

Winnetka Village Council
REGULAR MEETING
Village Hall
510 Green Bay Road
August 6, 2019
7:00 p.m.

Emails regarding any agenda item are welcomed. Please email contactcouncil@winnetka.org, and your email will be relayed to the Council members. Emails for the Tuesday Council meeting must be received by Monday at 4 p.m. Any email may be subject to disclosure under the Freedom of Information Act.

AGENDA

- 1) Call to Order
- 2) Pledge of Allegiance
- 3) Quorum
 - a) August 20, 2019 Regular Meeting
 - b) September 3, 2019 Regular Meeting
 - c) September 10, 2019 Study Session
- 4) Public Comment
- 5) Reports
- 6) Approval of Agenda
- 7) Consent Agenda
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10) New Business	
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11) Appointments	
12) Closed Session	
13) Adjournment	

NOTICE

All agenda materials are available at [villageofwinnetka.org](http://www.villageofwinnetka.org) (Government > Council Information > Agenda Packets & Minutes); the Reference Desk at the Winnetka Library; or in the Manager’s Office at Village Hall (2nd floor). Webcasts of the meeting may be viewed on the Internet via a link on the Village’s web site: <http://www.villageofwinnetka.org/government/village-videos/>.

The Village of Winnetka, in compliance with the Americans with Disabilities Act, requests that all persons with disabilities who require certain accommodations to allow them to observe and/or participate in this meeting or have questions about the accessibility of the meeting or facilities, contact the Village ADA Coordinator – Megan Pierce, at 510 Green Bay Road, Winnetka, Illinois 60093, 847-716-3543; T.D.D. 847-501-6041.

**MINUTES
WINNETKA VILLAGE COUNCIL
SPECIAL MEETING
July 9, 2019**

(Approved: xx)

A record of a legally convened regular meeting of the Council of the Village of Winnetka, which was held in the Village Hall Council Chambers on Tuesday, July 9, 2019, at 7:00 p.m.

- 1) Call to Order. President Rintz called the meeting to order at 7:00 p.m. Present: Trustees Jack Coladarci, Andrew Cripe, Robert Dearborn, Penfield Lanphier, and John Swierk. Absent: Trustee Anne Wedner. Also present: Village Manager Robert Bahan, Assistant Village Manager Megan Pierce, Village Attorney Peter Friedman, Public Works Director Steve Saunders, Assistant Public Works Director Jim Bernahl, Finance Director Tim Sloth, and approximately 13 persons in the audience.
- 2) Pledge of Allegiance. Trustee Lanphier led the group in the Pledge of Allegiance.
- 3) Quorum.
 - a) July 16, 2019. All of the Council members present said they expect to attend.
 - b) August 6, 2019. All of the Council members present except Trustee Lanphier said they expect to attend.
 - c) August 20, 2019. All of the Council members present except President Rintz and Trustee Dearborn said they expect to attend.
- 4) Public Comment.

Scott Myers, Val Haller, and Mark Haller from the Winnetka Music Festival Committee. Mr. Myers thanked the Village Council for its sponsorship, and Village staff for helping to plan, set up and execute the Winnetka Music Festival. He explained that the cost of the festival is nearly \$400,000, most of which is raised from private sponsors and beer/wine sales; and he noted that the event organizers are discussing ways to keep the festival sustainable in future years. Mr. Haller added that the festival draws outsiders to Winnetka and showcases the Village in a positive light.
- 5) Reports:
 - a) Trustees.
 - i) Trustee Coladarci reported on items of interest on the Warrant List and the most recent Landmark Preservation Commission meeting.
 - b) Attorney. None.
 - c) Manager. None.
 - d) Village President. President Rintz thanked the Winnetka Music Festival Committee for putting on another great event. He added that the One Winnetka development would be discussed at the next Council meeting.

- 6) Approval of the Agenda. President Rintz said Item No. 7(c) would be removed from the Consent Agenda and discussed under New Business. Trustee Dearborn, seconded by Trustee Cripe, moved to approve the final form of the Agenda. By voice vote, the motion carried.

7) Consent Agenda

- a) Village Council Minutes.

i) June 18, 2019 Regular Meeting.

- b) Approval of Warrant List dated June 14 – July 4, 2019 in the amount of \$896,581.73.

- c) Reject Bids: 2019 Water Main Improvement Project. This item was removed for discussion under New Business.

Trustee Swierk, seconded by Trustee Cripe, moved to approve the foregoing items on the Consent Agenda by omnibus vote. By roll call vote, the motion carried. Ayes: Trustees Coladarci, Cripe, Dearborn, Lanphier, and Swierk. Nays: None. Absent: Trustee Wedner.

- 8) Ordinances and Resolutions: None.

9) New Business.

- a) Reject Bids: 2019 Water Main Improvement Project. Mr. Saunders explained that bids received for the Subject Project were much higher than anticipated, due to the lateness of the construction season, higher cost of materials, and the fact that it is a stand-alone project. He said staff recommends rejecting these bids and rebidding the project in early 2020 when market conditions are expected to be more favorable, and the project can be bundled with other street rehabilitation work for cost savings.

Trustee Dearborn commended the decision as an example of Village staff adhering to important fiscal standards and budgetary constraints.

There being no public or further Council comment, Trustee Dearborn, seconded by Trustee Cripe, moved to authorize the Village Manager to reject the bids received pursuant to RFB #019-002: 2019 Water Main Improvement Project. By roll call vote, the motion carried. Ayes: Trustees Coladarci, Cripe, Dearborn, Lanphier, and Swierk. Nays: None. Absent: Trustee Wedner.

- b) Petition Request – Sidewalk on Locust Road Between Hill Road and Indian Hill Road.

Mr. Bernahl explained that a petition for a sidewalk has been received for the east side of Locust Road between Hill and Indian Hill Roads. He described the area where the sidewalk has been requested and reviewed Village communications with the affected residents. He said IDOT and Cook County standards must be followed that would affect the width of the proposed sidewalk, as well as whether a curb must be placed. He also identified utilities and landscaping which would be affected by a sidewalk.

Mr. Bernahl said Village staff had worked on preliminary design elements of the sidewalk, including its width and replacement of disturbed driveway aprons. He explained the Council could opt to fund the sidewalk project in the 2020 Budget and pursue negotiations with Cook County; or it could consider denial of the request. Preliminary cost estimates are \$150,000 – \$200,000.

President Rintz called for public comment.

Jim Orth, 79 Locust. Mr. Orth said safety is the concern for pedestrians, dog walkers, and cyclists, and he urged approval for the sidewalk.

Jennifer Frant, 47 Indian Hill. Ms. Frant expressed drainage concerns if the sidewalk prevented water from running into the ground near her property. Mr. Bernahl described the area in more detail and explained that putting in a culvert could be an option to help with drainage.

Mr. and Mrs. Boudewyns, 988 Hill Road. Mr. Boudewyns said the proposed sidewalk would run along the side of their yard, and he expressed concern about the security of their property since a sidewalk would draw more people to the east side of Locust Road. He added that they did not want to lose landscaping to a sidewalk, and that the money could be better spent elsewhere. Mrs. Boudewyns noted that she did not see a lot of pedestrian/cycle traffic on Locust Road, and Mr. Boudewyns asked for a pedestrian count of the area.

Mike Michaelson, 77 Locust. Mr. Michaelson said he did not see the benefit of a sidewalk if no curb is also installed. He said the gravel is a natural buffer for vehicle traffic and placing a sidewalk without a curb would increase his safety concerns. He added that he spent a lot of money putting in landscaping along the roadside, which would be removed if a sidewalk is put in.

Trustee Lanphier said although it is a Village goal to complete a sidewalk network, the views of people who have been maintaining the rights-of-way must be taken into consideration. The safety concerns are very important, however, and she would approve a sidewalk if the Village could keep it in the right-of-way. She called for further talks with Cook County to see if a sidewalk project is feasible.

Trustee Coladarci asked why the County doesn't put in the sidewalk if Locust is a County road. Mr. Bernahl explained that the County does not have a sidewalk replacement program, and when the road was resurfaced recently, residents communicated they did not want curbs put in.

There was a discussion about the history of the Village's sidewalk program, and how to move forward with completion of the sidewalk network. It was suggested the gravel path could be enclosed or otherwise made more secure to enhance the safety of pedestrians while still keeping the Road's rural charm and preserving the landscaping along the road. Mr. Bernahl said if the County approves, the gravel walkway could possibly be better defined.

Michael Callahan, 76 Locust Road. Mr. Callahan said the road was very unsafe, and it is the only main artery coming through Winnetka that does not have a sidewalk. He noted there is a lot of walking and biking traffic, and he urged negotiating with the County about the condition of the road as well.

The Council discussed the request, agreeing that sidewalks are desirable for safety purposes, and asked staff bring back additional information after further talks with Cook County about a possible sidewalk project. It was also suggested that a report of how many areas lack sidewalks be provided so a long term plan can be developed, as well as a survey of the use of this stretch of Locust Road by pedestrians and cyclists.

10) Old Business.

- a) Refuse Collection Evaluation Follow-up. Mr. Saunders explained that he had follow-up information to present based on Council discussion at its April 25 Special Meeting, along with recommendations that will impact the 2020 Budget discussion.

Composting

Mr. Saunders said Staff had met with three food waste composting vendors, and recommends the Village promote each of them as an option for residents to contract with directly. He added that franchising a single vendor is not very feasible, since the Village's landscape hauling contractor does not provide food waste services, and the Village's landfill permit does not allow food scrap waste.

After a brief discussion, the Council agreed with the recommendation; and endorsed marketing the vendors through Village communication vehicles, Go Green Winnetka, Community Conversations and possibly the Coldwell Banker popup space.

Commercial Refuse Collection

Mr. Saunders explained that the Village would like to better focus on its core residential refuse program by outsourcing commercial collections. Doing so will have a positive impact on the refuse collection workforce, as most injuries occur during commercial collections. In addition the work hours are very demanding. He said there are two options for the Village to choose from: (i) franchise a single hauler; and (ii) license several haulers for commercial users to choose from. He said the franchise process is long and difficult, and Staff recommends the license-based approach. This would allow the Village to set standards for the haulers including: hours of operation; size, appearance and location of dumpsters; and maintenance of dumpsters and trucks. He estimated that a commercial refuse licensing program could be undertaken by the middle of next year.

The Council discussed the recommendation, confirming that the price for commercial district customers would be in line with current Village fees. The toll on the refuse collection workforce was also brought to light, as the Village has difficulty retaining refuse employees. Commercial recycling was examined; along with Village oversight options of any potential licensed refuse/recycling haulers. A consensus was reached to outsource the commercial refuse/recycling collections, using the licensing option. The Council will see and discuss the specifications of a refuse hauling license before it goes into effect.

Pay-as-you-Throw Refuse Collections

Mr. Saunders explained that the Village's financial software is not compatible with RFID chips. Staff could, however, use several sizes of containers to differentiate rates for amount and frequency of pickups. Although such a program would require further

vetting, the 2020 Budget proposal could contain an item for purchasing new refuse containers to go along with implementation of a pay-as-you-throw refuse program. He also recommended altering the base level of refuse service to place containers in a location visible from the street so refuse collectors don't have to hunt for them.

Mr. Saunders said there have been a number of complaints about the refuse fee from people who only generate a bag of garbage every month or so, and he would not only appreciate having an option for these residents, but also would like to provide a financial incentive to generate less material for the landfill.

The Council discussed the option of curbside collections and using different sized bins for a pay as you throw option. President Rintz said the Village would hold one more Study Session on the issues, and urged the Council to be ready to make a decision at that time. He also authorized Mr. Saunders to put the expense for new refuse bin in his proposed 2020 Budget.

11) Appointments: None.

12) Closed Session. None.

13) Adjournment. Trustee Dearborn, seconded by Trustee Cripe, moved to adjourn the meeting. By voice vote, the motion carried. The meeting adjourned at 9:15 p.m.

Recording Secretary

**MINUTES
WINNETKA VILLAGE COUNCIL
REGULAR MEETING
July 16, 2019**

(Approved: xx)

A record of a legally convened regular meeting of the Council of the Village of Winnetka, which was held in the Village Hall Council Chambers on Tuesday, July 16, 2019, at 7:00 p.m.

- 1) Call to Order. President Rintz called the meeting to order at 7:01 p.m. Present: Trustees Jack Coladarci, Andrew Cripe, Robert Dearborn, Penfield Lanphier, and Anne Wedner. Absent: Trustee John Swierk. Also present: Village Manager Robert Bahan, Village Attorney Peter Friedman, Community Development Director David Schoon, Fire Chief Alan Berkowsky, Deputy Fire Chief John Ripka, and approximately 50 persons in the audience.
- 2) Pledge of Allegiance. Trustee Dearborn led the group in the Pledge of Allegiance.
- 3) Quorum.
 - a) August 6, 2019 Regular Meeting. All of the Council members present except Trustee Lanphier said they expect to attend.
 - b) August 20, 2019 Regular Meeting. All of the Council members present except Trustees Dearborn, Cripe, and Wedner said they expect to attend.
 - c) September 3, 2019 Regular Meeting. All of the Council members present said they expect to attend.
- 4) Public Comment.

Ted Wynnnychenko, Oak Street. Mr. Wynnnychenko urged the Council to adopt a net metering program to encourage solar use in the Village. President Rintz said he hopes to have a net metering discussion at a fall Study Session if the Council's schedule allows.
- 5) Reports:
 - a) Trustees.
 - i) Trustee Wedner reported on the most recent Environmental & Forestry Commission meeting.
 - ii) Trustee Lanphier invited residents to stop by and share their thoughts at Community Conversations, being held at the Farmers' Market during the summer months. She reported that she had met with Coldwell Banker, along with Trustee Wedner and Economic Development Coordinator Cindy Plante, to explore a pop up store at the realtor's Lincoln Avenue location.
 - b) Attorney. None.
 - c) Manager. None.
 - d) Village President. President Rintz reported on the formal signing of the stormwater agreement between the Village and New Trier High School District 203.

- 6) Approval of the Agenda. President Rintz announced that Items 8(a) and 8(b) would be removed from the Agenda for discussion at a later Council meeting. He also suggested moving the discussion of Item 9(a) ahead of Item 8. Trustee Wedner, seconded by Trustee Swierk, moved to approve the final form of the Agenda. By voice vote, the motion carried.

7) Consent Agenda

- a) Approval of Warrant List dated June 28 – July 11, 2019 in the amount of \$445,016.64.
 b) Resolution No. R-64-2019: Approving Letter of Agreement Renewal with AT&T for Village Kiosk at 794 Oak Street (Adoption).

Trustee Dearborn, seconded by Trustee Wedner, moved to approve the foregoing items on the Consent Agenda by omnibus vote. By roll call vote, the motion carried. Ayes: Trustees Coladarci, Cripe, Dearborn, Lanphier, and Wedner. Nays: None. Absent: Trustee Swierk.

8) Ordinances and Resolutions. [The following items were discussed after Item 9(a).]

- a) Ordinance No. M-8-2019: 949 Fischer Landmark Designation (Introduction). This item was removed from the Agenda for discussion at a later Council meeting.
 b) Ordinance No. M-9-2019: 779 Bryant Landmark Designation (Introduction). This item was removed from the Agenda for discussion at a later Council meeting.
 c) Resolution No. R-63-2019: Approving Rejecting Formal Bids and Entering Into a Contract with Epoxy Flooring US, LLC (Adoption). Chief Berkowsky explained that the original apparatus floor dates to the 1960's, and is at the end of its useful life.

Deputy Chief Ripka said only a single bid was submitted for the floor replacement project, and it is over budget. The Village Attorney has advised rejecting the bid, getting three quotes directly from reputable vendors, and contracting directly with an approved vendor.

The Council briefly discussed the recommendation, and Attorney Friedman explained the Village has the discretion to reject bids as well as to determine that the bidding process is not appropriate for this project.

There being no public comment or further Council discussion, Trustee Wedner, seconded by Trustee Cripe, moved to adopt Resolution No. R-63-2019 rejecting the formal bids and contracting with Epoxy Flooring US, LLC. By roll call vote, the motion carried. Ayes: Trustees Coladarci, Cripe, Dearborn, Lanphier, Swierk, and Wedner. Nays: None. Absent: None.

- d) Resolution No. R-65-2019: Regarding Zoning, Regulation, Licensing, and Possible Prohibition of Recreational Cannabis Businesses (Adoption). Attorney Friedman explained that in light of the State's legalization of recreational cannabis products, he recommends the Village initiate a process to consider Zoning amendments relating to cannabis businesses. Since nothing in the Village Code addresses cannabis operations, it is desirable to close any perceived loopholes until the Council has a chance to discuss the issue and amend the Zoning Ordinance.

Attorney Friedman reviewed the Village's options, since the new Act pre-empts Home Rule. The Village may enact zoning regulations for cannabis businesses if it wishes to

allow them, or it can ban them outright. At issue is whether the Council wishes to hold the public hearing for the Zoning amendments, or whether it would send the matter to the Plan Commission for a public hearing and recommendations.

Trustee Wedner said the Council should find out what residents want before taking any action to ban the facilities outright, as it is a potential source of tax revenue for the community.

Trustee Swierk agreed with Trustee Wedner, but expressed concern about tax revenues being affected by the Federal prohibition on cannabis.

Attorney Friedman said banks are very hesitant to get involved with aspects of cannabis businesses that deal with the product, but he has not heard of any Federal implications for imposing state and local taxes.

Trustee Cripe said it would be irresponsible to impose taxes on cannabis products and businesses until the conflict between Federal and State law gets worked out. He added that until cannabis is Federally legal, the Village should comply with Federal law, regardless of what residents prefer.

President Rintz suggested that a public hearing would be the forum to gauge the opinions of the community. After another brief Council discussion, during which it was generally agreed the Council should hold the public hearing, he called for public comment.

Ted Wynnychenko, Oak Street. Mr. Wynnychenko said residents could plant their own cannabis plants.

Dana Hoffnagle, Ridge Avenue. Ms. Hoffnagle said many cannabis businesses in California are high-end facilities and are carefully closed off to the general public. She opined that cannabis is a safer alternative to alcohol and drugs and cannabis businesses are a realistic option for the Winnetka community.

Ron White, Wilmette. Mr. White said he is opposed to businesses selling cannabis in Winnetka.

Derek Culetta, Winnetka resident. Mr. Culetta said he moved to Winnetka for a small town experience, and urged the Council not to allow cannabis dispensaries; he agreed that Federal clarification is needed.

Mead Montgomery, Old Green Bay Road. Mr. Montgomery expressed concern about the conflict with Federal law, and urged the Council not to be in a hurry to roll out cannabis dispensaries.

Attorney Friedman noted that only registered medical cannabis patients can grow plants at home, with a limit of five plants.

The Council was in agreement to adopt the Subject Resolution and to hold a public hearing on potential Zoning amendments in the near future.

Trustee Lanphier, seconded by Trustee Cripe moved to amend Resolution No. R-65-2019 to provide that the Village Council will hold a public hearing on the cannabis issues instead of the Plan Commission. By voice vote, the motion carried.

Trustee Lanphier, seconded by Trustee Cripe, moved to adopt amended Resolution No. R-65-2019. By roll call vote, the motion carried. Ayes: Trustees Coladarci, Cripe, Dearborn, Lanphier, Swierk, and Wedner. Nays: None. Absent: None.

9) New Business. [This item was discussed after Item No. 7 and before item No. 8.]

- a) 688 & 694 Green Bay Road – Willow Trace Residences Planned Development – Concept Plan Review. Mr. Schoon reviewed the new Planned Development application process, noting that the concept plan review is simply a preliminary review of the proposed development, and is not binding on either side. After he reviewed the current zoning of the Subject Properties, he explained that subdivision relief would be needed to combine the two parcels into one buildable lot. In addition, zoning variations for gross floor area, height, roof form and façade articulation would also be sought in connection with the proposed development.

Rick Swanson, Swanson Development, LLC. Mr. Swanson presented his proposal, which calls for demolition of two existing vacant structures at the Subject Property, and constructing a single replacement building which will include six 2,200 square-foot luxury residences. Also included in the proposal: 12 underground parking spaces, two outdoor parking spaces, a rooftop storage area, and rooftop deck.

Mr. Swanson explained that his proposal complies with zoning density and setback provisions and all of the units will be privately owned and maintained. He would request zoning variations for increased height to accommodate higher ceilings in the units, and from gross floor area (GFA) limits to allow for the underground garage, which will add 5,176 square feet to the GFA calculations.

[Trustee Swierk arrived at 7:21 PM.]

There were no comments from the audience.

The Council discussed the proposal, and asked Mr. Swanson to address the following issues in his final plan: (i) the impact on the homes immediately to the west of the development; (ii) height of the building; (iii) stormwater control; (iv) parking and driveway access; and (v) access and siting of the trash enclosure.

The Council was generally favorably inclined towards the proposed development, and Mr. Swanson was asked to communicate with the neighbors to hear their concerns.

Mr. Swanson said engagement with the neighbors is an important part of his process. In addition, his research reveals a need for this type of housing in Winnetka.

10) Old Business.

- a) Status of One Winnetka Development and Related Compliance and Property Maintenance Issues. President Rintz explained that the following discussion could have been held in Closed Session since it involves the sale of public property as well as potential litigation; however, the Trustees all agreed that the public should be included in this important conversation. He reminded the audience that issues such as the look, height, scale and other elements of the development have already been extensively litigated. The current discussion should focus solely on the defaults with the Development Agreement, and property maintenance issues.

Trustee Cripe said he would continue to abstain from the One Winnetka discussion because of the possible appearance of a conflict of interest, and he stepped down from the dais.

Attorney Friedman explained that the One Winnetka development is out of compliance with several provisions of the Development Agreement: (i) it has missed the deadline to provide a third-party guaranty; (ii) it has missed the deadline to close on the Conney's property and record a subdivision plat for the development parcel; and (iii) the properties are not being maintained and Code violations exist relating to public health and safety.

Attorney Friedman said the Village has filed a complaint against the Developer in Cook County Circuit Court. Tonight's discussion will provide direction from the Council about the best next steps. He added that while there has been intermittent communication with the Developer and his lawyers, there have been no guarantees given about when the defaults will be cured. If the Council decides to terminate the Development Agreement, all of the approvals will be revoked and the property will revert to its original zoning. A future developer would have to start all over again.

President Rintz noted that the developer, Mr. Trandel, along with a representative from Conney's, had been invited to present their side of the story. However, neither of the interested parties responded and they are not in attendance. Next, he called for public comment.

Richard Messer, 120 Woodley. Mr. Messer said he was a contract purchaser of a unit at One Winnetka, and that he had received a text from Mr. Trandel that the contract with Conney's was signed this afternoon.

Robert Orroyo, Kenilworth. Mr. Orroyo said he was also a contract purchaser of One Winnetka, and although he would love to see the development built, it would be better to cancel the agreement sooner rather than later so he could move on and plan his future.

Glen Udell, representative of the Developer. Mr. Udell blamed the trouble with signing a contract with Conney's on outside factors, and said there is now a firm agreement to finish construction on the proposed new Conney's site.

