



DATE: January 31, 2022

MEMO TO: Jessica Vealitzek, Chair
Operations Committee

Julie Simpson, Chair
Finance Committee

FROM: Mike Tully
Chief Operations Officer

RECOMMENDATION: Recommend approval of an Ordinance approving the assignment and amendment of the License Agreement with Catering by Michael’s for Food and Beverage Services at Independence Grove.

STRATEGIC DIRECTION SUPPORTED: Organizational Sustainability

FINANCIAL DATA: With the recommended assignment and amendment, there would be no changes to the financial terms of the agreement and the District should continue to receive approximately \$475,000.00 in annual revenue from the new Licensee.

BACKGROUND: Catering by Michael’s (CBM) has been the exclusive food and beverage provider at Independence Grove since it opened in 2001. The present License Agreement between CBM and the District began in January of 2012. CBM has exercised its right to extend the original four-year term of the agreement for two more four-year periods, and the current agreement will expire on December 31, 2023.

Recently, Stewart Glass, the sole stockholder of CBM negotiated a tentative deal to sell to Lisa Ware, an employee of CBM, 100% of the stock of CBM. Their plan is to have Mr. Glass continue in the operation of CBM’s business, but eventually withdraw. Under the “Assignments and Encumbrances” section of the License Agreement, both (i) the sale of more than 50% of the stock of CBM and (ii) the withdrawal of Mr. Glass (who is identified in the License Agreement as “Key Personnel”) are considered an “assignment” and therefore may be completed only with the District’s consent. Under the License Agreement, the District may withhold its consent if, in its reasonable judgment, it determines that an assignee or replacement proposed by the Licensee has not demonstrated adequate and substantial experience in the successful operation of a first-class business similar to the concession at Independence Grove.

Staff believes that collectively, Ms. Ware and the employees who will be running the day-to-day operations of the concession at Independence Grove, have the requisite experience. Catering by Michael’s and Lisa Ware have requested the approval of the District to allow for the assignment of the License Agreement. The District Board of Commissioners previously (on June 8, 2021) approved an ordinance approving the requested (the “Prior Ordinance”), but the Prior Ordinance expired before the stock sale from Mr. Glass to Ms. Ware was completed.

In conjunction with the assignment, it is also appropriate to amend the License Agreement to (i) amend and update Exhibit C, which is the Management Plan for the concession at Independence Grove, (ii) amend Exhibit E, which identifies the current stockholders of CBM, and (iii) amend Exhibit F, which identifies CBM's "Key Personnel"

REVIEW BY OTHERS: Director of Finance, Chief of Business Development, Corporate Counsel

STATE OF ILLINOIS)
) SS
COUNTY OF LAKE)

**BOARD OF COMMISSIONERS
LAKE COUNTY FOREST PRESERVE DISTRICT
REGULAR FEBRUARY MEETING
FEBRUARY 8, 2022**

MISTER PRESIDENT AND MEMBERS OF THE BOARD OF COMMISSIONERS:

Your **OPERATIONS COMMITTEE** and **FINANCE COMMITTEE** present herewith “An Ordinance Approving the Assignment and Amendment of the License Agreement Granting a Concession with Catering By Michael’s, Inc.,” and request its approval.

OPERATIONS COMMITTEE:

Date: _____ Roll Call Vote: Ayes: _____ Nays: _____
 Voice Vote Majority Ayes; Nays: _____

FINANCE COMMITTEE:

Date: _____ Roll Call Vote: Ayes: _____ Nays: _____
 Voice Vote Majority Ayes; Nays: _____

**LAKE COUNTY FOREST PRESERVE DISTRICT
LAKE COUNTY, ILLINOIS**

**AN ORDINANCE APPROVING THE ASSIGNMENT AND AMENDMENT OF
THE LICENSE AGREEMENT GRANTING A CONCESSION WITH
CATERING BY MICHAEL'S, INC.**

WHEREAS, on January 1, 2012, the Lake County Forest Preserve District (the "District") entered into a license agreement (the "Agreement") with Catering by Michael's, Inc. (the "Licensee") for provision of a food, beverage, and catering concession at Independence Grove Forest Preserve; and

WHEREAS, Stewart Glass (the "Owner") is the sole owner of the capital stock of Licensee and desires to sell all of such stock (the "Stock Sale") to Lisa Ware (the "Assignee") and to eventually withdraw from Licensee's business (the "Future Withdrawal"); and

WHEREAS, Licensee intends to make certain change to its key personnel as further set forth in the Agreement Amendment defined below (the "Key Personnel Changes"); and

