

Holland & Knight

131 South Dearborn Street | Chicago, IL 60603 | T 312.263.3600 | F 312.578.6666
Holland & Knight LLP | www.hklaw.com

Barbara A. Adams
312.578-6563
barbara.adams@hklaw.com

August 1, 2012

PERSONAL AND CONFIDENTIAL ATTORNEY-CLIENT COMMUNICATION

Mr. Scott R. Niehaus
Village Manager
Village of Tinley Park
16250 South Oak Park Avenue
Tinley Park, Illinois 60477

Re: Scope of Additional Services—Water Matters

Dear Mr. Niehaus:

Thank you for requesting a description of and estimated budget for an additional scope of legal services by Holland & Knight to expand on the two scopes of work described in my February 26, 2010 and August 3, 2011 letters to you. In the initial engagement letter, we outlined two tasks pertaining to the potential creation of a water entity to provide water to Tinley Park and the other interested communities of Orland Park, Mokena, New Lenox, and Oak Forest (collectively with Tinley Park, the “Working Group”) as well as issues involved in Tinley Park’s Water Contract with Oak Lawn and the potential renewal of that Contract and similar contracts held by others in the Working Group.

After the Working Group received a draft Water Contract from Oak Lawn, we conducted an initial review of that draft and attended an initial meeting with Oak Lawn representatives (along with Mr. Balling and Mr. Downs on the Working Group’s behalf), as well as a briefing with the village managers of the Working Group. This led to the development of the Scope of Work in my August 3, 2011 letter. At that time, the Working Group anticipated that Oak Lawn would be prepared to conclude a substantially complete Water Contract by the end of 2011. Due to circumstances beyond the Working Group’s control, this target has been extended.

Enclosed in Exhibit A is our proposed scope of work and estimated budget to assist the Working Group in its continued discussions with Oak Lawn. We recognize that the Working Group and Oak Lawn would like to conclude this project by this fall and have prepared this budget in light of the likely level of effort required to achieve a form of Contract with Oak Lawn that will address the common concerns of the Working Group. To date, our work has been to produce materials that will inform the Group members, rather than advocating positions that are not in the common interest of or mutually agreed by the Group members. However, as noted previously, we anticipate that in the provision of legal services it may be necessary for us to

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work directly with each member of the Working Group, which may require us to secure engagements and any necessary waivers and consents from each of the members.

Our services will be provided under the terms outlined in our initial engagement letter to you.

If the terms outlined above and in the attached Exhibit A are satisfactory, please so indicate by signing and returning a copy of this letter.

We look forward to working with you and the Working Group to bring these matters to a successful conclusion.

Very truly yours,

HOLLAND & KNIGHT LLP

By: 
Barbara A. Adams

Enclosure

Approved this _____ day of _____, 2012.

VILLAGE OF TINLEY PARK

By: _____

Its: _____

EXHIBIT A
WORK PLAN

TASK	BUDGET
CONTRACT REVIEW AND DRAFTING: Includes review and analysis of revised drafts of the proposed water contract from Oak Lawn and its impacts, meetings with other consultants (management and engineering) in the analysis of issues, drafting revised or additional language for inclusion in contract. Est. 60-80 hours	\$ 20,000-29,000
MEETINGS WITH WORKING GROUP MEMBERS: Includes six meetings with village managers and three meetings with the mayors, and periodic meetings with teams (such as public works directors, finance directors, etc.) to review issues, obtain direction about key issues, and develop strategies for negotiation. Est. 45-60 hours	\$ 16,000-20,000
NEGOTIATIONS WITH OAK LAWN: Includes meetings with representatives of Oak Lawn to discuss issues and contract language; consultation with the Working Group's negotiating team; preparation of materials for negotiation sessions. Est. 60-75 hours	\$20,000-25,500
LEGAL RESEARCH/OPINIONS: Includes examination of law pertaining to contract terms raised by Working Group members or in negotiation with Oak Lawn. Est. 8-10 hours	\$ 3,000
TOTAL (see notes below for possible adjustments)	\$59,000-77,500

NOTES:

1. Probable Schedule. These budget estimates are based upon an estimated schedule of meetings with Oak Lawn. Some tasks may require a greater or lesser level of effort as matters proceed, and it is anticipated that some reallocation of budget to tasks where there is greater demand may occur.
2. Key Issues. At this point in the discussions, there are several key issues pending which, if pursued, are likely to require an additional level of effort, such as the discount rate model, or complex rebate or return on investment formulas for payments by the Working Group to be returned from other Oak Lawn customers. Each of these issues could require as much as 25-30 hours of additional work, which would add about \$10,000 per issue to the budget.