Dave Humphrey, Moth Myer; Bob Humphrey, Winnetka resident; Brian Van Cleve, Elm Street; Wally Greenough, Maple Street; George Wolper, Prospect Avenue; Barbara Aquilino, Winnetka resident; Frank Petrek, 711 Oak Street; and Meade Montgomery, Winnetka resident. All of the foregoing recommended cancelling the Development Agreement as, Mr. Trandel does not appear able to get his development built, and the property is unsafe and unsanitary in its current state.

Terry Dason, Director of the Winnetka-Northfield Chamber of Commerce. Ms. Dason expressed concern for Conney's and asked the Council to take their plight into consideration.

President Rintz asked the Council for their thoughts.

The Council discussed the option to terminate the Development Agreement, and reached consensus to do so. While the Trustees were sympathetic to Conney's situation, the Council did not desire to get involved in a private business deal.

Trustee Swierk, seconded by Trustee Wedner, directed Attorney Friedman to draft a resolution to nullify the One Winnetka Development Agreement. By voice vote, the motion carried.

11) Appointments: None.

12) Closed Session. None.

13) Adjournment. Trustee Swierk, seconded by Trustee Cripe, moved to adjourn the meeting. By voice vote, the motion carried. The meeting adjourned at 9:39 p.m.

Recording Secretary



Agenda Item Executive Summary

Title: Approval of Warrant List Dated July 12 - August 1, 2019

Presenter: Robert M. Bahan, Village Manager

Agenda Date: 08/06/2019

Consent: ☒ YES ☐ NO

☐ Ordinance
☐ Resolution
☐ Bid Authorization/Award
☐ Policy Direction
☒ Informational Only

Item History:

None.

Executive Summary:

The Warrant List dated July 12 - August 1, 2019 was emailed to each Village Council member.

Recommendation:

Consider approving the Warrant List dated July 12 - August 1, 2019.

Attachments:

None.



Agenda Item Executive Summary

Title: Resolution No. R-66-2019: Approving an Agreement with Northern Divers USA for Maintenance of the Water Plant's Raw Water Intake (Adoption)

Presenter: Brian Keys, Director of Water & Electric

Agenda Date: 08/06/2019

Consent: ☒ YES ☐ NO

☐ Ordinance
☒ Resolution
☐ Bid Authorization/Award
☐ Policy Direction
☐ Informational Only

Item History:

The Water Plant intake is 20 inches in diameter and extends 3,000 feet along the bottom of the Lake. Sand and stone are used to protect the pipe and keep it in place; however, over time the materials can be displaced by wave action. Periodic dive inspections are performed to monitor the intake's condition. During the 2019 intake inspection, the contractor identified locations of exposed pipe which require the placement of additional stone to protect the pipe. The 2019 Water Fund Budget anticipated an expenditure of work on the raw water intake. Similar work was last performed in the summer of 2017.

Executive Summary:

Bid #019-013 was issued for the required maintenance work on the the Water Plant's raw water intake and the bid notice was posted to the on-line bidding service Demand Star. One bid was received from Northern Divers USA in the amount of \$110,290.

In 2015 & 2017, Northern Divers performed similar raw water intake maintenance work for the Village. The contractor has also replaced valves in the Water Plant's raw water wet well. The scope of work includes placing stone at locations where the raw water pipe is exposed. At the conclusion of the work, the contractor will document the intake's condition with video equipment.

The FY 2019 Budget for the Water Fund (account #: 520.61.40-620) contains \$160,000 allocated for this work. Staff is requesting approval for \$122,290. The additional \$12,000 above the bid amount is requested as contingency for additional stone work if needed. The bid document required the contractor to quote a unit price for additional stone. Northern Divers quoted \$120/ton for additional stone beyond the amount specified in the bid. This amount would permit staff to address additional sections of exposed pipe if conditions have changed from the inspection.

Resolution No. R-66-2019 authorizes an agreement with Northern Divers USA for maintenance of the Water Plant's raw water intake.

Recommendation:

Consider adoption of Resolution No. R-66-2019 Approving an Agreement with Northern Divers USA Inc. for Maintenance of the Water Plant's Raw Water Intake

Attachments:

Resolution No. R-66-2019

Exhibit A: Village of Winnetka Contract For The Raw Water Intake Maintenance

RESOLUTION NO. R-66-2019

**A RESOLUTION APPROVING AN AGREEMENT WITH
NORTHERN DIVERS USA, INC. FOR MAINTENANCE OF
THE WATER PLANT'S RAW WATER INTAKE**

WHEREAS, Article VII, Section 10 of the 1970 Illinois Constitution authorizes the Village of Winnetka ("**Village**") to contract with individuals, associations, and corporations in any manner not prohibited by law or ordinance; and

WHEREAS, the Village has appropriated funds for the maintenance of the Village Water Plant's raw water intake ("**Work**"); and

WHEREAS, the Village requested bids for the procurement of the Work; and

WHEREAS, the Village received one bid for the procurement of the Work and opened the bid on July 25, 2019; and

WHEREAS, pursuant to Chapter 4.12 of the Village Code and the Village's purchasing manual, the Village Council has determined that Northern Divers USA, Inc. ("**Contractor**"), is the lowest responsible bidder for the Work; and

WHEREAS, the Village Council desires to enter into a contract with Contractor for the performance of the Work ("**Contract**") for a price not to exceed \$122,290.00, which price includes \$12,000.00 in contingency funds in the event that the Village determines that additional stone work is needed while the Work is being performed; and

WHEREAS, the Village Council has determined that it is in the best interests of the Village and its residents to enter into the Contract with Contractor;

NOW, THEREFORE, BE IT RESOLVED, by the Council of the Village of Winnetka, Cook County, Illinois, as follows:

SECTION 1: RECITALS. The Village Council hereby adopts the foregoing recitals as its findings, as if fully set forth herein.

SECTION 2: APPROVAL OF AGREEMENT. The Village Council hereby approves the Contract in substantially the form attached to this Resolution as **Exhibit A** and in a final form approved by the Village Attorney.

SECTION 3: AUTHORIZATION TO EXECUTE AGREEMENT. The Village Council hereby authorizes and directs the Village President and the Village Clerk to execute and attest, respectively, on behalf of the Village, the final Contract after receipt by the Village Manager of two executed copies of the final Contract from Contractor; provided, however, that if the Village Manager does not receive two executed copies of the final Contract from Contractor within 60 days after the date of adoption of this Resolution, then this authority to execute and seal the final Agreement will, at the option of the Village Council, be null and void.

August 6, 2019

R-66-2019

SECTION 4: EFFECTIVE DATE. This Resolution shall be in full force and effect from and after its passage and approval according to law.

ADOPTED this ____ day of August, 2019, pursuant to the following roll call vote:

AYES: _____

NAYS: _____

ABSENT: _____

ABSTAIN: _____

Signed

Village President

Countersigned:

Village Clerk

EXHIBIT A
AGREEMENT

**VILLAGE OF WINNETKA
CONTRACT FOR THE
RAW WATER INTAKE MAINTENANCE**

Contract Number: [*RFB #019-013*]

**VILLAGE OF WINNETKA
CONTRACT FOR THE
RAW WATER INTAKE MAINTENANCE**

Contract Number: [*RFB #019-013*]

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Contractor's Certification

- Attachment A:** Supplemental Schedule of Contract Terms
- Attachment B:** Specifications
- Attachment C:** Prevailing Wage

**VILLAGE OF WINNETKA
CONTRACT FOR THE
RAW WATER INTAKE MAINTENANCE**

Contract Number: [*RFB #019-013*]

In consideration of the mutual promises set forth below, the *Village of Winnetka, 510 Green Bay Road, Winnetka, IL 60093*, an Illinois municipal corporation ("Owner"), and *[name and address of successful bidder]*, a *[form of organization]* ("Contractor"), make this Contract as of _____, 20____, (the "Effective Date") and hereby agree as follows:

ARTICLE I: THE WORK

1.1 Performance of the Work

Contractor, at its sole cost and expense, must provide, perform, and complete all of the following, all of which is herein referred to as the "Work":

1. Labor, Equipment, Materials, and Supplies. Provide, perform, and complete, in the manner described and specified in this Contract, all necessary work, labor, services, transportation, equipment, materials, apparatus, machinery, tools, fuels, gas, electric, water, waste disposal, information, data, and other means and items necessary to accomplish the Project at the Work Site, both as defined in Attachment A, in accordance with the specifications attached hereto as Attachment B, the Documents/Drawings identified in the list attached hereto as Attachment C.
2. Permits. Except as otherwise provided in Attachment A, procure and furnish all permits, licenses, and other governmental approvals and authorizations necessary in connection therewith.
3. Bonds and Insurance. Procure and furnish all Bonds and all certificates and policies of insurance specified in this Contract.
4. Taxes. Pay all applicable federal, state, and local taxes.
5. Miscellaneous. Do all other things required of Contractor by this Contract, including without limitation arranging for utility and other services needed for the Work and for testing, including the installation of temporary utility lines, wiring, switches, fixtures, hoses, connections, and meters, and providing sufficient sanitary conveniences and shelters to accommodate all workers and all personnel of Owner engaged in the Work.
6. Quality. Provide, perform, and complete all of the foregoing in a proper and workmanlike manner, consistent with the highest standards of professional and

construction practices and in full compliance with, and as required by or pursuant to, this Contract, and with the greatest economy, efficiency, and expedition consistent therewith, with only new, undamaged and first quality equipment, materials, and supplies.

1.2 Commencement and Completion Dates

Contractor must commence the Work not later than the "*Commencement Date*" set forth on Attachment A and must diligently and continuously prosecute the Work at such a rate as will allow the Work to be fully provided, performed, and completed in full compliance with this Contract not later than the "*Completion Date*" set forth in Attachment A. The time of commencement, rate of progress, and time of completion are referred to in this Contract as the "*Contract Time*."

1.3 Required Submittals

A. Submittals Required. Contractor must submit to Owner all documents, data, and information specifically required to be submitted by Contractor under this Contract and must, in addition, submit to Owner all such Documents/Drawings, specifications, descriptive information, and engineering documents, data, and information as may be required, or as may be requested by Owner, to show the details of the Work, including a complete description of all equipment, materials, and supplies to be provided under this Contract ("*Required Submittals*"). Such details must include, but are not limited to, design data, structural and operating features, principal dimensions, space required or provided, clearances required or provided, type and brand of finish, and all similar matters, for all components of the Work.

B. Number and Format. Contractor must provide [*three*] complete sets for each Required Submittal. All Required Submittals, except Documents/Drawings, must be prepared on white 8-1/2" x 11".

C. Time of Submission and Owner's Review. All Required Submittals must be provided to Owner no later than the time, if any, specified in this Contract for their submission or, if no time for submission is specified, in sufficient time, in Owner's sole opinion, to permit Owner to review the same prior to the commencement of the part of the Work to which they relate and prior to the purchase of any equipment, materials, or supplies that they describe. Owner will have the right to require such corrections as may be necessary to make such submittals conform to this Contract. All such submittals will, after final processing and review with no exception noted by Owner, become a part of this Contract. No Work related to any submittal may be performed by Contractor until Owner has completed review of such submittal with no exception noted. Owner's review and stamping of any Required Submittal will be for the sole purpose of examining the general management, design, and details of the proposed Work, does not relieve Contractor of the entire responsibility for the performance of the Work in full compliance with, and as required by or pursuant to this Contract, and may not be regarded as any assumption of risk or liability by Owner.

D. Responsibility for Delay. Contractor is responsible for any delay in the Work due to delay in providing Required Submittals conforming to this Contract.

1.4 Review and Interpretation of Contract Provisions

Contractor represents and warrants that it has carefully reviewed this Contract, including all of its Attachments, and the Documents/Documents/Drawings identified in Attachment C, all of which are by this reference incorporated into and made a part of this Contract. Contractor must, at no increase in the Contract Price, provide workmanship, equipment, materials, and supplies that fully conform to this Contract. Whenever any equipment, materials or supplies are specified or described in this Contract by using the name or other identifying feature of a proprietary product or the name or other identifying feature of a particular manufacturer or vendor, the specific item mentioned is understood as establishing the type, function and quality desired. Other manufacturers' or vendors' products may be accepted, provided that the products proposed are equivalent in substance and function to those named as determined by Owner in its sole and absolute discretion.

Contractor must promptly notify Owner of any discrepancy, error, omission, ambiguity, or conflict among any of the provisions of this Contract before proceeding with any Work affected thereby. If Contractor fails to give such notice to Owner, then the subsequent decision of Owner as to which provision of this Contract governs is final, and any corrective work required does not entitle Contractor to any damages, to any compensation in excess of the Contract Price, or to any delay or extension of the Contract Time.

When the equipment, materials, or supplies furnished by Contractor cannot be installed as specified in this Contract, Contractor must, without any increase in the Contract Price, make all modifications required to properly install the equipment, materials, or supplies. Any such modification is subject to the prior review and consent of Owner.

1.5 Conditions at the Work Site; Record Documents/Drawings

Contractor represents and warrants that it has had a sufficient opportunity to conduct a thorough investigation of the Work Site and the surrounding area and has completed such investigation to its satisfaction. Contractor will have no claim for damages, for compensation in excess of the Contract Price, or for a delay or extension of the Contract Time based upon conditions found at, or in the vicinity of, the Work Site. When information pertaining to subsurface, underground or other concealed conditions, soils analysis, borings, test pits, utility locations or conditions, buried structures, condition of existing structures, and other investigations is or has been provided by Owner, or is or has been otherwise made available to Contractor by Owner, such information is or has been provided or made available solely for the convenience of Contractor and is not part of this Contract. Owner assumes no responsibility whatever in respect to the sufficiency or accuracy of such information, and there is no guaranty or warranty, either expressed or implied, that the conditions indicated are representative of those existing throughout the Work or the Work Site, or that the conditions indicated are representative of those existing at any particular location, or that the conditions indicated may not change, or that unanticipated conditions may not be present.

Contractor is solely responsible for locating all existing underground installations by prospecting no later than two workdays prior to any scheduled excavation or trenching, whichever is earlier. Contractor must check all dimensions, elevations, and quantities indicated in this Contract within the same time period as set forth above for prospecting underground installations. Contractor must lay out the Work in accordance with this Contract and must establish and maintain such locations, lines and levels. Wherever pre-existing work is encountered, Contractor must verify and be responsible for dimensions and location of such pre-existing work. Contractor must notify Owner of any discrepancy between the dimensions, elevations and quantities indicated in this Contract and the conditions of the Work Site or any other errors, omissions or discrepancies which Contractor may discover during such inspections. Full instructions will be furnished by Owner should such error, omission, or discrepancy be discovered, and Contractor must carry out such instructions as if originally specified and without any increase in Contract Price.

Before Final Acceptance of the Work, Contractor must submit to Owner two sets of Documents/Drawings of Record, unless a greater number is specified elsewhere in this Contract, indicating all field deviations from Attachment B or the Documents/Drawings identified in Attachment C.

1.6 Technical Ability to Perform

Contractor represents and warrants that it is sufficiently experienced and competent, and has the necessary capital, facilities, plant, organization, and staff, to provide, perform and complete the Work in full compliance with, and as required by or pursuant to, this Contract.

1.7 Financial Ability to Perform

Contractor represents and warrants that it is financially solvent, and Contractor has the financial resources necessary to provide, perform and complete the Work in full compliance with, and as required by or pursuant to, this Contract.

1.8 Time

Contractor represents and warrants that it is ready, willing, able and prepared to begin the Work on the Commencement Date and that the Contract Time is sufficient time to permit completion of the Work in full compliance with, and as required by or pursuant to, this Contract for the Contract Price, all with due regard to all natural and man-made conditions that may affect the Work or the Work Site and all difficulties, hindrances, and delays that may be incident to the Work.

1.9 Safety at the Work Site

Contractor is solely and completely responsible for providing and maintaining safe conditions at the Work Site, including the safety of all persons and property during performance of the Work. This requirement applies continuously and is not limited to normal

working hours. Contractor must take all safety precautions as necessary to comply with all applicable laws and to prevent injury to persons and damage to property.

Contractor must conduct all of its operations without interruption or interference with vehicular and pedestrian traffic on public and private rights-of-way, unless it has obtained permits therefor from the proper authorities. If any public or private right-of-way are rendered unsafe by Contractor's operations, Contractor must make such repairs or provide such temporary ways or guards as are acceptable to the proper authorities.

1.10 Cleanliness of the Work Site and Environs

Contractor must keep the Work Site and adjacent areas clean at all times during performance of the Work and must, upon completion of the Work, leave the Work Site and adjacent areas in a clean and orderly condition.

1.11 Damage to the Work, the Work Site, and Other Property

The Work and everything pertaining thereto is provided, performed, completed, and maintained at the sole risk and cost of Contractor from the Commencement Date until Final Payment. Contractor is fully responsible for the protection of all public and private property and all persons. Without limiting the foregoing, Contractor must, at its own cost and expense, provide all permanent and temporary shoring, anchoring and bracing required by the nature of the Work in order to make all parts absolutely stable and rigid, even when such shoring, anchoring and bracing is not explicitly specified, and support and protect all buildings, bridges, roadways, conduits, wires, water pipes, gas pipes, sewers, pavements, curbs, sidewalks, fixtures and landscaping of all kinds and all other public or private property that may be encountered or endangered in providing, performing and completing the Work. Contractor will have no claim against Owner because of any damage or loss to the Work or to Contractor's equipment, materials, or supplies from any cause whatsoever, including damage or loss due to simultaneous work by others. Contractor must, promptly and without charge to Owner, repair or replace, to the satisfaction of Owner, any damage done to, and any loss suffered by, the Work and any damage done to, and any loss suffered by, the Work Site or other property as a result of the Work. Notwithstanding any other provision of this Contract, Contractor's obligations under this Section exist without regard to, and may not be construed to be waived by, the availability or unavailability of any insurance, either of Owner or Contractor, to indemnify, hold harmless, or reimburse Contractor for the cost of any repair or replacement work required by this Section.

1.12 Subcontractors and Suppliers

A. Approval and Use of Subcontractors and Suppliers. Contractor must perform the Work with its own personnel and under the management, supervision, and control of its own organization unless otherwise approved by Owner in writing. All subcontractors, suppliers, and subcontracts used by Contractor must be acceptable to, and approved in advance by, Owner. Owner's approval of any subcontractor, supplier, and subcontract does not relieve Contractor of full responsibility and liability for the provision, performance, and

completion of the Work in full compliance with, and as required by or pursuant to, this Contract. All Work performed under any subcontract is subject to all of the provisions of this Contract in the same manner as if performed by employees of Contractor. Every reference in this Contract to "*Contractor*" is deemed also to refer to all subcontractors and suppliers of Contractor. Every subcontract must include a provision binding the subcontractor or supplier to all provisions of this Contract.

B. Removal of Subcontractors and Suppliers. If any subcontractor or supplier fails to perform the part of the Work undertaken by it in a manner satisfactory to Owner, Contractor must immediately upon notice from Owner terminate such subcontractor or supplier. Contractor will have no claim for damages, for compensation in excess of the Contract Price, or for a delay or extension of the Contract Time as a result of any such termination.

1.13 Simultaneous Work By Others

Owner has the right to perform or have performed such other work as Owner may desire in, about, or near the Work Site during the performance of the Work by Contractor. Contractor must make every reasonable effort to perform the Work in such manner as to enable both the Work and such other work to be completed without hindrance or interference from each other. Contractor must afford Owner and other contractors reasonable opportunity for the execution of such other work and must properly coordinate the Work with such other work.

1.14 Occupancy Prior to Final Payment

Owner will have the right, at its election, to occupy, use, or place in service any part of the Work prior to Final Payment. Such occupancy, use, or placement in service must be conducted in such manner as not to damage any of the Work or to unreasonably interfere with the progress of the Work. No such occupancy, use, or placement in service may be construed as an acceptance of any of the Work or a release or satisfaction of Contractor's duty to insure and protect the Work, nor may it, unless conducted in an unreasonable manner, be considered as an interference with Contractor's provision, performance, or completion of the Work.

1.15 Owner's Right to Terminate or Suspend Work for Convenience

A. Termination or Suspension for Convenience. Owner has the right, for its convenience, to terminate or suspend the Work in whole or in part at any time by written notice to Contractor. Every such notice must state the extent and effective date of such termination or suspension. On such effective date, Contractor must, as and to the extent directed, stop Work under this Contract, cease all placement of further orders or subcontracts, terminate or suspend Work under existing orders and subcontracts, cancel any outstanding orders or subcontracts that may be cancelled, and take any action necessary to protect any property in its possession in which Owner has or may acquire any interest and to dispose of such property in such manner as may be directed by Owner.

B. Payment for Completed Work. In the event of any termination pursuant to Subsection 1.15A above, Owner must pay Contractor (1) such direct costs, excluding overhead, as Contractor has paid or incurred for all Work done in compliance with, and as required by or pursuant to, this Contract up to the effective date of termination together with ten percent of such costs for overhead and profit; and (2) such other costs pertaining to the Work, exclusive of overhead and profit, as Contractor may have reasonably and necessarily incurred as the result of such termination. Any such payment may be offset by any prior payment or payments and is subject to Owner's rights to withhold and deduct as provided in this Contract.

ARTICLE II: CHANGES AND DELAYS

2.1 Changes

Owner has the right, by written order executed by Owner, to make changes in the Contract, the Work, the Work Site, and the Contract Time ("*Change Order*"). If any Change Order causes an increase or decrease in the amount of the Work, an equitable adjustment in the Contract Price or Contract Time may be made. All claims by Contractor for an equitable adjustment in either the Contract Price or the Contract Time must be made within two business days following receipt of such Change Order, and may, if not made prior to such time, be conclusively deemed to have been waived. No decrease in the amount of the Work caused by any Change Order will entitle Contractor to make any claim for damages, anticipated profits, or other compensation.

2.2 Delays

A. Extensions for Unavoidable Delays. For any delay that may result from causes that could not be avoided or controlled by Contractor, Contractor must, upon timely written application, be entitled to issuance of a Change Order providing for an extension of the Contract Time for a period of time equal to the delay resulting from such unavoidable cause. No extension of the Contract Time will be allowed for any other delay in completion of the Work.

B. No Compensation for Delays. No payment, compensation, damages, or adjustment of any kind, other than the extension of the Contract Time provided in Subsection 2.2A above, may be made to, or claimed by, Contractor because of hindrances or delays from any cause in the commencement, prosecution, or completion of the Work, whether caused by Owner or any other party and whether avoidable or unavoidable.

ARTICLE III: CONTRACTOR'S RESPONSIBILITY FOR DEFECTIVE WORK

3.1 Inspection; Testing; Correction of Defects

A. Inspection. Until Final Payment, all parts of the Work are subject to inspection and testing by Owner or its designated representatives. Contractor must furnish, at its own

expense, all reasonable access, assistance, and facilities required by Owner for such inspection and testing.

B. Re-Inspection. Re-inspection and re-testing of any Work may be ordered by Owner at any time, and, if so ordered, any covered or closed Work must be uncovered or opened by Contractor. If the Work is found to be in full compliance with this Contract, then Owner must pay the cost of uncovering, opening, re-inspecting, or re-testing, as the case may be. If such Work is not in full compliance with this Contract, then Contractor must pay such cost.

C. Correction. Until Final Payment, Contractor must, promptly and without charge, repair, correct, or replace all or any part of the Work that is defective, damaged, flawed, or unsuitable or that in any way fails to conform strictly to the requirements of this Contract.