WHEREAS, the Stock Sale, Future Withdrawal and Key Personnel Changes (collectively, the "Assignment") each constitute an assignment under the Agreement and Licensee's continued operation of the concession pursuant to the Agreement can continue, following the Assignment, only with the District's consent; and

WHEREAS, the Assignee has demonstrated adequate and substantial experience in the successful operation of a first-class business similar to the concession operated by Licensee at Independence Grove Forest Preserve; and

WHEREAS, in conjunction with the Assignment, it is appropriate and in the District's best interests to approve an amendment to the Agreement, in substantially the form attached hereto (the "Agreement Amendment"); and

WHEREAS, pursuant to Section 7b of the Downstate Forest Preserve District Act, 70 ILCS 805/7b, the District is authorized to issue licenses for any activity reasonably connected with the purposes for which the District was created; and

WHEREAS, the provision of food, beverages, and catering concession services at Independence Grove is an activity that is reasonably connected to the purposes for which the District was created, including the operation of public recreational facilities; and

WHEREAS, the Board of Commissioners hereby finds that it is in the best interests of the District to approve the Assignment and to approve the Agreement Amendment in substantially the form attached hereto; and

WHEREAS, on June 8, 2021, the District Board of Commissioners approved an ordinance approving an Assignment from Owner to Assignee (the "Prior Ordinance"), but the Prior Ordinance expired before the Stock Sale was completed;

NOW, THEREFORE, BE IT ORDAINED by the Board of Commissioners of the Lake County Forest Preserve District, Lake County, Illinois, **THAT**:

Section 1: Recitals. The recitals set forth above are incorporated as part of this Ordinance by this reference.

Section 2: Approval of Assignment and Agreement Amendment. The Agreement Amendment is hereby approved in substantially the form attached hereto, subject to the Executive Director's receipt of (i) written confirmation (satisfactory to the District's Executive Director) that the Stock Sale has been completed and (ii) the Agreement Amendment, executed by Licensee (collectively, the "Assignment Deliverables"). Following receipt of the Assignment Deliverables, the Executive Director and Secretary of the District are hereby authorized and directed to execute and attest to the Agreement Amendment.

Section 3: Effective Date. This Ordinance, including the approvals in Section 2 (the “Section 2 Approvals”), shall be in full force and effect from and after its passage and approval in the manner provided by law and shall remain in effect until March 31, 2022. If, on or before March 31, 2022, the Executive Director receives both Assignment Deliverables, then the Section 2 Approvals shall survive the expiration of this Ordinance. If, on or before March 31, 2022, the Executive Director does not receive both Assignment Deliverables, then no provision of this Ordinance will survive or remain in effect following March 31, 2022, and the Section 2 Approvals will be rescinded without further action. The Prior Ordinance (to the extent it remains in effect) is hereby repealed.

PASSED this _____ day of _____, 2022.

AYES:

NAYS:

APPROVED this _____ day of _____, 2022.

Angelo D. Kyle, President
Lake County Forest Preserve District

ATTEST:

Julie A. Gagnani, Secretary
Lake County Forest Preserve District

Exhibit No. _____

First Amendment
to the
License Agreement Granting a Concession
between
Lake County Forest Preserve District
and
Catering by Michael's, Inc.

This First Amendment (this "*Amendment*") is made as of February ____, 2022 (the "*Amendment Effective Date*") by and among the **Lake County Forest Preserve District**, a body politic and corporate and unit of local government organized and existing under the Downstate Forest Preserve District Act ("*District*") and **Catering by Michael's, Inc.**, an Illinois corporation ("*Licensee*") (the District and Licensee are referred to, collectively, as the "*Parties*").

In consideration of the mutual covenants set forth in this Amendment, the receipt and sufficiency of which are hereby acknowledged, the Parties mutually agree as follows:

Section 1. Recitals.

A. The District and CBM entered into a "License Agreement Granting a Concession Between Lake County Forest Preserve District and Catering by Michael's, Incorporated" dated January 1, 2012, as affected by certain renewal notice letters from Licensee to the District dated June 30, 2014 and June 12, 2018 (as so modified, the "*Agreement*"). All words with initial capitalized letters in this Amendment which are not defined herein shall have the meanings ascribed to them in the Agreement.

B. Pursuant to the Agreement, the District granted to Licensee the Concession, which, as provided in the Agreement, allows Licensee to provide certain indoor and outdoor food and beverage services and banquet and special event services at portions of Independence Grove Forest Preserve.

C. Section 12.A of the Agreement provides that Licensee may assign the Agreement and its rights and obligations thereunder only with the prior express written approval of District.

