event EPC secures an order, settlement, or other resolution of this Westlake Matter that results in:
 - i. Westlake Hospital remaining open and operational beyond 4/30/2019 ; and
 - ii. During such time, Westlake Hospital provides services equivalent to those provided by Westlake Hospital on 2/14/2019,then EPC shall be compensated as follows, commencing on 2/1/2020 and thereafter annually for the term of the payment provisions, the Village shall pay a sum equal to 15% without qualification, of all the Tax Increment received by the Village from the underlying PINs of the property comprising Westlake Hospital (the "Increment Component"). The Parties agree and acknowledge that the retention of EPC and possible payment of the Increment Component promotes the health, safety, morals and welfare of the residents of the Village and the payment of the Increment Component is a valid Redevelopment Project Cost pursuant to Section 5/11-7/4.4-3 (q) (1) of the Tax Increment Allocation Redevelopment Act. The term of the payment provision shall commence as set forth above and expire at the earlier of (i) the closure of Westlake Hospital, (ii) closure of the applicable TIF District, or (iii) the 3 year anniversary of the initial payment.
- (b) 20% of any Recovery in the Westlake Matter.
- (c) For purposes of clarity, if there is a delay in the closing of the hospital followed by a Recovery by the Village, Edelson shall offset any payments it has received under (a) for purposes of determining the fees owed to it by the Village under (b).

The Village also agrees, that to the extent there is a recovery, that it will reimburse EPC all reasonable out of pocket, non-marked up, costs it occurred.¹ If the Village does not achieve any recovery, the Village will not be responsible for any costs or attorneys' fees.

4. Staffing

¹ The costs shall include, without limitation: client expenses, travel costs, court costs, fees and expenses of consulting and testifying experts, court reporters, videographers, deposition and transcription costs, external document reproduction, coding and organization services, meeting expenses, travel expenses of experts, investigative services, jury consultants, costs of photography, exhibits, and graphic design or other media used to present or illuminate evidence or argument. EPC will seek the Village's prior approval for any costs that exceed \$5,000. We do not charge clients for in-house copying, long distance telephone calls, or Westlaw charges.

Although EPC reserves the right to staff all matters as we see fit, we intend to assign at least the following attorneys to this matter: Jay Edelson, Rafey Balabanian, Benjamin Richman, Ari Scharg, Sydney Janzen, Christopher Dore, David Mindell, Eli Wade-Scott, and Michael Ovca. You understand that we may determine to associate with attorneys outside of the firm to more efficiently and effectively represent the Village in this matter and that we may share a percentage of any attorneys' fees awarded and/or costs and expenses reimbursed with such attorneys. Prior to doing so, we will inform the Village of the same and seek the Village's permission.

5. Confidentiality and Evidence Preservation

Should litigation in this matter ensue, the Village understands that it may have to produce evidence to support its claims. We understand that the Village may object to the opposing party's unchecked access to its information. We will vigorously oppose the production of any irrelevant information and seek protective orders that limit any defendant's access to any evidence that contains confidential information (including attorney-client communications). All information, documents, records, reports, data or other materials furnished by the Village to EPC or other such information, documents, records, data or other materials to which EPC has access during the course of rendering services pursuant to this retention agreement that are deemed confidential shall be treated as such and shall remain the property of the Village. EPC shall not make oral or written disclosure of any confidential information (other than as necessary for its performance under this retention agreement) without the prior written approval of the Village.

Please be reminded that in order to protect the confidentiality of both the Village's communications with us and our advice to the Village under the attorney-client privilege, it is important that the Village not divulge sensitive information to anyone who is not within the protection of the privilege.

Please also understand that the Village has an obligation to preserve evidence, including electronic evidence such as its electronic communications with third parties. The Village must preserve evidence that common sense would dictate is relevant to the claims and defenses in question. We should communicate prior to the Village destroying or disposing of any evidence that might be relevant to the matter. The Village should also suspend any routine document destruction policies that it has in place and refrain from implementing new document destruction policies while the matter is ongoing.

6. Term of Engagement

EPC will endeavor to represent the Village promptly and efficiently, and we anticipate a mutually satisfactory relationship. The Village, however, has the right to terminate EPC's services upon written notice at any time. EPC also has the right to terminate its services upon written notice, if it discovers that the Village has misrepresented or failed to disclose material facts to us, if it fails to cooperate with a reasonable request, or in the event EPC determines, in its sole discretion, that continuing services on behalf of the Village would create a conflict of interest or be illegal, unethical, impractical, improper or otherwise inappropriate. Following such termination, any otherwise non-public information the Village has supplied to EPC that is retained by us will be kept confidential in accordance with applicable rules of professional responsibility or returned to the Village as the parties hereto may agree in writing.

7. Binding Nature of Agreement; Choice of Law; Lien and Termination

This retention agreement is meant to bind and benefit the heirs and successors of each of the parties to this agreement.

This retention agreement shall be construed in accordance with the laws of the state of Illinois, without regard to rules governing conflicts of law.

If you have any questions about the terms of this retention agreement, please do not hesitate to contact me. On behalf of EPC, we look forward to working with you on this matter.

Sincerely,

EDELSON PC

Ari Scharg

Agreed to by:

Village of Melrose Park

By (signature): _____

Name (printed): Ronald M. Serpico

Its (title): Village President

Dated: 2/26/19