3.2 Warranty of Work

A. Scope of Warranty. Contractor warrants that the Work and all of its components will be free from defects and flaws in design, workmanship, and materials; must strictly conform to the requirements of this Contract; and will be fit, sufficient, and suitable for the purposes expressed in, or reasonably inferred from, this Contract. The warranty herein expressed is in addition to any other warranties expressed in this Contract, or expressed or implied by law, which are hereby reserved unto Owner.

B. Repairs; Extension of Warranty. Contractor, promptly and without charge, must correct any failure to fulfill the above warranty that may be discovered or develop at any time within one year after Final Payment or such longer period as may be prescribed in Attachment B to this Contract or by law. The above warranty may be extended automatically to cover all repaired and replacement parts and labor provided or performed under such warranty and Contractor's obligation to correct Work may be extended for a period of one year from the date of such repair or replacement. The time period established in this Subsection 3.2B relates only to the specific obligation of Contractor to correct Work and may not be construed to establish a period of limitation with respect to other obligations that Contractor has under this Contract.

C. Subcontractor and Supplier Warranties. Whenever Attachment B requires a subcontractor or supplier to provide a guaranty or warranty, Contractor is solely responsible for obtaining said guaranty or warranty in form satisfactory to Owner and assigning said warranty or guaranty to Owner. Acceptance of any assigned warranties or guaranties by Owner is a precondition to Final Payment and does not relieve Contractor of any of its guaranty or warranty obligations under this Contract.

3.3 Owner's Right to Correct

If, within two business days after Owner gives Contractor notice of any defect, damage, flaw, unsuitability, nonconformity, or failure to meet warranty subject to correction

by Contractor pursuant to Section 3.1 or Section 3.2 of this Contract, Contractor neglects to make, or undertake with due diligence to make, the necessary corrections, then Owner is entitled to make, either with its own forces or with contract forces, the corrections and to recover from Contractor all resulting costs, expenses, losses, or damages, including attorneys' fees and administrative expenses.

ARTICLE IV: FINANCIAL ASSURANCES

4.1 Bonds

Contemporaneous with Contractor's execution of this Contract, Contractor must provide a Performance Bond and a Labor and Material Payment Bond, on forms provided by, or otherwise acceptable to, Owner, from a surety company licensed to do business in the State of Illinois with a general rating of A and a financial size category of Class X or better in Best's Insurance Guide, each in the penal sum of the Contract Price ("*Bonds*"). Contractor, at all times while providing, performing, or completing the Work, including, without limitation, at all times while correcting any failure to meet warranty pursuant to Section 3.2 of this Contract, must maintain and keep in force, at Contractor's expense, the Bonds required hereunder.

4.2 Insurance

Contemporaneous with Contractor's execution of this Contract, Contractor must provide certificates and policies of insurance evidencing the minimum insurance coverages and limits set forth in Attachment A. For good cause shown, Owner may extend the time for submission of the required policies of insurance upon such terms, and with such assurances of complete and prompt performance, as Owner may impose in the exercise of its sole discretion. Such policies must be in a form, and from companies, acceptable to Owner. Such insurance must provide that no change, modification in, or cancellation of any insurance becomes effective until the expiration of 30 days after written notice thereof has been given by the insurance company to Owner. Contractor must, at all times while providing, performing, or completing the Work, including, without limitation, at all times while correcting any failure to meet warranty pursuant to Section 3.2 of this Contract, maintain and keep in force, at Contractor's expense, the minimum insurance coverages and limits set forth in Attachment A.

4.3 Indemnification

Contractor hereby agrees to and will indemnify, save harmless, and defend Owner and all of its elected officials, officers, employees, attorneys, agents, and representatives against any and all lawsuits, claims, demands, damages, liabilities, losses, and expenses, including attorneys' fees and administrative expenses, that may arise, or be alleged to have arisen, out of or in connection with Contractor's performance of, or failure to perform, the Work or any part thereof, whether or not due or claimed to be due in whole or in part to the active, passive, or concurrent negligence or fault of Contractor, except to the extent caused solely by the negligence of Owner.

ARTICLE V: PAYMENT

5.1 Contract Price

Owner must pay to Contractor, in accordance with and subject to the terms and conditions set forth in this Article V and Attachment A, and Contractor must accept in full satisfaction for providing, performing, and completing the Work, the amount or amounts set forth in Attachment A (the "*Contract Price*"), subject to any additions, deductions, or withholdings provided for in this Contract.

5.2 Taxes and Benefits

Owner is exempt from and will not be responsible to pay, or reimburse Contractor for, any state or local sales, use, or excise taxes. The Contract Price includes all other applicable federal, state, and local taxes of every kind and nature applicable to the Work as well as all taxes, contributions, and premiums for unemployment insurance, old age or retirement benefits, pensions, annuities, or other similar benefits. All claim or right to claim additional compensation by reason of the payment of any such tax, contribution, or premium is hereby waived and released by Contractor.

5.3 Progress Payments

A. Payment in Installments. The Contract Price must be paid in monthly installments in the manner set forth in Attachment A ("*Progress Payments*").

B. Pay Requests. Contractor must, as a condition precedent to its right to receive each Progress Payment, submit to Owner a pay request in the form provided by Owner ("*Pay Request*"). The first Pay Request must be submitted not sooner than 30 days following commencement of the Work. Owner may, by written notice to Contractor, designate a specific day of each month on or before which Pay Requests must be submitted. Each Pay Request must include (a) Contractor's certification of the value of, and partial or final waivers of lien covering, all Work for which payment is then requested and (b) Contractor's certification that all prior Progress Payments have been properly applied to the payment or reimbursement of the costs with respect to which they were paid.

C. Work Entire. This Contract and the Work are entire and the Work as a whole is of the essence of this Contract. Notwithstanding any other provision of this Contract, each and every part of this Contract and of the Work are interdependent and common to one another and to Owner's obligation to pay all or any part of the Contract Price or any other consideration for the Work. Any and all Progress Payments made pursuant to this Article are provided merely for the convenience of Contractor and for no other purpose.

5.4 Final Acceptance and Final Payment

A. Notice of Completion. When the Work has been completed and is ready in all respects for acceptance by Owner, Contractor must notify Owner and request a final inspection ("*Notice of Completion*"). Contractor's Notice of Completion must be given sufficiently in advance of the Completion Date to allow for scheduling of the final inspection and for completion or correction before the Completion Date of any items identified by such inspection as being defective, damaged, flawed, unsuitable, nonconforming, incomplete, or otherwise not in full compliance with, or as required by or pursuant to, this Contract ("*Punch List Work*").

B. Punch List and Final Acceptance. The Work may be finally accepted when, and only when, the whole and all parts thereof have been completed to the satisfaction of Owner in full compliance with, and as required by or pursuant to, this Contract. Upon receipt of Contractor's Notice of Completion, Owner must make a review of the Work and notify Contractor in writing of all Punch List Work, if any, to be completed or corrected. Following Contractor's completion or correction of all Punch List Work, Owner must make another review of the Work and prepare and deliver to Contractor either a written notice of additional Punch List Work to be completed or corrected or a written notice of final acceptance of the Work ("*Final Acceptance*").

C. Final Payment. As soon as practicable after Final Acceptance, Contractor must submit to Owner a properly completed final Pay Request in the form provided by Owner ("*Final Pay Request*"). Owner must pay to Contractor the balance of the Contract Price, after deducting therefrom all charges against Contractor as provided for in this Contract ("*Final Payment*"). Final Payment must be made not later than 60 days after Owner approves the Final Pay Request. The acceptance by Contractor of Final Payment will operate as a full and complete release of Owner of and from any and all lawsuits, claims, demands, damages, liabilities, losses, and expenses of, by, or to Contractor for anything done, furnished for, arising out of, relating to, or in connection with the Work or for or on account of any act or neglect of Owner arising out of, relating to, or in connection with the Work.

5.5 Liens

A. Title. Nothing in this Contract may be construed as vesting in Contractor any right of property in any equipment, materials, supplies, and other items provided under this Contract after they have been installed in, incorporated into, attached to, or affixed to, the Work or the Work Site. All such equipment, materials, supplies, and other items will, upon being so installed, incorporated, attached or affixed, become the property of Owner, but such title will not release Contractor from its duty to insure and protect the Work in accordance with the requirements of this Contract.

B. Waivers of Lien. Contractor must, from time to time at Owner's request and in any event prior to Final Payment, furnish to Owner such receipts, releases, affidavits, certificates, and other evidence as may be necessary to establish, to the reasonable satisfaction of Owner, that no lien against the Work or the public funds held by Owner exists in favor of

any person whatsoever for or by reason of any equipment, material, supplies, or other item furnished, labor performed, or other thing done in connection with the Work or this Contract ("*Lien*") and that no right to file any Lien exists in favor of any person whatsoever.

C. Removal of Liens. If at any time any notice of any Lien is filed, then Contractor must, promptly and without charge, discharge, remove, or otherwise dispose of such Lien. Until such discharge, removal, or disposition, Owner will have the right to retain from any money payable hereunder an amount that Owner, in its sole judgment, deems necessary to satisfy such Lien and to pay the costs and expenses, including attorneys' fees and administrative expenses, of any actions brought in connection therewith or by reason thereof.

D. Protection of Owner Only. This Section does not operate to relieve Contractor's surety or sureties from any of their obligations under the Bonds, nor may it be deemed to vest any right, interest, or entitlement in any subcontractor or supplier. Owner's retention of funds pursuant to this Section is deemed solely for the protection of its own interests pending removal of such Liens by Contractor, and Owner will have no obligation to apply such funds to such removal but may, nevertheless, do so where Owner's interests would thereby be served.

5.6 Deductions

A. Owner's Right to Withhold. Notwithstanding any other provision of this Contract and without prejudice to any of Owner's other rights or remedies, Owner will have the right at any time or times, whether before or after approval of any Pay Request, to deduct and withhold from any Progress or Final Payment that may be or become due under this Contract such amount as may reasonably appear necessary to compensate Owner for any actual or prospective loss due to: (1) Work that is defective, damaged, flawed, unsuitable, nonconforming, or incomplete; (2) damage for which Contractor is liable under this Contract; (3) state or local sales, use, or excise taxes from which Owner is exempt; (4) Liens or claims of Lien regardless of merit; (5) claims of subcontractors, suppliers, or other persons regardless of merit; (6) delay in the progress or completion of the Work; (7) inability of Contractor to complete the Work; (8) failure of Contractor to properly complete or document any Pay Request; (9) any other failure of Contractor to perform any of its obligations under this Contract; or (10) the cost to Owner, including attorneys' fees and administrative costs, of correcting any of the aforesaid matters or exercising any one or more of Owner's remedies set forth in Section 6.3 of this Contract.

B. Use of Withheld Funds. Owner is entitled to retain any and all amounts withheld pursuant to Subsection 5.6A above until Contractor has either performed the obligations in question or furnished security for such performance satisfactory to Owner. Owner is entitled to apply any money withheld or any other money due Contractor under this Contract to reimburse itself for any and all costs, expenses, losses, damages, liabilities, suits, judgments, awards, attorneys' fees and administrative expenses incurred, suffered, or sustained by Owner and chargeable to Contractor under this Contract.

ARTICLE VI: DISPUTES AND REMEDIES

6.1 Dispute Resolution Procedure

A. Notice of Disputes and Objections. If Contractor disputes or objects to any requirement, direction, instruction, interpretation, determination, or decision of Owner, Contractor may notify Owner in writing of its dispute or objection and of the amount of any equitable adjustment to the Contract Price or Contract Time to which Contractor claims it will be entitled as a result thereof; provided, however, that Contractor must, nevertheless, proceed without delay to perform the Work as required, directed, instructed, interpreted, determined, or decided by Owner, without regard to such dispute or objection. Unless Contractor so notifies Owner within two business days after receipt of such requirement, direction, instruction, interpretation, determination, or decision, Contractor is conclusively deemed to have waived all such disputes or objections and all claims based thereon.

B. Negotiation of Disputes and Objections. To avoid and settle without litigation any such dispute or objection, Owner and Contractor agree to engage in good faith negotiations. Within three business days after Owner's receipt of Contractor's written notice of dispute or objection, a conference between Owner and Contractor will be held to resolve the dispute. Within three business days after the end of the conference, Owner must render its final decision, in writing, to Contractor. If Contractor objects to the final decision of Owner, then it must, within three business days, give Owner notice thereof and, in such notice, must state its final demand for settlement of the dispute. Unless Contractor so notifies Owner, Contractor will be conclusively deemed (1) to have agreed to and accepted Owner's final decision and (2) to have waived all claims based on such final decision.

6.2 Contractor's Remedies

If Owner fails or refuses to satisfy a final demand made by Contractor pursuant to Section 6.1 of this Contract, or to otherwise resolve the dispute which is the subject of such demand to the satisfaction of Contractor, within 10 days after receipt of such demand, then Contractor will be entitled to pursue such remedies, not inconsistent with the provisions of this Contract, as it may have in law or equity.

6.3 Owner's Remedies

If it should appear at any time prior to Final Payment that Contractor has failed or refused to prosecute, or has delayed in the prosecution of, the Work with diligence at a rate that assures completion of the Work in full compliance with the requirements of this Contract on or before the Completion Date, or has attempted to assign this Contract or Contractor's rights under this Contract, either in whole or in part, or has falsely made any representation or warranty in this Contract, or has otherwise failed, refused, or delayed to perform or satisfy any other requirement of this Contract or has failed to pay its debts as they come due ("*Event of Default*"), and has failed to cure any such Event of Default within five business days after Contractor's receipt of written notice of such Event of Default, then Owner will have the

CONTRACT

right, at its election and without prejudice to any other remedies provided by law or equity, to pursue any one or more of the following remedies:

1. Owner may require Contractor, within such reasonable time as may be fixed by Owner, to complete or correct all or any part of the Work that is defective, damaged, flawed, unsuitable, nonconforming, or incomplete; to remove from the Work Site any such Work; to accelerate all or any part of the Work; and to take any or all other action necessary to bring Contractor and the Work into strict compliance with this Contract.
2. Owner may perform or have performed all Work necessary for the accomplishment of the results stated in Paragraph 1 above and withhold or recover from Contractor all the cost and expense, including attorneys' fees and administrative costs, incurred by Owner in connection therewith.
3. Owner may accept the defective, damaged, flawed, unsuitable, nonconforming, incomplete, or dilatory Work or part thereof and make an equitable reduction in the Contract Price.
4. Owner may terminate this Contract without liability for further payment of amounts due or to become due under this Contract.
5. Owner may, without terminating this Contract, terminate Contractor's rights under this Contract and, for the purpose of completing or correcting the Work, evict Contractor and take possession of all equipment, materials, supplies, tools, appliances, plans, specifications, schedules, manuals, Documents/Drawings, and other papers relating to the Work, whether at the Work Site or elsewhere, and either complete or correct the Work with its own forces or contracted forces, all at Contractor's expense.
6. Upon any termination of this Contract or of Contractor's rights under this Contract, and at Owner's option exercised in writing, any or all subcontracts and supplier contracts of Contractor will be deemed to be assigned to Owner without any further action being required, but Owner may not thereby assume any obligation for payments due under such subcontracts and supplier contracts for any Work provided or performed prior to such assignment.
7. Owner may withhold from any Progress Payment or Final Payment, whether or not previously approved, or may recover from Contractor, any and all costs, including attorneys' fees and administrative expenses, incurred by Owner as the result of any Event of Default or as a result of actions taken by Owner in response to any Event of Default.
8. Owner may recover any damages suffered by Owner.

6.4 Owner's Additional Remedy for Delay

If the Work is not completed by Contractor, in full compliance with, and as required by or pursuant to, this Contract, within the Contract Time as such time may be extended by Change Order, then Owner may invoke its remedies under Section 6.3 of this Contract or may, in the exercise of its sole and absolute discretion, permit Contractor to complete the Work but charge to Contractor, and deduct from any Progress or Final Payments, whether or not previously approved, administrative expenses and costs for each day completion of the Work is delayed beyond the Completion Date, computed on the basis of the "*Per Diem Administrative Charge*" set forth in Attachment A, as well as any additional damages caused by such delay.

6.5 Terminations and Suspensions Deemed for Convenience

Any termination or suspension of Contractor's rights under this Contract for an alleged default that is ultimately held unjustified will automatically be deemed to be a termination or suspension for the convenience of Owner under Section 1.15 of this Contract.

**ARTICLE VII: LEGAL RELATIONSHIPS
AND REQUIREMENTS**

7.1 Binding Effect

This Contract is binding on Owner and Contractor and on their respective heirs, executors, administrators, personal representatives, and permitted successors and assigns. Every reference in this Contract to a party is deemed to be a reference to the authorized officers, employees, agents, and representatives of such party.

7.2 Relationship of the Parties

Contractor will act as an independent Contractor in providing and performing the Work. Nothing in, nor done pursuant to, this Contract may be construed (1) to create the relationship of principal and agent, partners, or joint venturers between Owner and Contractor or (2) except as provided in Paragraph 6.3(6) above, to create any relationship between Owner and any subcontractor or supplier of Contractor.

7.3 No Collusion/Prohibited Interests

Contractor hereby represents that the only persons, firms, or corporations interested in this Contract as principals are those disclosed to Owner prior to the execution of this Contract, and that this Contract is made without collusion with any other person, firm, or corporation. If at any time it is found that Contractor has, in procuring this Contract, colluded with any other person, firm, or corporation, then Contractor will be liable to Owner for all loss or damage that Owner may suffer thereby, and this Contract will, at Owner's option, be null and void.

CONTRACT

Contractor hereby represents and warrants that neither Contractor nor any person affiliated with Contractor or that has an economic interest in Contractor or that has or will have an interest in the Work or will participate, in any manner whatsoever, in the Work is acting, directly or indirectly, for or on behalf of any person, group, entity or nation named by the United States Treasury Department as a Specially Designated National and Blocked Person, or for or on behalf of any person, group, entity or nation designated in Presidential Executive Order 13224 as a person who commits, threatens to commit, or supports terrorism, and neither Contractor nor any person affiliated with Contractor or that has an economic interest in Contractor or that has or will have an interest in the Work or will participate, in any manner whatsoever, in the Work is, directly or indirectly, engaged in, or facilitating, the Work on behalf of any such person, group, entity or nation.

7.4 Assignment

Contractor may not (1) assign this Contract in whole or in part, (2) assign any of Contractor's rights or obligations under this Contract, or (3) assign any payment due or to become due under this Contract without the prior express written approval of Owner, which approval may be withheld in the sole and unfettered discretion of Owner; provided, however, that Owner's prior written approval will not be required for assignments of accounts, as defined in the Illinois Commercial Code, if to do so would violate Section 9-318 of the Illinois Commercial Code, 810 ILCS 5/9-318. Owner may assign this Contract, in whole or in part, or any or all of its rights or obligations under this Contract, without the consent of Contractor.

7.5 Confidential Information

All information supplied by Owner to Contractor for or in connection with this Contract or the Work must be held confidential by Contractor and may not, without the prior express written consent of Owner, be used for any purpose other than performance of the Work.

7.6 No Waiver

No examination, inspection, investigation, test, measurement, review, determination, decision, certificate, or approval by Owner, nor any order by Owner for the payment of money, nor any payment for, or use, occupancy, possession, or acceptance of, the whole or any part of the Work by Owner, nor any extension of time granted by Owner, nor any delay by Owner in exercising any right under this Contract, nor any other act or omission of Owner may constitute or be deemed to be an acceptance of any defective, damaged, flawed, unsuitable, nonconforming or incomplete Work, equipment, materials, or supplies, nor operate to waive or otherwise diminish the effect of any warranty or representation made by Contractor; or of any requirement or provision of this Contract; or of any remedy, power, or right of Owner.

7.7 No Third Party Beneficiaries

No claim as a third party beneficiary under this Contract by any person, firm, or corporation other than Contractor may be made or be valid against Owner.

7.8 Notices

All notices required or permitted to be given under this Contract must be in writing and are deemed received by the addressee thereof when delivered in person on a business day at the address set forth below or on the third business day after being deposited in any main or branch United States post office, for delivery at the address set forth below by properly addressed, postage prepaid, certified or registered mail, return receipt requested.

Notices and communications to Owner must be addressed to, and delivered at, the following address:

Village of Winnetka	<u>with a copy to:</u>
510 Green Bay Road	Holland & Knight LLP
Winnetka, IL 60093	131 South Dearborn Street, 30th Floor
Attention: _____	Chicago, Illinois 60603
	Attention: _____

Notices and communications to Contractor must be addressed to, and delivered at, the following address:

<u>[name of successful bidder]</u>	<u>with a copy to:</u>
<u>[address of successful bidder]</u>	_____
_____	_____

The foregoing may not be deemed to preclude the use of other non-oral means of notification or to invalidate any notice properly given by any such other non-oral means.

By notice complying with the requirements of this Section, Owner and Contractor each have the right to change the address or addressee or both for all future notices to it, but no notice of a change of address is effective until actually received.

7.9 Governing Laws

This Contract and the rights of Owner and Contractor under this Contract will be interpreted according to the internal laws, but not the conflict of laws rules, of the State of Illinois.

7.10 Changes in Laws

Unless otherwise explicitly provided in this Contract, any reference to laws includes such laws as they may be amended or modified from time to time.

7.11 Compliance with Laws

A. Compliance Required. Contractor must give all notices, pay all fees, and take all other action that may be necessary to ensure that the Work is provided, performed, and completed in accordance with all required governmental permits, licenses or other approvals and authorizations that may be required in connection with providing, performing, and completing the Work, and with all applicable statutes, ordinances, rules, and regulations, including without limitation the Illinois Prevailing Wage Act, 820 ILCS 130/0.01 et seq. (see Subsection C of this Section) (a copy of Owner's ordinance ascertaining the prevailing rate of wages, in effect as of the date of this Contract, has been attached as an Appendix to this Contract; if the Illinois Department of Labor revises the prevailing rate of hourly wages to be paid, the revised rate applies to this Contract); any other applicable prevailing wage laws; the Fair Labor Standards Act; any statutes regarding qualification to do business; any statutes requiring preference to laborers of specified classes; the Illinois Steel Products Procurement Act, 30 ILCS 565/1 et seq.; any statutes prohibiting discrimination because of, or requiring affirmative action based on, race, creed, color, national origin, age, sex, or other prohibited classification, including, without limitation, the Americans with Disabilities Act of 1990, 42 U.S.C. §§ 12101 et seq., the Illinois Human Rights Act, 775 ILCS 5/1-101 et seq., and the Public Works Discrimination Act, 775 ILCS 10/0.01 et seq.; and any statutes regarding safety or the performance of the Work, including the Illinois Underground Utility Facilities Damage Prevention Act, 220 ILCS 50/1 et seq., and the Occupational Safety and Health Act of 1970, 29 U.S.C. §§ 651 et seq.

B. Liability for Fines, Penalties. Contractor is solely liable for any fines or civil penalties that are imposed by any governmental or quasi-governmental agency or body that may arise, or be alleged to have arisen, out of or in connection with Contractor's, or its subcontractors' or suppliers', performance of, or failure to perform, the Work or any part thereof.