D. On or about February ____, 2022, Stewart Glass, who until that day was the sole owner of all capital stock in Licensee, sold all of his capital stock shares in Licensee to Lisa Ware, who is, as of the Amendment Effective Date, the sole owner of all capital stock in Licensee (the "*Stock Sale*").

E. In connection with the Stock Sale, it is anticipated that Licensee will make some changes to the key personnel of Licensee as identified in Exhibit F to the License Agreement (the "*Personnel Changes*").

F. The Stock Sale and Personnel Changes are deemed an "assignment" under the Agreement. Following the Stock Sale and Personnel Changes, and for the Term of the Agreement,

Licensee desires to continue operating the Concession, subject to the terms and conditions of the Agreement.

G. On February 8, 2022, the District's Board of Commissioners approved a resolution approving the Stock Sale and Personnel Changes as an assignment of the Agreement, subject to the terms and conditions of this Amendment.

H. The Parties desire to amend the Agreement as set forth in this Amendment.

Section 2. Assignment.

The District's approval of the Stock Sale and Personnel Changes as an assignment shall not operate as a waiver of the restriction against further assignment of the Agreement as set forth in Section 12.A of the Agreement.

Section 3. Amendment of Agreement.

A. Section 12. Section 12.A of the Agreement titled "*Assignments*" is deleted in its entirety and replaced with the following Section 12.A.

SECTION 12. ASSIGNMENTS AND ENCUMBRANCES.

A. Assignments. Licensee shall not assign or transfer, in whole or in part, any of its rights, obligations, or interests in this Agreement, or grant any other person or entity permission to occupy or use all or any part of the Licensed Premises or Subject Property, without the District's prior written consent. Without limitation, the following shall be deemed to be assignments:

- (i) If Licensee or its successor is a partnership, any withdrawal or change, voluntary, involuntary, or by operation of law, of any general partner, or the dissolution of the partnership.
- (ii) If Licensee or its successor is a sole proprietor or an association of one or more persons or entities, any purported assignment, voluntary, involuntary, or by operation of law, from Licensee or its successor to any other person or entity.
- (iii) If Licensee or its successor is a corporation, any dissolution, merger, consolidation or other reorganization of Licensee, or the sale or other transfer of a controlling percentage of the capital stock of Licensee, or the sale or other transfer of more than fifty percent (50%) of the value of the assets of Licensee. For purposes of this paragraph, the phrase "controlling percentage" means the ownership of, and the right to vote, stock representing more than fifty percent (50%) of the total combined voting power of all classes of Licensee's capital stock issued, outstanding, and entitled to vote for the election of directors. This paragraph shall not apply to (i) a corporation, the stock of which is traded through an exchange or over the

counter; or (ii) transfers of stock by the persons listed on *Exhibit E*, which persons are the current owners of stock of Licensee, to such persons' siblings, spouses, or children or trusts for their benefit so long as the trustee is one or more of the persons listed on *Exhibit E* or such person's siblings, spouses, or children.

- (iv) If Licensee or its successor is a limited liability company, any dissolution, merger, consolidation, change in control transaction or other reorganization of Licensee, or the sale or other transfer of a controlling percentage of the equity interests of Licensee, or the sale or other transfer of more than fifty percent (50%) of the value of the assets of Licensee. For purposes of this paragraph, the phrase "controlling percentage" means the ownership of, and the right to vote, equity interests representing more than fifty percent (50%) of the total combined voting power of all classes of equity interests in Licensee outstanding and entitled to vote.
- (v) Any withdrawal, retirement, termination, or transfer of any of the persons listed on *Exhibit F* from Licensee or from Licensee's operation of the Concession, which persons are considered by the District to be key management personnel.

The District may withhold its consent to an assignment only if, in its reasonable judgment, it determines that an assignee, transferee or replacement proposed by Licensee has not demonstrated adequate and substantial experience in the successful operation of a first-class business similar to the Concession. Notwithstanding the provisions of this Section 12, Licensee may enter into contracts with third parties to provide concession services on the Licensed Premises, as Licensee's subcontractors, including food and beverage services and banquet and special event services, provided that such contracts are approved in advance by the District's Executive Director. Such contracts shall not be deemed to be assignments of Licensee's rights.

B. Section 18. Sections 18.c and 18.d of the Agreement titled "*Notice*" are deleted in their entirety and replaced with the following Sections 18.c and 18.d.

- c.** If to Licensee: Catering by Michael's, Inc.
6203 Park Avenue
Morton Grove, IL 60053
ATTN: Lisa Ware

- d.** With a copy to: Patzik, Frank & Samotny, Ltd.
200 S. Wacker Drive, Suite 2700
Chicago, IL 60606
ATTN: Gary Walt, Esq.