C. Prevailing Wage Act. Contractor and each subcontractor, in order to comply with the Prevailing Wage Act, 820 ILCS 130/0.01 et seq. (the "Act"), must submit to the Village a certified payroll on a monthly basis, in accordance with Section 5 of the Act. The certified payroll must consist of a complete copy of those records required to be made and kept by the Act. The certified payroll must be accompanied by a statement signed by the Contractor or subcontractor that certifies that (1) such records are true and accurate, (2) the hourly rate paid is not less than the general prevailing rate of hourly wages required by the Act, and (3) the Contractor or subcontractor is aware that filing a certified payroll that he or she knows to be false is a Class B misdemeanor. Contractor may rely on the certification of a subcontractor, provided that Contractor does not knowingly rely on a subcontractor's false certification. On two business days' notice, Contractor and each subcontractor must make available for inspection the records required to be made and kept by the Act (i) to the Village and its officers and agents and to the Director of the Illinois Department of Labor and his or her deputies and agents and (ii) at all reasonable hours at a location within the State.

D. Required Provisions Deemed Inserted. Every provision of law required by law to be inserted into this Contract is deemed to be inserted herein.

7.12 Compliance with Patents

A. Assumption of Costs, Royalties, and Fees. Contractor will pay or cause to be paid all costs, royalties, and fees arising from the use on, or the incorporation into, the Work, of patented equipment, materials, supplies, tools, appliances, devices, processes, or inventions.

B. Effect of Contractor Being Enjoined. Should Contractor be enjoined from furnishing or using any equipment, materials, supplies, tools, appliances, devices, processes, or inventions supplied or required to be supplied or used under this Contract, Contractor must promptly offer substitute equipment, materials, supplies, tools, appliances, devices, processes, or inventions in lieu thereof, of equal efficiency, quality, suitability, and market value, for review by Owner. If Owner should disapprove the offered substitutes and should elect, in lieu of a substitution, to have supplied, and to retain and use, any such equipment, materials, supplies, tools, appliances, devices, processes, or inventions as may by this Contract be required to be supplied, Contractor must pay such royalties and secure such valid licenses as may be requisite and necessary for Owner to use such equipment, materials, supplies, tools, appliances, devices, processes, or inventions without being disturbed or in any way interfered with by any proceeding in law or equity on account thereof. Should Contractor neglect or refuse to make any approved substitution promptly, or to pay such royalties and secure such licenses as may be necessary, then Owner will have the right to make such substitution, or Owner may pay such royalties and secure such licenses and charge the cost thereof against any money due Contractor from Owner or recover the amount thereof from Contractor and its surety or sureties notwithstanding that Final Payment may have been made.

7.13 Time

The Contract Time is of the essence of this Contract. Except where otherwise stated, references in this Contract to days is construed to refer to calendar days.

7.14 Severability

The provisions of this Contract will be interpreted when possible to sustain their legality and enforceability as a whole. In the event any provision of this Contract is held invalid, illegal, or unenforceable by a court of competent jurisdiction, in whole or in part, neither the validity of the remaining part of such provision, nor the validity of any other provisions of this Contract will be in any way affected thereby.

7.15 Entire Agreement

This Contract sets forth the entire agreement of Owner and Contractor with respect to the accomplishment of the Work and the payment of the Contract Price therefor, and there are no other understandings or agreements, oral or written, between Owner and Contractor with respect to the Work and the compensation therefor.

CONTRACT

7.16 Amendments

No modification, addition, deletion, revision, alteration or other change to this Contract is effective unless and until such change is reduced to writing and executed and delivered by Owner and Contractor.

IN WITNESS WHEREOF, Owner and Contractor have caused this Contract to be executed by their properly authorized representatives in two original counterparts as of the Effective Date.

Village of Winnetka

By: _____

Name: _____

Title: _____

Attest:

By: _____

Name: _____

Title: _____

[name of contractor]

By: _____

Name: FRANK FROSOLONE

Title: PRESIDENT

Attest: _____

By: _____

Name: ANNIE FROSOLONE

Title: Vice President

STATE OF ILLINOIS)
)
COUNTY OF _____) SS

CONTRACTOR'S CERTIFICATION

[contractor's executing officer], being first duly sworn on oath, deposes and states that all statements herein made are made on behalf of Contractor, that this deponent is authorized to make them, and that the statements contained herein are true and correct.

Contractor deposes, states, and certifies that Contractor is not barred from contracting with a unit of state or local government as a result of (i) a violation of either Section 33E-3 or Section 33E-4 of Article 33E of the Criminal Code of 1961, 720 ILCS 5/33E-1 et seq.; or (ii) a violation of the USA Patriot Act of 2001, 107 Public Law 56 (October 26, 2001) (the "Patriot Act") or other statutes, orders, rules, and regulations of the United States government and its various executive departments, agencies and offices related to the subject matter of the Patriot Act, including, but not limited to, Executive Order 13224 effective September 24, 2001.

DATED: 7/26, 2019.

[name of contractor]

By: _____

Name: FRANK FROSOLONE

Title: PRESIDENT

Attest: _____

By: _____

Name: Kende Guxton

Title: Branch Manager

Subscribed and Sworn to before me on 7/26, 2019.

My Commission expires: 6/24/22

Notary Public

(SEAL)



**VILLAGE OF WINNETKA
CONTRACT FOR THE
RAW WATER INTAKE MAINTENANCE**

ATTACHMENT A

SUPPLEMENTAL SCHEDULE OF CONTRACT TERMS

1. Project:

The Village of Winnetka is accepting bids from properly qualified firms to provide all labor, equipment, and materials necessary to perform annual maintenance on a twenty inch diameter by 3,000 feet raw water intake pipe in Lake Michigan.

Village has chosen to conduct annual maintenance of the raw intake pipe and cover exposed sections of the pipeline that were discovered during the 2019 dive inspection. The scope of work includes:

- Installation of stone on exposed sections of the pipeline.

2. Work Site:

The Village of Winnetka raw water intake is located in Lake Michigan near 725 Tower Road, Winnetka, IL 60093.

3. Commencement Date:

30 days after execution of the Contract by Owner.

4. Completion Date:

The work shall be scheduled and performed no later than September 30, 2019. The final report and accompanying narrated video shall be submitted within five days of the completed project.

5. Insurance Coverage: - Current Ins. Approved

A. Worker's Compensation and Employer's Liability with limits not less than:

- (1) Worker's Compensation: Statutory;

ATTACHMENT A

- (2) Employer's Liability: \$1,000,000 injury-per occurrence; \$1,000,000 disease-per employee; \$1,000,000 disease-policy limit

Such insurance must evidence that coverage applies in the State of Illinois.

- B. Comprehensive Motor Vehicle Liability with a combined single limit of liability for bodily injury and property damage of not less than \$2,000,000 for vehicles owned, non-owned, or rented.

All employees must be included as insureds.

- C. Comprehensive General Liability with coverage written on an "occurrence" basis and with limits no less than:

- (1) General Aggregate: \$5,000,000. See Subsection F below regarding use of umbrella coverage.
(2) Bodily Injury: \$2,000,000 per person; \$2,000,000 per occurrence
(3) Property Damage: \$2,000,000 per occurrence and \$5,000,000 aggregate.

Coverage must include:

- Premises / Operations
- Products / Completed Operations (to be maintained for two years after Final Payment)
- Independent Contractors
- Personal Injury (with Employment Exclusion deleted)
- Broad Form Property Damage Endorsement
- Blanket Contractual Liability (must expressly cover the indemnity provisions of the Contract)
- Bodily Injury and Property Damage

"X", "C", and "U" exclusions must be deleted.

Railroad exclusions must be deleted if Work Site is within 50 feet of any railroad track.

All employees must be included as insured.

- D. Umbrella Policy. The required coverage may be in the form of an umbrella policy above \$2,000,000 primary coverage. All umbrella policies must provide excess coverage over underlying insurance on a following-form basis so that, when any loss covered by the primary policy exceeds the limits under

the primary policy, the excess or umbrella policy becomes effective to cover that loss.

8. Contract Price:

SCHEDULE OF PRICES

A. Unit Price Contract

For providing, performing, and completing all Work, the sum of the products resulting from multiplying the number of acceptable units of Unit Price Items listed below incorporated in the Work by the Unit Price set forth below for such Unit Price Item:

COST BREAKDOWN		
QTY	DESCRIPTION	UNIT COST
1	Video of exposed section after stone placement	\$ <u>0.00</u>
1	Installation of stone at exposed sections (estimated 300 tons).	\$ <u>387.63</u> per ton
1	Unit cost for additional stone (cost \$/ton)	\$ <u>120.00</u> per ton
	Note: All items in cost breakdown are inclusive of labor, equipment and the final written report/video to verify the project has been completed.	
	TOTAL COST	<u>\$110,290.00</u>

- B. Any items of Work not specifically listed or referred to in the Schedule of Prices, or not specifically included for payment under any Unit Price Item, shall be deemed incidental to the Contract Price, shall not be measured for payment, and shall not be paid for separately except as incidental to the Contract Price, including without limitation extraordinary equipment repair, the cost of transportation, packing, cartage, and containers, the cost of preparing schedules and submittals, the cost or rental of small tools or buildings, the cost of utilities and sanitary conveniences, and any portion of the time of Bidder, its superintendents, or its office and engineering staff.

9. Progress Payments:

- A. General. Owner must pay to Contractor 90 percent of the Value of Work, determined in the manner set forth below, installed and complete in place up to the day before the Pay Request, less the aggregate of all previous Progress Payments. The total amount of Progress Payments made prior to Final Acceptance by Owner may not exceed 90 percent of the Contract Price.
- B. Value of Work. The Value of the Work will be determined as follows:
- (1) Unit Price Items. For all Work to be paid on a unit price basis, the value of such Work will be determined by Owner on the basis of the

actual number of acceptable units of Unit Price Items installed and complete in place, multiplied by the applicable Unit Price set forth in the Schedule of Prices. The actual number of acceptable units installed and complete in place will be measured on the basis described in Attachment B to the Contract or, in the absence of such description, on the basis determined by Owner. The number of units of Unit Price Items stated in the Schedule of Prices are Owner's estimate only and may not be used in establishing the Progress or Final Payments due Contractor. The Contract Price will be adjusted to reflect the actual number of acceptable units of Unit Price Items installed and complete in place upon Final Acceptance.

- C. Application of Payments. All Progress and Final Payments made by Owner to Contractor will be applied to the payment or reimbursement of the costs with respect to which they were paid and will not be applied to or used for any pre-existing or unrelated debt between Contractor and Owner or between Contractor and any third party.

10. Per Diem Administrative Charge:

\$250.00 per day

11. Standard Specifications:

The Contract includes the following Illinois Department of Transportation standard specifications, each of which are incorporated into the Contract by reference:

"Standard Specifications for Water and Sewer Main Construction in Illinois" (SSWS)

The Contract also includes Owner's Village Code and Building Codes.

References to any of these manuals, codes, and specifications means the latest editions effective on the date of the bid opening.

**VILLAGE OF WINNETKA
CONTRACT FOR THE RAW WATER INTAKE MAINTENANCE**

ATTACHMENT B

SPECIFICATIONS

1. REQUIRED DELIVERABLES:

- a. Placement of stone on exposed section of intake and evaluation of any sections that are not addressed;
 - i. All work will be performed while the intake remains in service.
 - ii. If needed, Contractor shall provide adequate lighting to thoroughly document all surfaces with video under all conditions of water and surfaces.
 - iii. Contractor shall review, evaluate and provide a written report of any additional exposed sections of pipeline.
- b. Contractor shall place an estimated 300 tons of stone (100# to 300# limestone) on the exposed pipeline sections;
 - The diver shall ensure proper placement of stone.
 - Five (5) to six (6) feet along each side of the pipe.
 - Two (2) to three (3) feet of cover over the pipe.
- c. At the conclusion of the project a written report and video shall be provided to owner to confirm the exposed sections identified have been covered.

2. VILLAGE RESPONSIBILITIES:

- a. Shall provide the GPS location of the intake and the coordinates of the exposed sections to the successful bidder.
- b. A copy of the 2019 intake inspection video shall be available for pick up, for a nominal fee.

3. HEALTH AND SAFETY REQUIREMENTS:

- a. Contractor shall comply with all applicable federal, state, and local requirements for protecting the safety of the Contractor's employees, institution staff, and the environment. In particular, all applicable OSHA standards shall be followed when working in accordance with this contract.
- b. All system entries will be conducted in accordance with applicable OSHA regulations pertaining to Diving and Confined Space; including 1910.401 thru 1910.441. Specialty equipment may include but not limited to; appropriate OSHA climbing and personal fall protection

4. CONTRACTOR QUALIFICATIONS:

- a. Contractor's firm must be an established company with a minimum of five (5) years' experience and completely familiar with the specific requirements and methods needed for proper performance of this Contract.
- b. methods bid over the past five (5) years.
- c. Contractor's technical staff assigned to this Contract must have a minimum of one (1) year experience to perform any service under this contract.

5. SERVICE WORK:

- a. Service shall be performed in a professional manner in accordance with industry standard best practices.
- b. Contractor shall furnish all labor, materials, equipment, insurance, training and certifications to complete the proposed work.
- c. The Purchaser reserves the right to require the Contractor to repair all contractor caused damages or provide full compensation as determined by the Village.
- d. Contractor to provide for and follow all safety and security requirements.
- e. Contractor will provide for safety barriers, signage, fencing, and security specific to their portion of work as necessary for the completion of the job.

6. DIVERS AND DIVING OPERATIONS

- a. All diving operations shall be conducted by certified commercial divers who have graduated from an ACDE approved Commercial Diving Course or equal. Alternatively, divers who have completed specialized military training i.e., Navy 1st or 2nd Class Dive Courses or Master Dive School shall also qualify.
- b. The dive team shall consist of no less than a three-person team (Diver, Tender & Dive Supervisor), two of whom shall be certified commercial divers. All team members shall have a current CPR & First Aid Card, 02 Administrator Card, and a complete diver physical within the past 24 months.
- c. Dive Contractor shall have available for examination, the following documentation: Copy of Standards and Procedures Manual, Safe Practices Manual, Diver Logbooks, and the latest Air Testing Reports. Contractor to provide certificates of training for all personnel conducting diving operations.
- d. All diving operations shall be conducted with grade diving equipment.



Agenda Item Executive Summary

Title: Resolution No. R-67-2019: Waiving the Formal Bidding Process and Approving a Contract with Boller Construction (Adoption)

Presenter: Alan J. Berkowsky, Fire Chief

Agenda Date: 08/06/19

Consent: ☒ YES ☐ NO

- ☐ Ordinance
- ☒ Resolution
- ☐ Bid Authorization/Award
- ☐ Policy Direction
- ☐ Informational Only

Item History:

On July 16, 2019, Village Council approved Resolution R-63-2019 that allowed us to enter into a contract with Epoxy Flooring US, LLC. for the replacement of our tiled apparatus floor. At that meeting, a concern was expressed that until the tile was removed, we would not know the extent of concrete work that would need to be done. On Thursday, July 25, the tile flooring was completely removed. We determined that a concrete slab was poured first and then a thin layer of tar paper was placed down as a water barrier, followed by two to three inches of a slushy, high sand content concrete called "lean set." This was used in the 1960's to pitch the floor to the drains. Over the years, this top layer of lean set has disintegrated, resulting in hollow spots and allowing water to enter the gap between the two layers of concrete. The exposed lean set is not able to take an epoxy finish and is heavily divotted, causing an uneven walking surface.

Executive Summary:

As a result of this discovery, the current plan to remove the tiles, fill the floor with a leveling compound and then apply the epoxy is no longer viable. If they try to apply the epoxy over the top layer of the lean set, it will not adhere and will begin to crack. In order to resolve this issue, we need to remove the top thin layer of lean set to expose the bottom concrete slab. A concrete contractor will then pour a new slab over the existing slab and pitch the floor towards the drains. This is a different method than what had existed in the 1960's. Lean set is no longer used and the finish concrete is now troweled to pitch towards the drains.

After much discussion, we are requesting to leave the concrete as the finish floor instead of epoxy. The concrete would be colored and sealed. This was not an original consideration because we assumed there was concrete under the tile and it would have been easier to sand it down and finish it with the epoxy. Now that we have to remove the lean set, it would be easier and less expensive to complete the process with just concrete. We would always have the option of putting epoxy as the finish in the future if the appearance of the concrete does not weather well.

Council approved a contract with Epoxy Flooring US, Ltd. in the amount of \$64,000. We are terminating the contract with Epoxy Flooring and paying only \$5,500 for the tile removal completed to-date. Epoxy Flooring is aware that we have modified our project as a result of the material found under the tiles. An internal change order will be issued by the Finance Department.

Due to the lean set being exposed throughout the entire apparatus bay, it has caused some walking hazards and dust issues. We would like to quickly move ahead and complete this project with a concrete contractor. In 2016, Public Works completed the concrete flooring for one of their larger garages. We were able to contact the three lowest responsive and responsible bidders for that project and ask them to provide a bid for our project. Their bids can be found in the following table:

Executive Summary (continued):

Name :	Boller Construction Co.	Mag Construction Co.	D Kersey Construction Co
Address :	3045 W. Washington Waukegan, IL 60085	529 Homewood Highland Park, IL 60035	4130 Timberline Dr. Northbrook, IL 60062
Demolition to slab	\$12,675.00	\$14,500.00	\$13,500.00
Concrete installation	\$32,600.00	\$47,600.00	\$41,950.00
Total bid:	\$45,275.00	\$62,100.00	\$55,450.00

MAG Construction was the company that was awarded the Public Works Garage Floor in 2016. The lowest bidder is Boller Construction out of Waukegan for our project. Reference checks were all positive and Boller actually was a sub-contractor when the Public Works Facility was constructed. Steve Saunders indicated he was very happy with their work product. They seemed very flexible on their ability to start the project as soon as authorization is given.

Below is a summary of the proposed updated costs:

Epoxy Flooring US, LLC	\$ 5,500
Boller Demolition	\$ 12,675
Boller Concrete	\$ 32,600
Proposed new total	\$ 50,775

The original budget for this project is \$50,000. Funding includes \$25,000 from the Capital Improvement Budget and \$25,000 from the Foreign Fire Tax Fund. Due to the previous contract, additional funding was approved by the Foreign Fire Tax Board. However, that funding may not be needed. This proposed plan is \$13,225 less than the original epoxy flooring contract.

Recommendation:

Consider adoption of Resolution No. R-67-2019, waiving the formal bidding process and allowing the Fire Department to enter into a contract with Boller Construction in the amount of \$45,275 for the demolition of the lean set and the pouring, coloring and sealing of the new concrete deck.

Attachments:

- Resolution No. R-67-2019
- Exhibit A: Contract with Boller Construction
- Photos of Current Conditions

RESOLUTION NO. R-67-2019

**A RESOLUTION WAIVING BIDDING AND APPROVING A CONTRACT
WITH BOLLER CONSTRUCTION COMPANY, INC. FOR THE
REMOVAL AND REPLACEMENT OF APPARATUS FLOORING**

WHEREAS, the Village of Winnetka (“**Village**”) is a home rule municipality in accordance with Article VII, Section 6 of the Constitution of the State of Illinois of 1970; and

WHEREAS, Article VII, Section 10 of the 1970 Illinois Constitution authorizes the Village to contract with individuals, associations, and corporations in any manner not prohibited by law or ordinance; and

WHEREAS, on June 6, 2019, the Village passed resolution number R-63-2019 awarding a contract to Epoxy Flooring US, LLC (“**Flooring Contractor**”) for the purchase and installation of new apparatus flooring in the fire station (“**Improvements**”); and

WHEREAS, after demolition of the existing floor as part of the Improvements, the Flooring Contractor notified the Village that the concrete subfloor was not in a condition for the Improvements to be completed, and that the Village must immediately remove and replace the existing concrete subfloor (“**Work**”); and

WHEREAS, due to the current condition of the floor and the need to complete the Work swiftly, it is not practical to seek formal bids through the Village’s bidding requirements pursuant to Sections 4.12.010.A and 4.12.010.B of the Village Code; and

WHEREAS, the Village received three proposals from qualified firms to complete the Work; and

WHEREAS, Boller Construction Company, Inc. (“**Contractor**”) provided the lowest price quotation, offering to complete the Work in an amount not to exceed \$45,275 (“**Contract**”); and

WHEREAS, pursuant to the Village’s home rule authority, the Village Council has determined that it is in the best interests of the Village to: (i) waive the bidding requirement for the procurement of the Work pursuant to Section 4.12.010.C of the Village Code and Section IV.3.D of the Village’s Purchasing Manual; and (ii) enter into the Contract with Contractor; and

NOW, THEREFORE, BE IT RESOLVED, by the Council of the Village of Winnetka, Cook County, Illinois, as follows:

SECTION 1: RECITALS. The Village Council hereby adopts the foregoing recitals as its findings, as if fully set forth herein.

SECTION 2: WAIVER OF COMPETITIVE BIDDING. Pursuant to Section 4.12.010.C of the Village Code, Section IV.3.D of the Village’s Purchasing Manual, and the

Village's home rule authority, the Village Council waives the requirement of competitive bidding for the procurement of the Work.

SECTION 3: APPROVAL OF CONTRACT. Pursuant to the Village's home rule authority, the Village Council hereby approves the Contract with Contractor in a similar form as attached to this Resolution as **Exhibit A**, in an amount not to exceed \$45,275, and in a final form approved by the Village Manager.

SECTION 4: AUTHORIZATION TO EXECUTE CONTRACT. The Village Council hereby authorizes and directs the Village President and the Village Clerk to execute and attest, respectively, on behalf of the Village, the final Contract.

SECTION 5: EFFECTIVE DATE. This Resolution shall be in full force and effect from and after its passage and approval according to law.

ADOPTED this 6th day of August, 2019, pursuant to the following roll call vote:

AYES: _____
NAYS: _____
ABSENT: _____
ABSTAIN: _____

Signed

Village President

Countersigned:

Village Clerk

EXHIBIT A

VILLAGE OF WINNETKA

CONTRACT FOR
REPLACEMENT OF FIRE STATION BAY FLOOR

Full Name of Contractor: **Boller Construction Company, INC. ("Contractor")**

Principal Office Address: **3045 W. Washington Street Waukegan, IL 60085-4843**

Contact Person: **Matt Boller** Telephone Number: **847-662-5566**

TO: Village of Winnetka ("**Village**")
510 Green Bay Road
Winnetka, Illinois 60093
Attention:

1. **Work**

A. **Contract and Work.** Contractor shall, at its sole cost and expense, provide, perform, and complete, in the manner specified and described, and upon the terms and conditions set forth in this Contract, to all of the following, all of which is herein referred to as the "Work":

1. **Labor, Equipment, Materials, and Supplies.**

Provide, perform, and complete, in the manner specified and described in this Contract, all necessary work, labor, services, transportation, equipment, materials, supplies, information, data, and other means and items necessary for:

Replacement of the fire station bay floor located at 428 Green Bay Road, Winnetka, Illinois ("**Work Site**"), all as more fully detailed in the proposal attached hereto and incorporated herein as **Exhibit A ("Work")**.

2. **Permits.** Procure and furnish all permits, licenses, and other governmental approvals and authorizations necessary in connection therewith;

3. **Bonds and Insurance.** Procure and furnish all bonds and all insurance certificates and policies of insurance specified in this Contract;

4. **Taxes.** Pay all applicable federal, state, and local taxes;

5. **Miscellaneous.** Do all other things required of Contractor by this Contract; and

6. **Quality.** Provide, perform, and complete all of the foregoing in a proper and workmanlike manner, consistent with the standards of recognized professional firms in performing Work of a similar nature, in full compliance with, and as required by or pursuant, to this

Contract, and with the greatest economy, efficiency, and expedition consistent therewith, with only new, undamaged, and first quality equipment, materials, and supplies.

B. **Performance Standards.** Contractor agrees that all Work shall be fully provided, performed, and completed in accordance with the specifications in Exhibit A.

C. **Responsibility for Damage or Loss.** Contractor proposes, and agrees, that Contractor shall be responsible and liable for, and shall promptly and without charge to Village repair or replace, any damage done to, and any loss or injury suffered by, the Village, the Work, the Work Site, or other property or persons as a result of the Work.

D. **Inspection/Testing/Rejection.** Village shall have the right to inspect all or any part of the Work and to reject all or any part of the Work that is, in Village's judgment, defective or damaged or that in any way fails to conform strictly to the requirements of this Contract and the Village, without limiting its other rights or remedies, may require correction or replacement at Contractor's cost, perform or have performed all Work necessary to complete or correct all or any part of the Work that is defective, damaged, or nonconforming and charge Contractor with any excess cost incurred thereby, or cancel all or any part of any order or this Contract. Work so rejected may be returned or held at Contractor's expense and risk.

2. **Contract Price**

The Contractor shall take in full payment for all Work and other matters set forth under Section 1 above, including overhead and profit; taxes, contributions, and premiums; and compensation to all subcontractors and suppliers, the compensation set forth below.

A. SCHEDULE OF PRICES

For providing, performing, and completing all Work, the total Contract Price of:

TOTAL CONTRACT PRICE:

\$45,275.00

B. BASIS FOR DETERMINING PRICES

It is expressly understood and agreed that:

1. All prices stated in the Schedule of Prices are firm and shall not be subject to escalation or change;
2. The Village is not subject to state or local sales, use, and excise taxes, that no such taxes are included in the Schedule of Prices, and that all claim or right to claim any additional compensation by reason of the payment of any such tax is hereby waived and released; and
3. All other applicable federal, state, and local taxes of every kind and nature applicable to the Work are included in the Schedule of Prices.

C. TIME OF PAYMENT

It is expressly understood and agreed that all payments shall be within 60 days after receiving an invoice from Contractor and the Work is completed.

All payments may be subject to deduction or setoff by reason of any failure of Contractor to perform under this Contract. Each payment shall include Contractor's certification of the value of, and partial or final waivers of lien covering, all Work for which payment is then requested and Contractor's certification that all prior payments have been properly applied to the payment or reimbursement of the costs with respect to which they were paid.

3. Contract Time

Contractor shall commence the Work in accordance with a schedule agreed to between Contractor and the Village provided Contractor shall have furnished to the Village all bonds and all insurance certificates and policies of insurance specified in this Contract ("**Commencement Date**"). Contractor shall perform the Work diligently and continuously and shall complete the Work not later than September 1, 2019 ("**Time of Performance**"). The Village may modify the Time of Performance at any time upon 15 days prior written notice to the Contractor. Delays caused by the Village

shall extend the Time of Performance; provided, however, that Contractor shall be responsible for completion of all Work within the Time of Performance, notwithstanding any strike or other work stoppage by employees of either Contractor or of the Village.

4. Financial Assurance

A. Bonds. Contractor proposes, and agrees, that Contractor shall provide a Performance Bond and a Labor and Material Payment Bond, on forms provided by, or otherwise acceptable to, the Village, from a surety company acceptable to the Village, each in the penal sum of the Contract Price, within 10 days following the execution of this Contract by both parties.

B. Insurance. Contractor shall provide certificates and policies of insurance evidencing the minimum insurance coverages and limits set forth below within 10 days following the execution of this Contract by both parties. Such policies shall be in form, and from companies, acceptable to the Village. The insurance coverages and limits set forth below shall be deemed to be minimum coverages and limits and shall not be construed in any way as a limitation on Contractor's duty to carry adequate insurance or on Contractor's liability for losses or damages under this Contract. The minimum insurance coverages and limits that shall be maintained at all times while providing, performing, or completing the Work are as follows:

1. Workers' Compensation and Employer's Liability

Limits shall not be less than:

Worker's Compensation: Statutory

Employer's Liability: \$500,000 ea. accident-injury
\$500,000 ea. employee-disease
\$500,000 disease-policy

Such insurance shall evidence that coverage applies to the State of Illinois.

2. Comprehensive Motor Vehicle Liability

Limits for vehicles owned, non-owned or rented shall not be less than:

\$1,000,000 Bodily Injury and Property Damage Combined Single Limit

3. Comprehensive General Liability

Limits shall not be less than:

\$1,000,000 Bodily Injury and Property Damage Combined Single Limit.

Coverage is to be written on an "occurrence" basis.

Coverage to include:

- Premises Operations
- Products/Completed Operations
- Independent Contractors
- Personal Injury (with Employment Exclusion deleted)
- Broad Form Property Damage Endorsement
- "X," "C," and "U"
- Contractual Liability

Contractual Liability coverage shall specifically include the indemnification set forth below.

4. Umbrella Liability

Limits shall not be less than:

\$2,000,000 Bodily Injury and Property Damage Combined Single Limit.

This Policy shall apply in excess of the limits stated in 1, 2, and 3 above.

C. Indemnification. Contractor shall indemnify and save harmless the Village against all damages, liability, claims, losses, and expenses (including attorneys' fee) that may arise, or be alleged to have arisen, out of or in connection with Contractor's performance of, or failure to perform, the Work or any part thereof, or any failure to meet the representations and warranties set forth in Section 5 of this Contract.

D. Penalties. Contractor shall be solely liable for any fines or civil penalties that are imposed by any governmental or quasi-governmental agency or body that may arise, or be alleged to have arisen, out of or in connection with Contractor's performance of, or failure to perform, the Work or any part thereof.

5. Contractor's Representations and Warranties

Contractor hereby represents and warrants as follows:

A. The Work. The Work, and all of its components, shall strictly conform to the requirements of this Contract, including, without limitation, the performance standards set forth in Subsection 1B of this Contract; and shall be fit, sufficient, and suitable for the purposes expressed in, or reasonably inferred from, this Contract and the warranties expressed herein shall be in addition to any other warranties expressed or implied by law, which are hereby reserved unto the Village.

B. Compliance with Laws. The Work, and all of its components, shall be provided, performed, and completed in compliance with, and Contractor agrees to be bound by, all applicable federal, state, and local laws, orders, rules, and regulations, as they may be modified or amended from time to time, including without limitation the Prevailing Wage Act, 820 ILCS 130/0.01 et seq. (in furtherance of which, a copy of Village's ordinance ascertaining the prevailing rate of wages, in effect as of the date of this Contract, has been attached as an Appendix to this Contract; if the Illinois Department of Labor revises the prevailing rate of hourly wages to be paid, the revised rate shall apply to this Contract); any other prevailing wage laws; any statutes requiring preference to laborers of specified classes; any statutes prohibiting discrimination because of, or requiring affirmative action based on, race, creed, color, national origin, age, sex, or other prohibited classification; and any statutes regarding safety or the performance of the Work. Further, Contractor shall have a written sexual harassment policy in compliance with Section 2-105 of the Illinois Human Rights Act during the course of the work.

C. Not Barred. Contractor is not barred by law from contracting with the Village or with any other unit of state or local government as a result of (i) a delinquency in the payment of any tax administered by the Illinois Department of Revenue unless Contractor is contesting, in accordance with the procedures established by the appropriate Revenue Act, its liability for the tax or the amount of tax, as set forth in 65 ILCS 5/11-42.1-1; or (ii) a violation of either Section 33E-3 or Section 33E-4 of Article 33 of the Criminal Code of 1961, 720 ILCS 5/33E-1 et seq.

D. Qualified. Contractor has the requisite experience, ability, capital, facilities, plant, organization, and staff to enable Contractor to perform the Work successfully and promptly and to commence and complete the Work within the Contract Price and Contract Time set forth above.

6. Acknowledgements

Contractor acknowledges and agrees that:

A. Reliance. The Village is relying on all warranties, representations, and statements made by Contractor in this Contract.

B. Remedies. Each of the rights and remedies reserved to the Village in this Contract shall be cumulative and additional to any other or further remedies provided in law or equity or in this Contract.

C. Time. Time is of the essence in the performance of all terms and provisions of this Contract and, except where stated otherwise references in this Contract to days shall be construed to refer to calendar days and time.

D. No Waiver. No examination, inspection, investigation, test, measurement, review, determination, decision, certificate, or approval by the Village, whether before or after the Village's acceptance of this Contract; nor any information or data supplied by the Village, whether before or after the Village's acceptance of this Contract; nor any order by the Village for the payment of money; nor any payment for, or use, possession, or acceptance of, the whole or any part of the Work by the Village; nor any extension of time granted by the Village; nor any delay by the Village in exercising any right under this Contract; nor any other act or omission of the Village shall constitute or be deemed to be an acceptance of any defective, damaged, or nonconforming Work, nor operate to waive or otherwise diminish the effect of any representation or warranty made by Contractor; or of any requirement or provision of this Contract; or of any remedy, power, or right of the Village.

E. Severability. It is hereby expressed to be the intent of the parties to this Contract that should any provision, covenant, agreement, or portion of this Contract or its application to any Person or property be held invalid by a court of competent jurisdiction, the remaining provisions of this Contract and the validity, enforceability, and application to any Person or property shall not be impaired thereby, but the remaining provisions shall be interpreted, applied, and enforced so as to achieve, as near as may be, the purpose and intent of this Contract to the greatest extent permitted by applicable law.

F. Amendments and Modifications. No amendment or modification to this Contract shall be effective until it is reduced to writing and approved and executed by the corporate authorities of the parties in accordance with all applicable statutory procedures.

G. Assignment. Neither this Contract, nor any interest herein, shall be assigned or subcontracted, in whole or in part, by Contractor except upon the prior written consent of the Village.

H. Governing Law. This Contract shall be governed by, construed and enforced in accordance with the internal laws, but not the conflicts of laws rules, of the State of Illinois.

I. Certified Payrolls. Contractor shall, in accordance with Section 5 of the Illinois Prevailing Wage

Act, 820 ILCS 130/5, submit to the Village, on a monthly basis, a certified payroll. The certified payroll shall consist of a complete copy of those records required to be made and kept by the Prevailing Wage Act. The certified payroll shall be accompanied by a statement signed by the Contractor or subcontractor which certifies that: (1) such records are true and accurate; (2) the hourly rate paid is not less than the general prevailing rate of hourly wages required by the Prevailing Wage Act; and (3) Contractor or subcontractor is aware that filing a certified payroll that he or she knows to be false is a Class B misdemeanor. A general contractor may rely upon the certification of a lower tier subcontractor, provided that the general contractor does not knowingly rely upon a subcontractor's false certification. Upon two business days' notice, Contractor and each subcontractor shall make available for inspection the records required to be made and kept by the Act: (i) to the Village, its officers and agents, and to the Director of the Illinois Department of Labor and his or hers deputies and agents; and (ii) at all reasonable hours at a location within this State.

J. Conflicts of Interest. Contractor represents and certifies that, to the best of its knowledge, (1) no elected or appointed Village official, employee or agent has a personal financial interest in the business of the Contractor or in this Contract, or has personally received payment or other consideration for this Contract; (2) as of the date of this Contract, neither Contractor nor any person employed or associated with Contractor has any interest that would conflict in any manner or degree with the performance of the obligations under this Contract; and (3) neither Contractor nor any person employed by or associated with Contractor shall at any time during the term of this Contract obtain or acquire any interest that would conflict in any manner or degree with the performance of the obligations under this Contract.

K. Third Party Beneficiaries. No claim as a third party beneficiary under this Contract by any person, firm, or corporation shall be made or be valid against the Village.

L. Conflicts: Exhibits. If any term or provision in this Agreement conflicts with any term or provision of an attachment or exhibit to this Contract, the terms and provisions of this Contract shall control.

DATED this 6th day of August, 2019.

[SIGNATURE PAGE FOLLOWS]

ATTEST:

VILLAGE OF WINNETKA

By: _____
Village Clerk

By: _____
Village Manager

ATTEST:

Boller Construction Company, INC.

By: _____

By: _____

Title: _____

Its: _____

EXHIBIT A
SPECIFICATIONS

Apparatus Bay Floor

Install concrete slab topping over an existing slab.

Inclusions:

Demo of the existing material to get down to slab.

- Labor to demo area of the vehicle bay (4,300SF)
- Equipment to demo the area
- Dumpsters to place debris in
- Prep slab for concrete topping

The scope of work for this project includes the following:

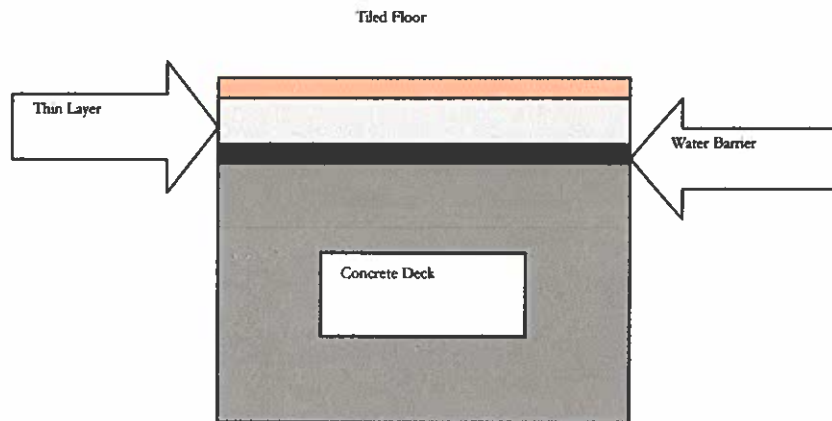
INCLUSIONS:

- Concrete Topping material 2" (4,300 SF)
- Concrete material color (Cobble Gray)
- Installation of the concrete topping
- Wire Mesh 6X6 W2.9
- Floor Sealer (All Shield – 2 coats)
- Anti-slip coating
- Layout
- Supervision
-

EXCLUSIONS:

- Work due to concealed conditions is not included.
- Overtime, shift work or multiple mobilizations
- Asbestos or hazardous material testing, remediation or delays are not included.
- All permit costs and associated expediting costs are not included.
- Design and engineering drawings are not included.
- Bonds are not included.
- Winter conditions are not included.
- Verification of compliance with City/Village Ordinances or Codes is not included.
- Builders Risk Insurance is by Owner.
- Engineering design of concrete slab topping
- Taxes on material

END OF SPECIFICATION





Agenda Item Executive Summary

Title: Resolution No. R-68-2019: Design Engineering Services for Streetscape Phase 2 (Adoption)

Presenter: Steven M. Saunders, Director of Public Works/Village Engineer

Agenda Date: 08/06/2019

Consent: ☒ YES ☐ NO

☐ Ordinance
☒ Resolution
☒ Bid Authorization/Award
☐ Policy Direction
☐ Informational Only

Item History:

In 2019, the Village Council approved a final streetscape implementation plan that provides a timeline for constructing public improvements to various portions of the Village's Elm Business District. The first phase, consisting of Chestnut Street between Spruce Street and Elm Street (along with the intersections at both ends of that section), is under construction. Phase 2, consisting of both sides of Elm Street between Green Bay Road and Chestnut Street, and the north side of Elm Street between Chestnut Street and Birch Street, is scheduled for construction in 2020.

Executive Summary:

In order to construct Phase 2 of the Streetscape project in 2020, the Village has included funding for engineering work in the FY 2019 Budget. Ciorba and Teska worked together to prepare final plans, specifications, and bidding documents, and provided bidding assistance for the first phase of Streetscape construction. Given this recent satisfactory work, staff solicited a proposal from Ciorba Group/Teska Associates to provide engineering services for the Phase 2 project.

Under this proposed scope, the Downtown Streetscape concept plans will be finalized for the proposed roadway and streetscape improvements. Ciorba and Teska will complete plans for: roadway geometrics, landscaping, electrical/lighting, and traffic control; as well as all necessary specifications and details to implement the improvements. The roadway and streetscape plans will be prepared in AutoCAD. Deliverables will be in electronic format, with PDF files for bidding and CADD files. Ciorba and Teska's detailed scope of work is attached.

The proposed design fees for the project are \$31,570. The Village's FY 2019 budget contains \$132,200 in the Downtown Redevelopment Fund for engineering of the 2019 and potential 2020 streetscape projects, in Account 420.15.01-620. Ciorba's schedule anticipates that the project will be bid in January 2020; a construction contract awarded in March; and construction commencing in April 2020.

Recommendation:

Consider adopting Resolution No. R-68-2019, waiving the competitive bid process and awarding a contract for professional design services to Ciorba Group in the amount of \$31,570 for design engineering and landscape architectural services for streetscape improvements on Elm Street.

Attachments:

- Resolution No. R-68-2019
- Ciorba Group and Teska Associates Proposed Scope of Services and Fees for design engineering and landscape architectural services

RESOLUTION NO. R-68-2019

**A RESOLUTION WAIVING BIDDING AND APPROVING AN AGREEMENT WITH
THE CIORBA GROUP AND TESKA ASSOCIATES FOR DESIGN ENGINEERING
SERVICES AND LANDSCAPE ARCHITECTURE SERVICES FOR
STREETSCAPE IMPROVEMENTS TO ELM STREET**

WHEREAS, Article VII, Section 10 of the 1970 Illinois Constitution authorizes the Village of Winnetka ("**Village**") to contract with individuals, associations, and corporations in any manner not prohibited by law or ordinance; and

WHEREAS, on June 19, 2018, the Village Council adopted the Downtown Streetscape and Signage Master Plan, which has been revised after further input and evaluation; and

WHEREAS, the Village has appropriated funds for the engineering and construction of streetscape improvements, in accordance with the Downtown Streetscape and Signage Master Plan, along both sides of Elm Street between Green Bay Road and Chestnut Street, and the north side of Elm Street between Chestnut Street and Birch Street (collectively, "**Streetscape Improvements**"); and

WHEREAS, the Village requested proposals from Teska Associates ("**Teska**") for the performance of landscape architecture services ("**Landscape Services**") and Ciorba Group ("**Ciorba**") for the performance of design engineering services ("**Engineering Services**"); and

WHEREAS, Ciorba and Teska submitted a joint proposal to the Village for the performance the Engineering Services and the Landscape Services in an amount not to exceed \$31,570 for the Streetscape Improvements; and

WHEREAS, Teska and Ciorba have performed services for the Village in the past, to the Village's satisfaction and have prior experience with the Village's streetscape projects; and

WHEREAS, pursuant to Sections 4.12.010.A and 4.12.010.C of the Village Code, the bidding requirements may be waived for contracts which by their nature are not adaptable to competitive bidding; and

WHEREAS, the Village Council desires to enter into an agreement with Ciorba and Teska for the Engineering Services and Landscape Services for the Streetscape Improvements in a total amount not to exceed \$31,570.00 ("**Ciorba Agreement**"); and

WHEREAS, pursuant to Sections 4.12.010.A and Sections 4.12.010.C of the Village Code, the Village Council has determined that it is in the best interests of the Village to waive competitive bidding and enter into the Agreement with Ciorba and Teska;

NOW, THEREFORE, BE IT RESOLVED, by the Council of the Village of Winnetka, Cook County, Illinois, as follows:

August 6, 2019

R-68-2019

SECTION 1: RECITALS. The Village Council hereby adopts the foregoing recitals as its findings, as if fully set forth herein.

SECTION 2: WAIVER OF COMPETITIVE BIDDING. Pursuant to Sections 4.12.010.A and 4.12.010.C of the Village Code and the Village's home rule authority, the Village Council waives the requirement of competitive bidding for the procurement of Landscape Services and Engineering Services.

SECTION 3: APPROVAL OF CIORBA AGREEMENT. The Village Council hereby approves the Ciorba Agreement in substantially the form attached to this Resolution as **Exhibit B** and in a final form approved by the Village Manager.

SECTION 4: AUTHORIZATION TO EXECUTE AGREEMENT. The Village Council hereby authorizes and directs the Village President and the Village Clerk to execute and attest, respectively, on behalf of the Village, the final Agreement after receipt by the Village Manager of two executed copies of the final Agreement from Ciorba; provided, however, that if the Village Manager does not receive two executed copies of the final Agreement from Ciorba within 60 days after the date of adoption of this Resolution, then this authority to execute and seal the final Agreement between the Village and the applicable party will, at the option of the Village Council, be null and void.

SECTION 5: EFFECTIVE DATE. This Resolution shall be in full force and effect from and after its passage and approval according to law.

[SIGNATURE PAGE FOLLOWS]

ADOPTED this 6th day of August, 2019, pursuant to the following roll call vote:

AYES: _____

NAYS: _____

ABSENT: _____

ABSTAIN: _____

Signed

Village President

Countersigned:

Village Clerk

EXHIBIT A
CIORBA AGREEMENT

**VILLAGE OF WINNETKA
PROFESSIONAL SERVICES AGREEMENT**

This **PROFESSIONAL SERVICES AGREEMENT** ("**Agreement**") is dated as of the ____ day of _____, _____, and is by and between the **VILLAGE OF WINNETKA**, an Illinois home rule municipal corporation ("**Village**"), and the Consultant identified in Section 1.A of this Agreement.

IN CONSIDERATION OF the recitals and the mutual covenants and agreements set forth in this Agreement, and pursuant to the Village's statutory and home rule powers, the parties agree as follows:

SECTION 1. CONSULTANT.

A. Engagement of Consultant. The Village desires to engage the Consultant identified below to perform and to provide all necessary professional consulting services to perform the work in connection with the project identified below:

Consultant Name ("Consultant**"):** CIORBA GROUP, INC.

Address: 8725 W. HIGGINS ROAD, SUITE 600, CHICAGO, IL 60631

Telephone No.: (773) 775-4009

Email: Duane O'Laughlin, PE <dolaughlin@ciorba.com>

Project Name/Description: DOWNTOWN STREETSCAPE – PHASE II

Agreement Amount: \$31,570

B. Project Description. *Professional design engineering and landscape architectural services for streetscape improvements on Elm Street*, as more fully described in the proposal attached to this Agreement as **Exhibit A ("**Proposal**")**.

C. Representations of Consultant. The Consultant represents that it is financially solvent, has the necessary financial resources, and is sufficiently experienced and competent to perform and complete the consulting services that are set forth in Exhibit A – Scope of Services ("**Services**") in a manner consistent with the standards of professional practice by recognized consulting firms providing services of a similar nature.

SECTION 2. SCOPE OF SERVICES.

A. Retention of the Consultant. The Village retains the Consultant to perform, and the Consultant agrees to perform, the Services.

B. Services. The Consultant shall provide the Services pursuant to the terms and conditions of this Agreement.

C. Commencement; Term. The Consultant shall commence the Services immediately upon receipt of written notice from the Village that this Agreement has been fully executed by the Parties ("**Commencement Date**"). The Consultant shall diligently and continuously prosecute the Services until the completion of the Services or upon termination of this Agreement by the Village, but in no event later than shown on the *Project Schedule* included in Exhibit A ("**Time of Performance**").