C. Exhibit C. Exhibit C of the Agreement titled "*Management Plan*" is deleted in its entirety and replaced with the new Exhibit C attached to this Amendment.

D. Exhibit E. Exhibit E of the Agreement titled "*Current Stockholders of Licensee's Parent Company*" is deleted in its entirety and replaced with the new Exhibit E attached to this Amendment.

E. Exhibit F. Exhibit F of the Agreement titled "*Key Personnel*" is deleted in its entirety and replaced with the new Exhibit F attached to this Amendment.

Section 4. Full Force and Effect; Conflicts.

Except as amended hereby, the terms and conditions of the Agreement shall remain unchanged and in full force and effect. In the event of any conflict between the terms and conditions of this Amendment and the terms and conditions of the Agreement, the terms and conditions of this Amendment shall control.

Section 5. Governing Law.

This Amendment shall be governed and construed under the laws of the State of Illinois without regard to any conflict of law provisions which could apply.

Section 6. Counterparts.

This Amendment may be executed in any number of counterparts and by each of the undersigned on separate counterparts, which counterparts taken together shall constitute one and the same instrument. Counterparts to this Amendment may be executed and delivered by facsimile or e-mail transmission, and for purposes of this Amendment signatures transmitted by facsimile or e-mail shall be deemed to be original signatures.

[Signature Page Follows]

The Parties are executing this Amendment as of the Amendment Effective Date.

Attest/Witness

Lake County Forest Preserve District

By: _____
Julie Gragnani
Board Secretary

By: _____
Alex Ty Kovach
Executive Director

Attest/Witness

Catering by Michael's, Inc.

By: _____
Name: _____
Title: _____

By: _____
Name: Stewart Glass
Title: President

EXHIBIT C

“Management Plan”

MANAGEMENT PLAN FOR EVENTS AT INDEPENDENCE GROVE

The text and other contents of the following pages
are confidential and proprietary.

©2022 - Catering By Michael's, Inc.

CATERING BY MICHAEL'S, INC.

About the Organization

6203 Park Ave
Morton Grove, IL 60053
(847) 966-6555

Catering By Michael's, Inc. is currently 100% owned by Stewart Glass. Mr. Glass is currently preparing to sell the stock of the company to his longtime employees Jeff Ware and Lisa Ware. Under this acquisition structure the corporation will remain intact, and the entity will not change for purposes of the License Agreement. Lisa Ware will become the sole owner of the company, making Catering by Michaels a woman owned business as we continue to focus on diversity, inclusion and giving back to the community.

Stewart Glass will remain the president of the company for a period of at least 6 months. Mr. Glass may further remain involved in the behind-the-scenes operation of Events at Independence Grove for additional time at the request of Lisa or Jeff Ware.

Jeff Ware has been an employee of Catering by Michaels for 21 years. Jeff began as a waiter at events, was promoted to Function Director, and eventually moved onto the leadership team as Director of Operations. Under his leadership, not only has he excelled on the operations side of the business, but he has led waste reduction efforts companywide resulting in our certification of sustainability by The Green Restaurant Association and Green Seal. Jeff was one of the first staff to ever work at Independence Grove and has since worked at and planned hundreds of events at IG. As a member of the Certified Catering Consultants Jeff is known nationally for his expertise on large event execution and technology for caterers.

Lisa Ware joined the company in 2018 to join her husband at Catering by Michaels as the Director of Business Development & Special Projects. Lisa began her career in Indianapolis after growing up around catering her whole life. She was a kindergarten teacher for seven years, and in that time also opened her own catering company and serviced small and large events in her community. After realizing that she enjoyed the thrill of building relationships and sales the most, she joined an elite catering company in Indianapolis and focused on building her personal brand with a much larger company. She successfully executed \$1M+ of business for the 2012 Super Bowl in Indianapolis and

set her sights on Chicago. Lisa moved to Chicago in 2014 and set to work building her personal brand and developing lifelong relationships in the Chicago events and catering world. While juggling a portfolio of corporate, social and headliner events, she also has served two terms as the Chicago President of the International Live Events Association and now currently serves as a board member with the International Caterers Association. In 2018, she was ready to join her husband at Catering by Michaels and work together on the same team to build the luxury brand that embodies Catering by Michaels.

Together, they plan to build on what Stewart has created over the last 40 years at Catering by Michaels. Catering by Michaels has always strived to be more than a caterer, but to truly deliver a unique and memorable experience with every client. Catering by Michaels believes that catering is more than just food on a plate; it is about building a relationship with our clients, understanding their personal style, and delivering from the first phone call to the day of execution of each event with the highest attention to detail.