D. Reporting. The Consultant shall regularly report to the Village Manager, or his designee, regarding the progress of the Services during the term of this Agreement.

SECTION 3. COMPENSATION AND METHOD OF PAYMENT.

A. Agreement Amount. The total amount paid by the Village for the Services pursuant to this Agreement shall not exceed the amount identified as the Agreement Amount in Section 1.A of this Agreement. No claim for additional compensation shall be valid unless made in accordance with Sections 3.D or 3.E of this Agreement.

B. Invoices and Payment. The Consultant shall submit invoices in an approved format to the Village for costs incurred by the Consultant in performing the Services. The amount billed in each invoice for the Services shall be based solely upon the rates set forth in the Proposal. The Village shall pay to the Consultant the amount billed within 60 days after receiving such an invoice.

C. Records. The Consultant shall maintain records showing actual time devoted and costs incurred, and shall permit the Village to inspect and audit all data and records of the Consultant for work done pursuant to this Agreement. The records shall be made available to the Village at reasonable times during the term of this Agreement, and for one year after the termination of this Agreement.

D. Claim In Addition To Agreement Amount.

1. The Consultant shall provide written notice to the Village of any claim for additional compensation as a result of action taken by the Village, within 15 days after the occurrence of such action.

2. The Consultant acknowledges and agrees that: (a) the provision of written notice pursuant to Section 3.D.1 of this Agreement shall not be deemed or interpreted as entitling the Consultant to any additional compensation; and (b) any changes in the Agreement Amount shall be valid only upon written amendment pursuant to Section 8.A of this Agreement.

3. Regardless of the decision of the Village relative to a claim submitted by the Consultant, the Consultant shall proceed with all of the work required to complete the Services under this Agreement, as determined by the Village, without interruption.

E. Additional Services. The Consultant acknowledges and agrees that the Village shall not be liable for any costs incurred by the Consultant in connection with

any services provided by the Consultant that are outside the scope of this Agreement (“**Additional Services**”), regardless of whether such Additional Services are requested or directed by the Village, except upon the prior written consent of the Village.

F. Taxes, Benefits, and Royalties. Each payment by the Village to the Consultant includes all applicable federal, state, and Village taxes of every kind and nature applicable to the Services, as well as all taxes, contributions, and premiums for unemployment insurance, old age or retirement benefits, pensions, annuities, or similar benefits, and all costs, royalties, and fees arising from the use on, or the incorporation into, the Services, of patented or copyrighted equipment, materials, supplies, tools, appliances, devices, processes, or inventions. All claims or rights to claim additional compensation by reason of the payment of any such tax, contribution, premium, cost, royalty, or fee are hereby waived and released by the Consultant.

G. Final Acceptance. The Services, or, if the Services are to be performed in separate phases, each phase of the Services, shall be considered complete on the date of final written acceptance by the Village of the Services or each phase of the Services, as the case may be, which acceptance shall not be unreasonably withheld or delayed.

SECTION 4. PERSONNEL; SUBCONTRACTORS.

A. Key Project Personnel. The Key Project Personnel identified in the Proposal shall be primarily responsible for carrying out the Services on behalf of the Consultant. The Key Project Personnel shall not be changed without the Village's prior written approval.

B. Availability of Personnel. The Consultant shall provide all personnel necessary to complete the Services including, without limitation, any Key Project Personnel identified in this Agreement. The Consultant shall notify the Village as soon as practicable prior to terminating the employment of, reassigning, or receiving notice of the resignation of, any Key Project Personnel. The Consultant shall have no claim for damages and shall not bill the Village for additional time and materials charges as the result of any portion of the Services which must be duplicated or redone due to such termination or for any delay or extension of the Time of Performance as a result of any such termination, reassignment, or resignation.

C. Approval and Use of Subcontractors. The Consultant shall perform the Services with its own personnel and under the management, supervision, and control of its own organization unless otherwise approved in advance by the Village in writing. All subcontractors and subcontracts used by the Consultant shall be acceptable to, and approved in advance by, the Village. The Village's approval of any subcontractor or subcontract shall not relieve the Consultant of full responsibility and liability for the provision, performance, and completion of the Services as required by this Agreement. All Services performed under any subcontract shall be subject to all of the provisions of this Agreement in the same manner as if performed by employees of the Consultant. For purposes of this Agreement, the term “Consultant” shall be deemed also to refer to

all subcontractors of the Consultant, and every subcontract shall include a provision binding the subcontractor to all provisions of this Agreement.

D. Removal of Personnel and Subcontractors. If any personnel or subcontractor fails to perform the Services in a manner satisfactory to the Village and consistent with commonly accepted professional practices, the Consultant shall immediately upon notice from the Village remove and replace such personnel or subcontractor. The Consultant shall have no claim for damages, for compensation in excess of the amount contained in this Agreement, or for a delay or extension of the Time of Performance as a result of any such removal or replacement.

SECTION 5. CONFIDENTIAL INFORMATION.

A. Confidential Information. The term “***Confidential Information***” shall mean information in the possession or under the control of the Village relating to the technical, business, or corporate affairs of the Village; Village property; user information, including, without limitation, any information pertaining to usage of the Village's computer system, including and without limitation, any information obtained from server logs or other records of electronic or machine readable form; and the existence of, and terms and conditions of, this Agreement. Village Confidential Information shall not include information that can be demonstrated: (1) to have been rightfully in the possession of the Consultant from a source other than the Village prior to the time of disclosure of such information to the Consultant pursuant to this Agreement (“***Time of Disclosure***”); (2) to have been in the public domain prior to the Time of Disclosure; (3) to have become part of the public domain after the Time of Disclosure by a publication or by any other means except an unauthorized act or omission or breach of this Agreement on the part of the Consultant or the Village; or (4) to have been supplied to the Consultant after the Time of Disclosure without restriction by a third party who is under no obligation to the Village to maintain such information in confidence.

B. No Disclosure of Confidential Information by the Consultant. The Consultant acknowledges that it shall, in performing the Services for the Village under this Agreement, have access, or be directly or indirectly exposed, to Confidential Information. The Consultant shall hold confidential all Confidential Information and shall not disclose or use such Confidential Information without the express prior written consent of the Village. The Consultant shall use reasonable measures at least as strict as those the Consultant uses to protect its own confidential information. Such measures shall include, without limitation, requiring employees and subcontractors of the Consultant to execute a non-disclosure agreement before obtaining access to Confidential Information.

SECTION 6. STANDARD OF SERVICES AND INDEMNIFICATION.

A. Representation and Certification of Services. The Consultant represents and certifies that the Services shall be performed in accordance with the standards of professional practice, care, and diligence practiced by recognized consulting firms in performing services of a similar nature in existence at the Time of Performance. The

representations and certifications expressed shall be in addition to any other representations and certifications expressed in this Agreement, or expressed or implied by law, which are hereby reserved unto the Village.

B. Indemnification. The Consultant shall, and does hereby agree to, indemnify, save harmless, and defend the Village against all damages, liability, claims, losses, and expenses (including attorneys' fees) that may arise, or be alleged to have arisen, out of or in connection with the Consultant's performance of, or failure to perform, the Services or any part thereof, or any failure to meet the representations and certifications set forth in Section 6.A of this Agreement.

C. Insurance. The Consultant agrees to maintain, at its sole cost and expense, insurance coverage in the following minimum amounts:

Professional Liability	\$2,000,000 per claim/aggregate
General Liability	\$1,000,000 Each Occurrence – Bodily Injury \$1,000,000 Each Occurrence – Property Damage \$2,000,000 Aggregate
Automotive Liability – including non-ownership and hired car coverage	\$1,000,000 Per Person/Per Occurrence
Employer's Liability	\$500,000 Each
Worker's Compensation	Per Statutory Amount

The Consultant shall file with the Village, not later than 10 days after Commencement Date, a Certificate of Insurance showing complete coverage of all insurance required, signed by the insurance companies or their authorized agents. Each certificate shall provide that the coverage shall not be terminated without 30 days advance written notice to the Village except for 10 days notice for cancellation due to non-payment. The Consultant shall name the Village as an additional insured for general liability and automotive liability for limits stated above. ENGINEER shall require all subcontractors and subconsultants to carry insurance in the amounts stated above. The insurance coverages and limits set forth in this Section 6.C shall be deemed to be minimum coverages and limits, and shall not be construed in any way as a limitation on the Consultant's duty to carry adequate insurance or on the Consultant's liability for losses or damages under this Agreement.

D. No Personal Liability. No elected or appointed official or employee of the Village shall be personally liable, in law or in contract, to the Consultant as the result of the execution of this Agreement.

SECTION 7.

CONSULTANT AGREEMENT GENERAL PROVISIONS.

A. Relationship of the Parties. The Consultant shall act as an independent contractor in providing and performing the Services. Nothing in, nor done pursuant to, this Agreement shall be construed: (1) to create the relationship of principal and agent, employer and employee, partners, or joint venturers between the Village and Consultant; or (2) to create any relationship between the Village and any subcontractor of the Consultant.

B. Conflict of Interest. The Consultant represents and certifies that, to the best of its knowledge: (1) no elected or appointed Village official, employee or agent has a personal financial interest in the business of the Consultant or in this Agreement, or has personally received payment or other consideration for this Agreement; (2) as of the date of this Agreement, neither Consultant nor any person employed or associated with Consultant has any interest that would conflict in any manner or degree with the performance of the obligations under this Agreement; and (3) neither Consultant nor any person employed by or associated with Consultant shall at any time during the term of this Agreement obtain or acquire any interest that would conflict in any manner or degree with the performance of the obligations under this Agreement.

C. No Collusion. The Consultant represents and certifies that the Consultant is not barred from contracting with a unit of state or local government as a result of: (1) a delinquency in the payment of any tax administered by the Illinois Department of Revenue, unless the Consultant is contesting, in accordance with the procedures established by the appropriate revenue act, its liability for the tax or the amount of the tax, as set forth in Section 11-42.1-1 *et seq.* of the Illinois Municipal Code, 65 ILCS 5/11-42.1-1 *et seq.*; or (2) a violation of either Section 33E-3 or Section 33E-4 of Article 33E of the Criminal Code of 1961, 720 ILCS 5/33E-1 *et seq.* The Consultant represents that the only persons, firms, or corporations interested in this Agreement as principals are those disclosed to the Village prior to the execution of this Agreement, and that this Agreement is made without collusion with any other person, firm, or corporation. If at any time it shall be found that the Consultant has, in procuring this Agreement, colluded with any other person, firm, or corporation, then the Consultant shall be liable to the Village for all loss or damage that the Village may suffer, and this Agreement shall, at the Village's option, be null and void.

D. Termination. Notwithstanding any other provision hereof, the Village may terminate this Agreement at any time upon 15 days written notice to the Consultant. In the event that this Agreement is so terminated, the Consultant shall be paid for Services actually performed and reimbursable expenses actually incurred, if any, prior to termination, not exceeding the value of the Services completed, which shall be determined on the basis of the rates set forth in the Proposal.

E. Compliance With Laws and Grants.

1. **Compliance with Laws.** The Consultant shall give all notices, pay all fees, and take all other action that may be necessary to ensure that the Services are

provided, performed, and completed in accordance with all required governmental permits, licenses, or other approvals and authorizations that may be required in connection with providing, performing, and completing the Services, and with all applicable statutes, ordinances, rules, and regulations, including, without limitation: any applicable prevailing wage laws; the Fair Labor Standards Act; any statutes regarding qualification to do business; any statutes requiring preference to laborers of specified classes; any statutes prohibiting discrimination because of, or requiring affirmative action based on, race, creed, color, national origin, age, sex, or other prohibited classification, including, without limitation, the Americans with Disabilities Act of 1990, 42 U.S.C. §§ 12101 *et seq.*, and the Illinois Human Rights Act, 775 ILCS 5/1-101 *et seq.* The Consultant shall also comply with all conditions of any federal, state, or local grant received by the Village or the Consultant with respect to this Agreement or the Services. Further, the Consultant shall have a written sexual harassment policy in compliance with Section 2-105 of the Illinois Human Rights Act.

2. Liability for Noncompliance. The Consultant shall be solely liable for any fines or civil penalties that are imposed by any governmental or quasi-governmental agency or body that may arise, or be alleged to have arisen, out of or in connection with the Consultant's, or any of its subcontractors, performance of, or failure to perform, the Services or any part thereof.

3. Required Provisions. Every provision of law required by law to be inserted into this Agreement shall be deemed to be inserted herein.

F. Default. If it should appear at any time that the Consultant has failed or refused to prosecute, or has delayed in the prosecution of, the Services with diligence at a rate that assures completion of the Services in full compliance with the requirements of this Agreement, or has otherwise failed, refused, or delayed to perform or satisfy the Services or any other requirement of this Agreement ("***Event of Default***"), and fails to cure any such Event of Default within ten business days after the Consultant's receipt of written notice of such Event of Default from the Village, then the Village shall have the right, without prejudice to any other remedies provided by law or equity, to pursue any one or more of the following remedies:

1. Cure by Consultant. The Village may require the Consultant, within a reasonable time, to complete or correct all or any part of the Services that are the subject of the Event of Default; and to take any or all other action necessary to bring the Consultant and the Services into compliance with this Agreement.

2. Termination of Agreement by Village. The Village may terminate this Agreement without liability for further payment of amounts due or to become due under this Agreement after the effective date of termination.

3. Withholding of Payment by Village. The Village may withhold from any payment, whether or not previously approved, or may recover from the Consultant, any and all costs, including attorneys' fees and administrative expenses, incurred by the

Village as the result of any Event of Default by the Consultant or as a result of actions taken by the Village in response to any Event of Default by the Consultant.

G. No Additional Obligation. The Parties acknowledge and agree that the Village is under no obligation under this Agreement or otherwise to negotiate or enter into any other or additional contracts or agreements with the Consultant or with any vendor solicited or recommended by the Consultant.

H. Village Council Authority. Notwithstanding any provision of this Agreement, any negotiations or agreements with, or representations by the Consultant to, vendors shall be subject to the approval of the Village Council. For purposes of this Section 7.H, "vendors" shall mean entities engaged in subcontracts for the provision of additional services directly to the Village. The Village shall not be liable to any vendor or third party for any agreements made by the Consultant without the knowledge and approval of the Village Council.

I. Mutual Cooperation. The Village agrees to cooperate with the Consultant in the performance of the Services, including meeting with the Consultant and providing the Consultant with such non-confidential information that the Village may have that may be relevant and helpful to the Consultant's performance of the Services. The Consultant agrees to cooperate with the Village in the performance and completion of the Services and with any other consultants engaged by the Village.

J. News Releases. The Consultant shall not issue any news releases, advertisements, or other public statements regarding the Services without the prior written consent of the Village Manager.

K. Ownership. Designs, drawings, plans, specifications, photos, reports, information, observations, calculations, notes, and any other documents, data, or information, in any form, prepared, collected, or received from the Village by the Consultant in connection with any or all of the Services to be performed under this Agreement ("**Documents**") shall be and remain the exclusive property of the Village. At the Village's request, or upon termination of this Agreement, the Consultant shall cause the Documents to be promptly delivered to the Village.

L. GIS Data. The Village has developed digital map information through Geographic Information Systems Technology ("**GIS Data**") concerning the real property located within the Village. If requested to do so by the Consultant, the Village agrees to supply the Consultant with a digital copy of the GIS Data, subject to the following conditions:

1. Limited Access to GIS Data. The GIS Data provided by the Village shall be limited to the scope of the Services that the Consultant is to provide for the Village;

2. Purpose of GIS Data. The Consultant shall limit its use of the GIS Data to its intended purpose of furtherance of the Services; and

3. Agreement with Respect to GIS Data. The Consultant does hereby acknowledge and agree that:

a. Trade Secrets of the Village. The GIS Data constitutes proprietary materials and trade secrets of the Village, and shall remain the property of the Village;

b. Consent of Village Required. The Consultant will not provide or make available the GIS Data in any form to anyone without the prior written consent of the Village Manager;

c. Supply to Village. At the request of the Village, the Consultant shall supply the Village with any and all information that may have been developed by the Consultant based on the GIS Data;

d. No Guarantee of Accuracy. The Village makes no guarantee as to the accuracy, completeness, or suitability of the GIS Data in regard to the Consultant's intended use thereof; and

e. Discontinuation of Use. At such time as the Services have been completed to the satisfaction of the Village, the Consultant shall cease its use of the GIS Data for any purpose whatsoever, and remove the GIS Data from all of the Consultant's databases, files, and records; and, upon request, an authorized representative of the Village shall be afforded sufficient access to the Consultant's premises and data processing equipment to verify compliance by the Consultant with this Section 7.L.3.e.

SECTION 8. GENERAL PROVISIONS.

A. Amendment. No amendment or modification to this Agreement shall be effective until it is reduced to writing and approved and executed by the Village and the Consultant in accordance with all applicable statutory procedures.

B. Assignment. This Agreement may not be assigned by the Village or by the Consultant without the prior written consent of the other party.

C. Binding Effect. The terms of this Agreement shall bind and inure to the benefit of the Village, the Consultant, and their agents, successors, and assigns.

D. Notice. All notices required or permitted to be given under this Agreement shall be in writing and shall be delivered (1) personally, (2) by a reputable overnight courier, or by (3) by certified mail, return receipt requested, and deposited in the U.S. Mail, postage prepaid. Unless otherwise expressly provided in this Agreement, notices shall be deemed received upon the earlier of: (a) actual receipt; (b) one business day after deposit with an overnight courier, as evidenced by a receipt of deposit; or (c) four business days following deposit in the U.S. mail, as evidenced by a return receipt. By notice complying with the requirements of this Section 8.D, each party shall have the right to change the address or the addressee, or both, for all future notices and

communications to the other party, but no notice of a change of addressee or address shall be effective until actually received.

Notices and communications to the Village shall be addressed to, and delivered at, the following address:

Village of Winnetka
510 Green Bay Road
Winnetka, Illinois 60093
Attention: Village Manager

With a copy to:

Holland & Knight LLP
131 S. Dearborn, 30th Floor
Chicago, Illinois 60603
Attention: Peter M. Friedman

Notices and communications to the Consultant shall be addressed to, and delivered at, the following address:

Ciorba Group, Inc.
8725 W. Higgins Road, Suite 600
Chicago, IL 60631
Attention: Gerald W. Heimsoth,
President

E. Third Party Beneficiary. No claim as a third party beneficiary under this Agreement by any person, firm, or corporation shall be made or be valid against the Village.

F. Provisions Severable. If any term, covenant, condition, or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

G. Time. Time is of the essence in the performance of all terms and provisions of this Agreement.

H. Calendar Days and Time. Unless otherwise provided in this Agreement, any reference in this Agreement to "day" or "days" shall mean calendar days and not business days. If the date for giving of any notice required to be given, or the performance of any obligation, under this Agreement falls on a Saturday, Sunday, or federal holiday, then the notice or obligation may be given or performed on the next business day after that Saturday, Sunday, or federal holiday.

I. Governing Laws. This Agreement shall be governed by, construed and enforced in accordance with the internal laws, but not the conflicts of laws rules, of the State of Illinois.

J. Authority to Execute.

1. **The Village.** The Village hereby warrants and represents to the Consultant that the persons executing this Agreement on its behalf have been properly authorized to do so by its corporate authorities.

2. **The Consultant.** The Consultant hereby warrants and represents to the Village that the persons executing this Agreement on its behalf have the full and complete right, power, and authority to enter into this Agreement and to agree to the terms, provisions, and conditions set forth in this Agreement and that all legal actions needed to authorize the execution, delivery, and performance of this Agreement have been taken.

K. Entire Agreement. This Agreement constitutes the entire agreement between the parties to this Agreement and supersedes all prior agreements and negotiations between the parties, whether written or oral, relating to the subject matter of this Agreement.

L. Waiver. Neither the Village nor the Consultant shall be under any obligation to exercise any of the rights granted to them in this Agreement except as it shall determine to be in its best interest from time to time. The failure of the Village or the Consultant to exercise at any time any such rights shall not be deemed or construed as a waiver of that right, nor shall the failure void or affect the Village's or the Consultant's right to enforce such rights or any other rights.

M. Consents. Unless otherwise provided in this Agreement, whenever the consent, permission, authorization, approval, acknowledgement, or similar indication of assent of any party to this Agreement, or of any duly authorized officer, employee, agent, or representative of any party to this Agreement, is required in this Agreement, the consent, permission, authorization, approval, acknowledgement, or similar indication of assent shall be in writing.

N. Grammatical Usage and Construction. In construing this Agreement, pronouns include all genders and the plural includes the singular and vice versa.

O. Interpretation. This Agreement shall be construed without regard to the identity of the party who drafted the various provisions of this Agreement. Moreover, each and every provision of this Agreement shall be construed as though all parties to this Agreement participated equally in the drafting of this Agreement. As a result of the foregoing, any rule or construction that a document is to be construed against the drafting party shall not be applicable to this Agreement.

P. Headings. The headings, titles, and captions in this Agreement have been inserted only for convenience and in no way define, limit, extend, or describe the scope or intent of this Agreement.

Q. Exhibits. Exhibit A attached to this Agreement is, by this reference, incorporated in and made a part of this Agreement. In the event of a conflict between an Exhibit and the text of this Agreement, the text of this Agreement shall control.

R. Rights Cumulative. Unless expressly provided to the contrary in this Agreement, each and every one of the rights, remedies, and benefits provided by this Agreement shall be cumulative and shall not be exclusive of any other rights, remedies, and benefits allowed by law.

S. Counterpart Execution. This Agreement may be executed in several counterparts, each of which, when executed, shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have executed this Agreement this 6th day of August, 2019.

ATTEST:

VILLAGE OF WINNETKA

By: _____
Village Clerk

By: _____
Village Manager

ATTEST:

CONSULTANT

By: _____

By: _____

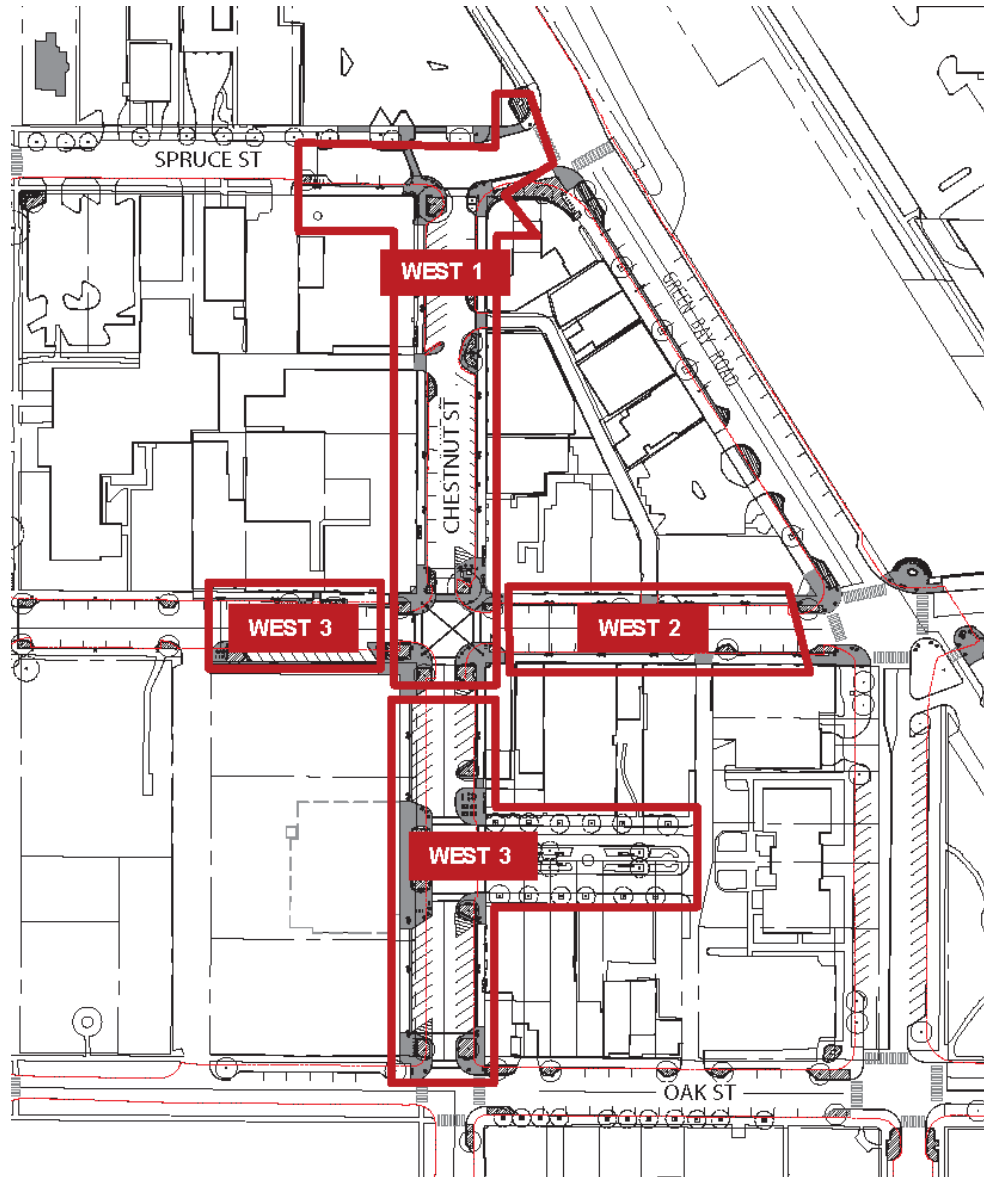
Title: _____

Its: _____

EXHIBIT A
PROPOSAL

SCOPE OF SERVICES DOWNTOWN STREETSCAPE - PHASE II VILLAGE OF WINNETKA

Design engineering and landscape architectural services are required to prepare plans, specifications, and cost estimates for streetscape improvements on Elm Street identified as “West 2” and the north side “West 3” in the Village of Winnetka Streetscape and Signage Master Plan as illustrated in the diagram below. The improvement will not include work within the IDOT ROW of Green Bay Road. Elm Street will also be resurfaced from Birch to Chestnut Street.



The roadway within the project limits will be resurfaced. The roadway and streetscape plans will be prepared in AutoCAD. Deliverables will be in electronic format, with pdf files for bidding and CADD files. The streetscape documentation will depict surface streetscape treatments including, but not limited to: sidewalk jointing patterns, unit paving areas, site furnishings and landscape plantings. The streetscape documents will be supported by materials and products catalogue cuts and photographs.

SCOPE OF SERVICES

DOWNTOWN STREETSCAPE - PHASE II

VILLAGE OF WINNETKA

1. Meetings and Coordination

- a. Two meetings or conference calls with the Village are anticipated during the plan development.
- b. Coordination activities will be required with the Village staff and private utility companies. Coordination with IDOT is not included since the improvements will not be within the IDOT ROW of Green Bay Road.

2. Topographic Survey

- a. Establish vertical and horizontal control points.
- b. Complete topographic survey.
- c. Develop base sheets.

3. Plans, Specifications, and Estimates (60% and 90% Submittals)

- a. Title Sheet
- b. Typical Sections
- c. Alignment, Ties, and Benchmarks
- b. Index of Sheets/General Notes
- c. Summary of Quantities
- d. Existing Conditions/Removal Plans
- e. Plans and Elevations
- f. Drainage Plans
- g. Pavement Marking and Signing Plans
- h. Maintenance of Traffic Plans.
- i. MOT General Notes and Description
- j. Lighting Plans
 - i. Plan
 - ii. One Line Diagram
 - iii. Equipment Details
 - iv. Pole Foundation Details
- k. Streetscape Plans -
 - i. Hardscape Plans
 - ii. Site Furnishings Plans
 - iii. Landscape Planting Plans
 - iv. Streetscape Details / General Notes
 - v. Specifications
 - vi. Quantities List / Cost Estimate
- l. Roadway Details including Village and IDOT Standards
- m. Quantity Calculations and Construction Cost Estimate
- n. Specifications conforming to the IDOT Standard Specifications for Road and Bridge Construction and the Village of Winnetka requirements. Special Provisions will be prepared for pay items not included in Standard Specifications.

4. Bidding Assistance

- a. Answer bidder questions and issue addenda as necessary
- b. Review and tabulate bids
- c. Contact bidder references as needed

SCOPE OF SERVICES DOWNTOWN STREETSCAPE - PHASE II VILLAGE OF WINNETKA

- d. Prepare a memorandum to Village recommending award to the lowest responsible bidder
- e. Review contractor alternative streetscape recommendations.

Note: Clean construction demolition debris (CCDD) and soil analysis will be risk managed during construction with the contractor either wasting earth excavation on the site or performing the necessary screenings and analysis for disposal.

DESIGN FEE SUMMARY
DOWNTOWN STREETScape - PHASE II
VILLAGE OF WINNETKA

See attached exhibits.

Ciorba Group	\$29,170.00
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Teska	<u>\$ 2,400.00</u>
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Total	\$31,570.00
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Alternate Add:

Teska provide rendering: \$2,500/rendering.

STAFF HOURS
Village of Winnetka
Downtown Streetscape - Phase II

Task Sub-Task	Activity	Grand Total	Project Manager	Project Engineer	Senior Engineer	Engineer II	Engineer I	Senior Technician	Technician
		245	9	59	21	76	53	20	6
1. Meetings and Coordination	Task Total:	18	2	11		2	3		
010 Meetings	Subtotal:	8	2	6					
	Meetings with Village Staff - 2 (Plan Reviews)	6	2	4					
	Meeting Minutes	2		2					
011 Coordination	Subtotal:	10		5		2	3		
	Coordination with Village	4		4					
	Coordination with Utilities	6		1		2	3		
2. Topographic Survey	Task Total:	26		3	3			14	6
020 Field Survey	Subtotal:	23		3	3			13	4
	Project Setup	1						1	
	Site Visits by Staff	6		3	3				
	Establish Vertical and Horizontal Control	8						4	4
	Topographic Survey	8						8	
021 Process Survey Information	Subtotal:	3						1	2
	Down Loading Total Station	1						1	
	Base Sheet Development	2							2

STAFF HOURS
Village of Winnetka
Downtown Streetscape - Phase II

Task Sub-Task	Activity	Grand Total	Project Manager	Project Engineer	Senior Engineer	Engineer II	Engineer I	Senior Technician	Technician
3. Plans, Specifications and Cost Estimates	Task Total:	184	3	35	18	72	50	6	
055 Contract Plans	Subtotal:	31		3		4	18	6	
	Title Sheet	1					1		
	Typical Sections	6				2	4		
	Alignment, Ties and Benchmarks	6						6	
	Index of Sheets/General Notes	4		1			3		
	Summary of Quantities	10				2	8		
	Plan Assembly - 2 Submittals	2					2		
	Disposition of Comments - 2 Submittals	2		2					
056 Roadway Plans	Subtotal:	72	2	14		32	24		
	Maintenance of Traffic	20		4		16			
	MOT General Notes and Description	4		1		3			
	Pavement Marking and Signing Plans (1"=20')	6		2			4		
	Plans and Elevations (1"=20')	22	2	4		4	12		
	Existing Conditions Removal Plans (1"=20')	5		1			4		
	Drainage Plans (1"=20')	10		2		8			
	Details including Village and IDOT Standards	5				1	4		
042 Lighting Plans	Subtotal:	48	1	9	16	22			
	Site Visit to Determine Lighting Contoller Location	3		3					
	Plan	29	1	4	8	16			

STAFF HOURS
Village of Winnetka
Downtown Streetscape - Phase II

Task	Sub-Task	Activity	Grand Total	Project Manager	Project Engineer	Senior Engineer	Engineer II	Engineer I	Senior Technician	Technician
		One Line Diagram	9		1	2	6			
		Details	5		1	4				
		Pole Foundation Details	2			2				
058	Quantity Calculations	Subtotal:	23		3	2	10	8		
		Quantities (Roadway)	14		2		4	8		
		Quantities (Lighting)	9		1	2	6			
059	Specifications & Estimates	Subtotal:	10		6		4			
		Specifications	4		4					
		Estimate of Cost (Pre-final & Final)	6		2		4			
4.	Bidding Assistance	Task Total:	6		2		2			
090	Bidding Assistance	Subtotal:	4		2		2			
		Bidding Assistance	4		2		2			
5.	QC/QA	Task Total:	8	2	6					
090	QC/QA	Subtotal:	8	2	6					
		Plans and Specifications	8	2	6					

STAFF HOURS
Village of Winnetka
Downtown Streetscape - Phase II

Task Sub-Task	Activity	Grand Total	Project Manager	Project Engineer	Senior Engineer	Engineer II	Engineer I	Senior Technician	Technician
6. Project Management & Administration		Task Total:	4	2	2				
100	Project Management & Administration	Subtotal:	4	2	2				
	Project Administration		2	1	1				
	Project Management		2	1	1				



**Cost Estimate of
Consultant Services**
(Direct Labor Multiple)

Client: Village of Winnetka

Date 07/22/19

ITEM	MANHOURS	PAYROLL	(2.8) TIMES PAYROLL	DIRECT COSTS	SERVICES BY OTHERS	TOTAL	% OF GRAND TOTAL
	(A)	(B)	(C)	(D)	(E)	(C+D+E)	
Meetings and Coordination	18	\$ 915.50	\$ 2,563.40	\$ 116.00		\$ 2,679.40	9.19%
Topographic Survey	26	\$ 1,027.50	\$ 2,877.00	\$ 130.00		\$ 3,007.00	10.31%
Plans, Specifications and Cost Estimates	184	\$ 7,481.00	\$ 20,946.80			\$ 20,946.80	71.81%
Bidding Assistance	6	\$ 186.00	\$ 520.80			\$ 520.80	1.79%
QC/QA	8	\$ 470.00	\$ 1,316.00			\$ 1,316.00	4.51%
Project Management & Administration	4	\$ 250.00	\$ 700.00			\$ 700.00	2.40%
TOTALS	246	\$ 10,330.00	\$ 28,924.00	\$ 246.00		\$ 29,170.00	100.00%



11 July 2019

To: Duane O’Laughlin, dolaughlin@ciorba.com, Ciorba Group, 773 355 2922

From: Jodi Mariano, Teska Associates, JMariano@TeskaAssociates.com, 847 869 2015

Re: Village of Winnetka, Elm Street Streetscape – proposal for streetscape advisory services

Dear Duane,

Please see the following proposal containing Teska’s scope items for the Phase 2 streetscape as requested by the Village of Winnetka. As we discussed, Teska would serve as an advisor to Ciorba throughout the streetscape documentation. Teska will provide CAD files from the Phase 1 Documentation for Ciorba’s reference. Teska will review and redline Ciorba plans as required to match the overall streetscape design intent. Fees associated with these services are \$2,400.

For an additional fee, Teska is available to produce documents, renderings, attend meetings and make presentations. Generally the cost to produce photovisualization renderings similar to what was produced during the phase 1 plans is in the range of \$2,500 per rendering. The specifics of these services would be determined in advance.

We look forward to continuing our work in Winnetka with Ciorba and I am happy to address any questions or clarifications that may arise.

Best,

A handwritten signature in blue ink that reads 'Jodi Mariano' with a long horizontal flourish extending to the right.

Jodi Mariano, Principal, Teska Associates | JMariano@TeskaAssociates.com | 847 869 2015

Project Schedule

PROJECT SCHEDULE DOWNTOWN STREETSCAPE - PHASE II VILLAGE OF WINNETKA

Work Task	2019					2020
	Aug	Sep	Oct	Nov	Dec	Jan
Notice to Proceed *	 8/12					
Topographic Survey						
P.S.&E. Preparation and Submittal (60%)						
Village Review of 60% P.S.&E.						
P.S.&E. Preparation and Submittal (90%)						
Village Review of 90% P.S.&E.						
Final P.S.&E. Preparation and Submittal						
Bidding						



Agenda Item Executive Summary

Title:

Resolution No. R-69-2019: Termination of One Winnetka Development Agreement and Zoning and Subdivision Approvals (Adoption)

Presenter:

Peter M. Friedman, Village Attorney

Agenda Date:

08/06/2019

Consent:☐

YES

☒

NO

☐

Ordinance

☒

Resolution

☐

Bid Authorization/Award

☐

Policy Direction

☐

Informational Only

Item History:

On October 16, 2018, the Village approved an Amended and Restated Development Agreement, a Planned Development Ordinance (M-13-2018), and related subdivision and other zoning approvals authorizing the proposed One Winnetka development ("Approval Documents"). At its July 16, 2019 meeting, the Council directed the Village Attorney to prepare a Resolution terminating the Approval Documents.

Executive Summary:

The One Winnetka development is currently not in compliance with two important provisions of the Approval Documents.

First, under the Development Agreement the Developer was required to provide to the Village a third-party financial guaranty on or before November 20, 2018. Despite several notices and an opportunity to cure, the Village has not received the required guaranty. Thus, an Event of Default exists under the Development Agreement.

Second, the Developer was required to close on the Conney's property and record the approved subdivision plat on or before December 31, 2018 ("Recording Deadline"). The Developer was unable to meet this deadline. The Developer invoked the extension clause in the Approval Documents to extend the Recording Deadline by a total of 180 days, or until June 29, 2019. To date, the Developer has not closed on the Conney's property and thus has also not recorded the final plat of subdivision. Under the Planned Development Ordinance, the Resolution approving the subdivision plat, and the Ordinance granting the related zoning map amendment, the Developer's failure to satisfy the Recording Deadline authorizes the Village Council, by resolution duly adopted, to revoke the Planned Development, subdivision approvals, and map amendment ordinance.

In addition, the One Winnetka properties have not been maintained in compliance with applicable Village property maintenance and life safety regulations. There are ongoing violations of the Village Code resulting from the failure to properly maintain the structures at 511-515 Lincoln Avenue, 714-732 Elm Street, and 740 Elm Street. Village staff has determined that the properties have not been properly maintained and remain in an unsafe condition and in an unfit state for human occupancy. As a result, we have filed a complaint in Cook County Circuit Court seeking a court order and other relief that will require that the properties be brought into compliance with Village and other applicable codes and regulations.

As directed by the Council at its July 16 regular meeting, Resolution No. R-69-2019 has been prepared, terminating the Approval Documents related to the One Winnetka development.

The Developer has also submitted a letter report and related documents on the status of the development and the condition of the property, and has asked to make a presentation to the Council at the August 6 meeting. Finally, Community Development Director David Schoon and Fire Chief Alan Berkowsky will be at the August 6 meeting to provide an update on the condition of the One Winnetka property.

Recommendation:

The Village Council should consider adoption of the Resolution No. R-69-2019, terminating the Approval Documents related to the One Winnetka development.

Attachments:

- Resolution No. R-69-2019 - A Resolution Terminating The Development Agreement And Zoning And Subdivision Approvals For The One Winnetka Development

- July 29, 2019 Letter Submittal and Related Documents from David Trandel

RESOLUTION NO. R-69-2019

**A RESOLUTION TERMINATING THE DEVELOPMENT AGREEMENT AND ZONING
AND SUBDIVISION APPROVALS FOR THE ONE WINNETKA DEVELOPMENT
(511-515 Lincoln Avenue and 710-740 Elm Street)**

WHEREAS, the Village of Winnetka is a home rule municipality in accordance with Article VII, Section 6 of the Constitution of the State of Illinois of 1970; and

WHEREAS, SB One Winnetka, LLC, a Delaware limited liability company ("**SB One**") is the record owner of the property commonly known as 511-515 Lincoln Avenue and 714-732 Elm Street, Winnetka, Illinois (collectively, "**SB One Property**"); and

WHEREAS, SB Winnetka, LLC, a Delaware limited liability company ("**SB Winnetka**") (SB One and SB Winnetka are, collectively, "**Developer**") is the record title owner of the property commonly known as 740 Elm Street, Winnetka, Illinois ("**740 Elm Street Property**"); and

WHEREAS, SB Winnetka is the contract purchaser of the property commonly known as 736 Elm Street, Winnetka, Illinois ("**736 Elm Street Property**") (the 740 Elm Street Property and the 736 Elm Street Property are collectively, "**SB Winnetka Property**"); and

WHEREAS, the Village is the record owner of the property commonly known as 710 Elm Street ("**Pre-Development Parking Lot Parcel**"); and

WHEREAS, the Developer proposed (i) to acquire from the Village a portion of the Pre-Development Parking Lot Parcel located to the east of the 736 Elm Street Property ("**Post-Development Transfer Parcel**") (the Post-Development Transfer Parcel, SB Winnetka Property, and SB One Property are, collectively, the "**Subject Property**"), (ii) to develop on the Subject Property three new mixed-use buildings for retail and residential uses and related on-site improvements ("**Development**"), and (iii) to convey to the Village a vertical portion of the Subject Property for public parking; and

WHEREAS, the Subject Property is located in the C-2 General Retail Commercial and C-2 Overlay Districts under the Winnetka Zoning Ordinance, Title 17 of the Winnetka Village Code; and

WHEREAS, on October 16, 2018, the Village approved Ordinance No. M-13-2018 ("**PD Ordinance**") granting the Developer for the Subject Property final approval of a planned development, a certificate of appropriateness, final development plan, and exemptions and modifications from the Winnetka Zoning Ordinance, Title 17 of the Winnetka Village Code ("**Zoning Ordinance**"); and

WHEREAS, in order for the Developer to construct a portion of the Development on the Pre-Development Parking Lot Parcel and a new public parking lot on the remaining portion of the Pre-Development Parking Lot Parcel, on October 16, 2018, the Village approved Ordinance No. M-11-2018 ("**Map Amendment Ordinance**") to (i) rezone the Pre-Development Parking Lot

August 6, 2019

R-69-2019

Parcel to the C2 General Retail Commercial District; (ii) rezone the 40 westerly feet of the Pre-Development Parking Lot Parcel to include it within the C2 Commercial Overlay District and the Standard Height Sub-District of the C2 General Retail Commercial District; and (iii) rezone a portion of the Pre-Development Parking Lot Parcel to be within the Transitional Height Sub-District of the C2 General Retail Commercial District; and

WHEREAS, on October 16, 2018, the Village approved Resolution No. R-57-2018 approving a final plat of subdivision for the Subject Property (***“Final Plat”***) and granting a variation for the Final Plat to enable the construction of the Development (***“Subdivision Resolution”***); and

WHEREAS, on October 16, 2018, the Village approved Resolution R-58-2018, pursuant to which the Developer and the Village entered into an Amended and Restated Development Agreement (***“Development Agreement”***), which Development Agreement set forth the Developer’s rights and obligations with respect to the construction of the Development; and

WHEREAS, Section 13.B of the PD Ordinance, Section 7.B of the Subdivision Resolution, and Section 4.B of the Map Amendment Ordinance respectively provide that the PD Ordinance, Subdivision Resolution, and Map Amendment Ordinance may be rendered null and void by resolution of the Village Council if the Developer does not record the Final Plat by December 31, 2018 (***“Recording Deadline”***), provided that the Developer may extend the Recording Deadline for two 90-day periods; and

WHEREAS, the Developer extended the Recording Deadline by two 90-day periods (collectively, ***“Extensions”***); and

WHEREAS, despite the Developer exercising the Extensions to extend the Recording Deadline to June 29, 2019, and repeated representations by the Developer to the Village that it would comply with all of its obligations under the PD Ordinance, Subdivision Resolution, Map Amendment Ordinance, and Development Agreement, as of the date of this Resolution the Developer has failed to record the Final Plat or take all of the steps necessary to be in the position to record the Final Plat; and

WHEREAS, Section 10.K of the Development Agreement requires the Developer within 25 business days after approval of the PD Ordinance, to deliver to the Village a Limited Guaranty of Completion as set forth in Exhibit Q to the Development Agreement, or such other security approved by the Village, from a third-party guarantor (***“Guaranty of Completion”***); and

WHEREAS, the Developer failed to provide the Village the Guaranty of Completion within 25 business days after approval of the PD Ordinance in violation of Section 10.K of the Development Agreement; and

WHEREAS, on November 28, 2018, the Village informed the Developer in writing that it had failed to provide the Guaranty of Completion and gave the Developer until December 28, 2018 to provide the Guaranty of Completion (***“November 28, 2018 Letter”***); and

WHEREAS, in response to the November 28, 2018 Letter, the Developer committed to providing the Village the Guaranty of Completion no later than January 30, 2019; and

WHEREAS, the Developer failed to provide the Guaranty of Completion by January 30, 2019; and

WHEREAS, on January 31, 2019, the Village declared an Event of Default under the Development Agreement; and

WHEREAS, as of the date of this Resolution the Developer has not provided the Village the required Guaranty of Completion; and

WHEREAS, on July 11, 2019, the Village filed a complaint against the Developer, among others, pursuant to 65 ILCS 5/11-31-1 *et seq.*, with respect to the unsafe and unfit condition of the structures on the SB One Property and SB Winnetka Property and the failure of the Developer to properly maintain the structures on the SB One Property and SB Winnetka Property; and

WHEREAS, after receiving a report on the status on the Developer's compliance issues and the condition of the SB One Property and SB Winnetka Property, the Village Council, at its July 16, 2019 regular meeting, directed that this Resolution be prepared and placed on the agenda at the Council's next regular meeting; and

WHEREAS, pursuant to Section 15.A.2 and Section 15.C of the Development Agreement, the Developer acknowledged and agreed that in the case of an Event of Default under the Development Agreement, the Village has an absolute right to terminate the entitlements set forth in the PD Ordinance and the Development Agreement, and to do so without protest or objection by the Developer; and

WHEREAS, the Village Council has determined that it is in the best interest of the Village and its residents to repeal, nullify, void, and terminate the PD Ordinance, the Subdivision Resolution, the Map Amendment Ordinance, and the Development Agreement in accordance with their terms;

NOW, THEREFORE, BE IT RESOLVED by the Council of the Village of Winnetka, Cook County, Illinois, as follows:

SECTION 1: RECITALS. The foregoing recitals are hereby incorporated as the findings of the Village Council, as if fully set forth herein.

SECTION 2: REPEAL OF PD ORDINANCE. Pursuant to Section 13.B of the PD Ordinance, the Village Council hereby repeals, nullifies, and voids the PD Ordinance and all approvals and rights granted therein.