Catering by Michaels, with great involvement by Jeff & Lisa Ware, has spent the last four years building the team to ensure that we have the best support people around us and that the best talent around is on our team. Throughout COVID-19, they have worked hand in hand with leadership to ensure that all their key personnel have a future career with Catering by Michaels and have made every decision to protect the employment of our whole team. We have worked tirelessly to keep the team together at Catering by Michaels and ensure that we all survive the tremendous impact COVID-19 has had on our business.

The current team at Catering by Michaels includes an Administrative, Sales, Operations, Culinary & Management team of 30, a kitchen staff of 50 and growing as we recover from the pandemic, a delivery staff of ten, fifteen event supervisors (nine of which are full-time employees) and more than one hundred on-call event staff. There is a current training manual that spans a four-week onboarding process and a very thorough training process to ensure a successful start for every new employee. The company plans to invest in training and to give a refresh to the training manual as a significant amount of hiring will need to occur as we continue to operate with the labor market challenges created since COVID-19 began.

Catering by Michaels has three different divisions of the company. The full-service team works around the entire Greater Chicago area with custom events that span from 2

guests to 10,000. These events also range from the highest end six course dinner to a very large picnic for a corporate group. In our full-service division, the world is your oyster, and we work with our clients to create the event of their dreams. Each proposal is custom created to meet the individual needs of each client. The delivery division works from a set menu, that is updated seasonally, and as new options are constantly developed to meet the needs of our clients. This division focuses more on the drop off or hybrid events and the major differentiator is that all the food is fully prepped in our Commissary and no Chef is on site. We also have the event team that manages our exclusive venues including Events at Independence Grove. This team has the same access to our world class menus and customization, but each event is held only at these venues. We think it is important to have a dedicated team for the venues we manage so that team is an expert in that space and can dedicate all their focus to executing spectacular events from the moment the client reaches out to the day of the event.

While the ownership of Catering by Michaels will change, nothing else in how the business is operated will. Jeff & Lisa, with the help of our Executive Vice President David Sandler, have been managing the day-to-day operations of the company for many years. It is our plan to not make any changes to the management strategy or leadership. In fact, their sole wish is for all employees not even to realize that ownership has changed so they can prove that the consistent brand and company that has always been Catering by Michaels is still that same brand and company. Jeff & Lisa plan to invest in marketing at the onset to position Catering by Michaels, and in turn Events at Independence Grove, in a position of growth as the hospitality industry continues to try to recover from the impact of COVID-19.

In closing, everything that has embodied who Catering by Michaels is as a company will live on and be enhanced as the next generation of employees build on the amazing legacy and reputation that Stewart has created for the company. With the guidance of our leadership team, Catering by Michaels will be the same company that prides itself on world class cuisine, impressive presentation, impeccable service, culinary innovation, creativity, and dedication as a team to truly deliver a spectacular event from start to finish.

Events at Independence Grove Leadership and Communication with LCFPD

From time-to-time Events at Independence Grove may or may not have an onsite General Manager.

As a business who has hundreds of staff working at thousands of different locations every year and rarely working from the corporate office, Catering by Michaels has the technology, systems, and experience to manage a large off-site workforce.

LCFPD staff may communicate any day-to-day operational information to Marta Mardosz, or in her absence, to Juvenal Maya or Israel Segura.

LCFPD management can always contact Jeff Ware, Lisa Ware, or David Sandler on their personal cell phones and expect a timely response to any urgent concerns.

CBM will promptly notify LCFPD of any changes in the identity of management personnel including their updated contact information.

EXHIBIT E

“Current Stockholders of Licensee’s Parent Company”

Lisa Ware

EXHIBIT F

“Key Personnel”

Licensee’s Key Personnel

NAMES AND TITLES	BUSINESS TELEPHONE NUMBERS
Lisa Ware, Vice-President of Sales and Marketing	(847) 966-6555
Jeff Ware, Director of Operations	(847) 966-6555
Stewart Glass, Founder and President	(847) 966-6555
David Sandler, Executive Vice-President	(847) 966-6555

Note: Stewart Glass is expected to remain President for between 6 and 12 months following the consummation of the Sale. When he is no longer President, he will no longer be Key Personnel. Thereafter, either Lisa Ware or Jeff Ware will be President of Licensee. After these events occur, Licensee will (within five business days thereafter) send the District written notice stating that Mr. Glass is no longer President and identifying Lisa Ware or Jeff Ware as the then-current President.