SECTION 3: REPEAL OF SUBDIVISION RESOLUTION. Pursuant to Section 7.B of the Subdivision Resolution, the Village Council hereby repeals, nullifies, and voids the Subdivision Resolution and all approvals and rights granted therein.

SECTION 4: REPEAL OF MAP AMENDMENT ORDINANCE. Pursuant to Section 4.B of the Map Amendment Ordinance, the Village Council hereby repeals, nullifies, and voids the Map Amendment Ordinance and all approvals and rights granted therein.

SECTION 5: TERMINATION OF DEVELOPMENT AGREEMENT. Pursuant to Section 13 of the Development Agreement, the Village Council hereby declares that the Development Agreement is terminated as of the date of this Resolution except for those terms and conditions in the Development Agreement that survive termination.

SECTION 6: SEVERABILITY. If any paragraph, section, clause or provision of this Resolution is held invalid, the remainder shall continue in full force and effect without affecting the validity of the remaining portions of the Resolution.

SECTION 7: EFFECTIVE DATE. This Resolution will be in full force and effect from and after its passage and approval according to law.

ADOPTED this 6th day of August, 2019, pursuant to the following roll call vote:

AYES: _____
NAYS: _____
ABSENT: _____

Signed:

Village President

Countersigned:

Village Clerk



July 29, 2019

Mr. Peter Friedman
Holland & Knight, Partner
150 N. Riverside Plaza, Suite 2700
Chicago, IL 60606

Re: SB Winnetka, LLC's (the "Developer") development of those certain parcels of real property located on or about the corners of Lincoln and Elm Streets in downtown Winnetka, Illinois (the "Property") pursuant to that certain Amended and Restated Development Agreement dated October 16, 2018 (the "Agreement").

Via Email: peter.friedman@hklaw.com

Dear Peter:

As requested, this letter shall serve as notice to your client, the Village of Winnetka, that the Developer, and its attorney of some of their affiliates would like the opportunity to make a presentation to Village Board as their next scheduled Board meeting on August 6, 2019. This letter shall serve as a follow up to your letter dated June 20, 2019 referencing the building conditions at the Property and your subsequent letter dated July 2, 2019 identifying certain items of default from Sections 10.K and 7.B/13.B of the Agreement. Please be advised that as of today's date, the Developer has in fact made substantial progress to alleviate and remedy all code violations on the Property which should be achieved in the next few weeks. Rest assured there are no dangerous and hazardous conditions on or affecting any of the Property. As such, we respectfully seek permission to provide evidence of compliance at the August 6th Village Board meeting.

Regarding the allegations of default under the Agreement, as we have communicated in the past, there were protracted and extensive negotiations required to formalize the 6th contract amendment/extension with the owner's of Conney's Pharmacy. These negotiations took far longer than we reasonably anticipated for a wide variety of reasons beyond our control. I am happy to report that on July 9th, our lender, Romspen Investment Corporation (the project lender), agreed to the number of changes that the owner of Conney's required to be added to the 6th Amendment to the contract (the "Conney's Contract"). Our lender has been patient and diligent, assisting in these negotiations since January 2019 and we expect to close on the financing of this transaction by August 2nd (see attached Contract exhibit). One substantive change to the Conney's Contract was that the legal conveyance of the Conney's real property will now

only occur after the buildout of their new pharmacy (across the street) is completed. This new concept was not anticipated nor was it in prior iterations of the purchase and sale agreement previously negotiated by Conney's, and therefore additional time will be required to convey fee simple title to the Conney's real property.

Regrettably, none of this was contemplated when the Agreement was finalized because at that time, the Conney's owner had agreed to sell their real property and remain in their existing space while the build out was completed. This new deal term was the sole reason why the Developer could not effectuate recordation of the Plat as contemplated under the Agreement. It will take approximately 9 additional weeks to complete the construction buildout of the new Conney's pharmacy, and when a Certificate of Occupancy is received from the Village of Winnetka, pursuant to the Conney's Contract, fee simple title can then be conveyed and the Plat can be recorded, thus making the zoning entitlements gained from the Agreement effective. Please note, that the costs for the Conney's buildout plus the costs to close on the acquisition of the Conney's Contract will be funded by our lender and held in escrow by the title company. We expect that funding to be in place and in escrow later this week. Given that the Village Board will be presented with a resolution to terminate the Agreement and the accompanying zoning at the next Village Board meeting on August 6th, we respectfully seek to address the Village Board to provide an explanation and the evidence and assurances of the Developers ability to comply with the Agreement and therefore defer the proposed resolution or as a reason for not voting in favor of the resolution to terminate the Agreement.

In summary with detailed evidence to follow in the upcoming days:

1. Upon closing the loan provided by Romspen Investment Company, we will provide evidence of the funded construction buildout escrow and the funded balance to close the Conney's property transaction. Also, we will provide evidence that all outstanding real estate taxes have been paid. We expect work will begin on the Pharmacy construction by August 21st, 2019. See attached Loan Commitment.
2. The buildings at Property will have been brought into code compliance with safe, non-dangerous and hazardous-free conditions.
3. While out of my control, it is our hope to have Marc Jacobs from Conney's present at the Village Board meeting to express his sincere desire for the proposed development to move forward and to verify that we are in fact under the Conney's Contract. It is our hope that he will confirm that he is enthusiastically moving forward with the transaction.
4. Our new project sponsor(s) and partner(s), will accompany me to the meeting and will provide sealed financial statements in advance of the August 6th meeting indicating their financial wherewithal to comply with Exhibit Q of the Agreement. I will also be prepared to answer any questions about the construction financing.
5. Adjustments to the original plan, while not our intention from the onset, are inevitable given the changes in the global landscape in the Chicago area, Cook County and the State of Illinois. The uncertainty surrounding the ultimate value of assets in Illinois due to "wealth flight" brought on by proposed increase in real estate and income taxes are negative; and especially relevant in an affluent area such as Winnetka and greatly compound the issue. A recent CBRE report suggests that the proposed Cook County real estate tax increase will reduce the residual value of commercial real estate in Cook County by One Trillion dollars. With that in mind, we are not sure whether the Village Council will consider the proposed changes to the planned development minor or "substantial", but we are prepared to move forward with the development in substantial compliance with the approved Development Agreement and plans.

The suggested plans are in compliance with the agreed to public benefits consisting of 131 village owned parking spaces and requisite landscaping per the Agreement.

Adjustments to the approved plan are as follows:

- 1) an increase of the proposed unit count from the stated 58-62 units per the Agreement to up to 80 units. Net "livable" area will not be affected, nor will the envelope of the building design materially change.
- 2) a reconfiguration of the underground parking: eliminating the lower second level while still providing the agreed to "Public Benefit" of 131 parking stalls, and
- 3) the elimination of balconies favor of Juliet openings. However, the set-back terraces on floor 5, will remain per the design.

In addition to the above, I would like to take the opportunity to explain to the Village Board why revocation of the Agreement and termination of the Property's current zoning is not in the best interests of the constituents of Winnetka nor is the best path to getting the Property developed. Should the Village Board decide to revoke the Agreement and the underlying zoning, they are effectively putting the Property back to square one. In that event, it is likely that the existing lender's will default the Developer on its current mortgage loans. Arguably, foreclosure lawsuits will ensue in the Cook County Circuit Court. In the interim, if the Village wants to pursue demolition of the buildings, it would need to file an action under the Illinois Safe Property Act. In said lawsuit, the mortgage lenders would naturally intervene. Also, there could be other litigation over the Property. By the time all of the litigation is sorted out, it will likely take 3-5 years in court. The Cook County Circuit Court does not move that quickly in these types of matters. Then, once the litigation is over and sorted out, another developer would need to start all over with the Village to get the Property entitled and zoned all over again. That process in the past took several years and over 35 advisory and Village Board meetings combined.

The entitlement process was also very labor intensive and expensive with the necessary experts. It is not unrealistic that it could take another 5-7 years of the Property sitting vacant and undeveloped should the Village Board decide to unwind the Agreement. I truly hope the Village Board and Village officials will weigh in on this when deciding how to move forward at the next Village Board meeting. Also, if the Board's faith in the Developer is shaken in an irreparable way, revoking the Agreement and underlying zoning will prevent a successor developer from taking over the project and moving forward quickly to get the Property developed. It is not in the Village of Winnetka's best interest for the Property to remain vacant and undeveloped. Also, as the Village Board knows, the Property is currently assessed, by the Cook County Assessor as vacant, which it is. Having the Property fully developed and performing will necessarily increase the amount of real estate taxes the Property pays in, to the Village's real estate tax levy thereby diluting the amount other Village residents currently pay. So, for a wide variety of reasons, revoking the Agreement and underlying zoning in reaction to a handful of displeased results to date, is certainly not the most prudent way of dealing with the alleged defaults under the Agreement.

I would also like to take the opportunity at the meeting to apologize to the community-at-large for the delay in starting the project and apologize for the condition of the soon-to-be demolished buildings. While many of these factors were beyond my control and purview, it is our responsibility and I do not take it lightly as integrity can only be earned.

All of us involved in One Winnetka take extraordinary pride for creating what One Winnetka exemplifies - most notably its forward thinking vision and simply Winnetka being "Winnetka" ... solving problems and in this instance for a housing stock that is desired but currently doesn't exist. Walking home from the train for years and seeing the dilapidated buildings in the east campus of downtown fueled my inspiration and vision for the Development. While controversial at first, I am certain that the clear majority of residents are excited for what the Development will bring and are eager to see construction commence. Please do not hesitate to call me with any questions and I look forward to addressing the Village Board at their next meeting on Tuesday August 6, 2019. Thank you for your consideration.

Respectfully yours,

dt

David M. Trandel

Cc: Robert Bahan
David Schoon
John Murphy
John Diedrich
Wes Roitman
Glenn Udell
Richard Cavanaugh
Peter McDonnell
Skeet Walker



Our File: 8745

May 31, 2019

SB Winnetka, LLC
730 West Randolph Street, Suite 500
Chicago, IL 60661

SB One Winnetka, LLC
730 West Randolph Street, Suite 500
Chicago, IL 60661

Dear Sirs:

**Re: \$2,220,000 First and Second Ranking Mortgage Loan
736 Elm St., Winnetka, Illinois and 714-718 Elm Street and 513-515 Lincoln
Avenue, Winnetka, Illinois ("Property")**

We are pleased to inform you that, on the basis of the information and the documents supplied by you, Romspen Investment Corporation, (the "Lender") hereby submits to you this offer of financing ("Commitment") in connection with the property above mentioned and more fully described in Section 4 below.

This Commitment must be accepted by the Borrower and received by the Lender, together with the Standby Deposit as hereinafter set out, no later than May 29, 2019, failing which this Commitment shall become null and void without further notice. Borrower, Guarantor, and Lender agree to use good faith and commercially reasonable efforts to negotiate the Loan Documents and satisfy all applicable conditions precedent to any of their obligations set forth below.

This Commitment revises, replaces and supersedes the Commitment issued by Lender on May 24, 2019.

1. BORROWER

SB Winnetka, LLC and SB One Winnetka, LLC (the "Borrower"), which represents it is the legal and beneficial owner of all property and assets comprising the security required pursuant hereto. The Loan Documents shall limit transfers of ownership of Borrower, and shall prohibit Borrower or Borrower's constituent owners from making any sale, transfer or pledge of the membership interests of Borrower without the written consent of Lender.

2. GUARANTORS

David Trandel, and any other party who may have a related or beneficial interest in the Property. The guarantor(s) shall jointly and severally guaranty the Loan and their respective obligation to do so shall constitute a primary obligation of each of them. The guaranty shall be secured through a security interest (UCC-1) financing statement filing creating a second lien over all assets of each Guarantor.

3. APPROVED LOAN AMOUNT

The approved loan amount is \$2,220,000 (the "Loan"). At no time shall the outstanding amount under the Loan exceed 65% of Lender's estimate of the value of the Security at the time or times such calculation is made.

The Loan shall be funded by way of advances, the timing and amount of each advance in the sole discretion of the Lender.

4. THE PROPERTY

The Property consists of those parcels of land municipally described as 736 Elm St., Winnetka, Illinois and 714-718 Elm Street and 513-515 Lincoln Avenue, Winnetka, Illinois. The Property is to form part of a land assembly, the proposed use being a new mixed use development containing retail, residential condominium, and rental apartments.

5. ADVANCE DATE

The first advance under the Loan will be advanced on or about June 5, 2019, ("First Advance Date"). Any advance of funds under the Loan shall be an "Advance".

Provided Lender has satisfied itself that all conditions precedent which Borrower has to satisfy have been fulfilled and provided further that all Loan Documents have been executed and delivered to Lender (or to a title or escrow company for delivery to Lender and/or recordation of filing on the Lender's behalf), Lender agrees to make the first advance of the Loan Amount on or about the First Advance Date.

6. INTEREST RATE

The interest rate for the term portion of the Loan is ten and one-half percent (10.50%) per annum, calculated on the basis of a 360-day year and the actual days in each month, on the amounts advanced from time to time from the date of each Advance, until all outstanding balances are repaid. Additional interest shall be paid in the event of a default, as provided for in the security documentation to be provided to secure the Loan. If the Loan is in default, interest on the outstanding balance shall be compounded monthly.

Interest shall be payable monthly on the 1st of each month, the first of such payments to be made one (1) month from the Interest Adjustment Date. The Interest Adjustment date is the 1st day of the month following the first Advance Date. Lender shall be entitled to deduct from the First Advance, interest from the date of First Advance to the Interest Adjustment Date. Interest payments shall be made as set out in Section 14 of this Commitment.

7. TERM

The term of the Loan is six (6) months commencing from the Interest Adjustment Date (the "Loan Term"). The date on which the Loan Term expires is sometimes referred to herein as the "Loan Maturity Date".

8. USE OF FUNDS

To provide funds as follows:

- (a) To pay Lender's fee and other transaction costs (approximately \$105,000);
- (b) To provide funds (approximately \$400,000) to assist in completion of the building known as the "Conney's Pharmacy" ("Initial Advance");
- (c) To provide funds to pay realty taxes and insurance (approximately \$185,000);
- (d) The balance (approximately \$1,530,000) to assist in the acquisition of the "Conney's Parcel" (the "Acquisition Advance"), which parcel is described in the real estate loan agreement dated as of February 15, 2017, amount SB One Winnetka, LLC and SB Winnetka, LLC, and Romspen Mortgage Limited Partnership ("Existing Financing").

9. SECURITY

To secure repayment of the Loan, the following security for the Loan shall be granted in favor of the Lender, in form and content satisfactory to the Lender, Borrower and Guarantors, acting reasonably, and Lender's legal counsel (hereinafter collectively referred to as the "Security"):

- 9.1 a promissory note and loan agreement evidencing the Loan;
- 9.2 a second ranking mortgage lien and fixture filing, and other security satisfactory to Lender's attorneys (including a general assignment of rents and leases), in the amount of the Loan, on the Property which is not the Conney's Parcel;
- 9.3 upon making the Acquisition Advance a first ranking mortgage lien and fixture filing, and other security satisfactory to Lender's attorneys (including a general assignment of rents and leases), in the amount of the Loan, on the Conney's Parcel;
- 9.4 a second (subject only to the prior lien of Romspen) "all assets" security agreement encumbering all of the personal and real property of the Borrower, including, without limitation, goods, chattel paper, documents, accounts, intangibles, securities, monies, books and records and all replacements of, substitutions for and increases, additions and accessories to the foregoing and proceeds thereof, present and future;
- 9.5 a specific assignment of all the Borrower's right, title and interest in, to and under all material contracts and including all development permits and applications and building permits and letters of credit and/or bonds securing municipal obligations and all economic incentives affecting or with respect to the Property, as required by the Lender, with all necessary consents of the other parties thereto;

- 9.6 environmental indemnity agreement in form satisfactory to Lender and its attorneys, such agreement to be executed by Borrower and all guarantor(s);
- 9.7 acknowledgment of the status and terms of any contracts affecting or with respect to the Property including, without limitation, any pertaining to ownership, insurance, shared facilities, passageway agreements or other similar matters specifically, but without limitation, confirming the good standing of such contracts and the rights of the Lender under its security;
- 9.8 if any lien or similar interest is to be recorded with the Lender's prior written consent on title to the Property in subordinate priority to the Lender's security such subordinate lienholder shall provide to the Lender a Subordination and Standstill Agreement in the form prepared by the Lender;
- 9.9 the personal guaranty described in Section 2. Such guaranty shall further provide that the Lender shall not be obliged to proceed against the Borrower or to enforce or exhaust any security before enforcing the guaranty. Each guaranty shall be secured through a security interest (UCC-1 financing statement filing);
- 9.10 assignment of all insurance policies with respect to the Property and all proceeds and benefits therefrom in favor of the Lender;
- 9.11 assignment, postponement and subordination by the respective shareholders and/or members of the Borrower, in favor of the Lender, of any and all loans, indebtedness, distributions of income and/or capital owing or due to them from time to time by Borrower or its affiliates;
- 9.12 cost overrun and completion agreement in form satisfactory to Lender and its attorneys, such agreement to be executed by Borrower and all Guarantors;
- 9.13 a next ranking pledge of all issued shares and/or membership interests in the Borrower;
- 9.14 such amendments to the Existing Financing as required by Lender to reflect the requirements of this Commitment; and
- 9.15 such further and other security as the attorneys for the Lender may reasonably require.

No further financing with respect to the Property shall be permitted at any time during which the Loan remains outstanding, without Lender's express written consent. Lender acknowledges that T2 Winnetka I, LLC, has registered a mortgage against the Property and it shall be a requirement of the financing provided for in this Commitment that T2 Winnetka I, LLC, (a) consent to the Loan, (b) postpone its security to that of Lender and (c) enter into an intercreditor and subordination agreement in form satisfactory to Lender.

10. TRANSACTION FEES AND RELATED COSTS

Administration Fee:	\$ 1,000
Lender's Fee:	\$50,000
Insurance Risk Management Fee:	\$ 1,500
Lender's Advance Fee (per advance)	\$ 1,000

In addition to the aforementioned, the Borrower agrees to pay all costs, fees and expenses in connection with the Loan, including, without limitation:

- 10.1 engineering, environmental assessment, appraisal, credit information, inspection, architectural, project monitoring, cost consultancy, ALTA survey, title insurance, mortgage brokerage fees and costs, third party underwriting costs, and any and all other professional fees, including legal fees, and advisory costs as may be reasonably required by the Lender;
- 10.2 recording and filing fees, mortgage taxes, taxes and the like with regard to all documents required by the Lender's counsel to be recorded or filed.

Such fees and costs may, at the option of the Lender, be deducted from any Advance of the Loan.

In the event Lender orders third party reports but declines to proceed with the Loan, such reports will be released to the Borrower within five (5) business days after Lender has provided written notice to Borrower that it is not proceeding with the Loan.

11. STANDBY DEPOSIT

Reserved

12. ADVANCES AND CONDITIONS PRECEDENT

12.1 General

- 12.1.1 Subject to the other terms and conditions set forth in this Commitment and the Loan Documents (as defined herein), the Lender shall disburse the proceeds of the Loan to or on behalf of the Borrower in the amounts and as specified in Sections 3 and 8 herein.
- 12.1.2 It shall be a condition precedent to Lender's obligation to execute the Loan Document and advance the Loan that: (a) the Borrower shall be the legal and beneficial owner of a good and marketable title to the Property and all personal property associated therewith; and (b) the Property shall be free and clear of all security interests, charges, liens, mortgages, claims or other encumbrances, with the exception of the Security provided for in this Commitment and encumbrances or liens approved by Lender prior to closing, based on Lender's review and Lender's attorney(s)' review of the title, all existing loan documentation related to the permitted encumbrances, and other records related to the Property, and other due diligence, to the complete satisfaction of legal counsel for the Lender.

- 12.1.3 All taxes, assessments, duties, utility charges and other levies, liens and charges affecting the Property, other than amounts which are not yet due and payable, shall have been paid prior to the first Advance, failing which they shall be paid from the proceeds of the first Advance.
- 12.1.4 The Borrower shall fulfill all its obligations under any laws entitling a creditor to exercise rights against the Property. In this respect, if requested by Lender, the Borrower shall provide to the appropriate taxation, municipal, utilities and other authorities an authorization by which the Lender or any person authorized by it as its legal counsel, agent or manager, shall be able to obtain, in the name of the Borrower, a confirmation from such authorities that all payments, declarations and other filings of the Borrower are up to date, whether the authorities concerned have issued or will issue a default notice or demand for payment to the Borrower and whether any such notice concerns arrears. This authorization shall remain in effect until the Loan has been fully repaid.
- 12.1.5 Within five (5) business days from acceptance of this Commitment, the Borrower shall deliver to the aforementioned legal counsel the following documents (where applicable):
 - 12.1.5.1 required insurance policies;
 - 12.1.5.2 evidence that the tax accounts have been duly paid or will be paid at closing;
 - 12.1.5.3 certified copies of the articles of incorporation, operating agreement, certificate of incorporation, of status and/or of compliance of the Borrower;
 - 12.1.5.4 any other documents required hereunder and reasonably requested by the Lender's attorneys.

12.2 Advance Requirements

The Advance is conditioned upon the receipt by the Lender of the following documents, in form and substance satisfactory to the Lender and upon fulfillment by the Borrower of the following conditions precedent as well as those set out in the Loan Documents, to the entire satisfaction of the Lender:

- 12.2.1 the promissory note, loan agreement, Security, guaranties and any other documents relating to the Loan that are required or contemplated hereunder (the "Loan Documents") or which the Lender and its legal counsel may deem necessary, shall have been received and approved to the complete satisfaction of the Lender and its counsel and duly executed and recorded and perfected, as the case may be, and all approvals required by the Lender or its attorneys shall have been given;
- 12.2.2 a title insurance policy insuring title to the Property which is not the Conney's Parcel issued by a title insurance company acceptable to the Lender (the "Title Company") and in form and content satisfactory to the Lender (including customary endorsements) with the premiums to be paid for by the Borrower;

- 12.2.3 prior to advancing the Acquisition Advance, a title insurance policy insuring title to the Conney's Parcel issued by the Title Company and in form and content satisfactory to the Lender (including customary endorsements) with the premiums to be paid for by the Borrower;
- 12.2.4 an opinion of the Borrower's counsel on the due incorporation, corporate power and authority of the Borrower, the due authorization, execution, delivery, validity and enforceability of this Commitment and the Loan Documents and such other matters as the Lender or its counsel may reasonably require;
- 12.2.5 a certificate of the Borrower confirming the truth and survival of the representations and warranties contained herein;
- 12.2.6 evidence that the Borrower has complied with its obligations with respect to insurance requirements as more fully set out in Schedule "D", together with a favorable opinion of the Lender's insurance consultant on the adequacy of all insurance policies and or bonding requirements referred to and/or required to be delivered and/or maintained hereunder;
- 12.2.7 evidence that all taxes, rates, assessments, liens and charges which may be levied or imposed against the Property and/or the Borrower's business, including all utilities and other amounts capable of forming a lien against the Property have been paid in full or will be paid at closing;
- 12.2.8 an acceptable site inspection has been completed on behalf of the Lender;
- 12.2.9 a satisfactory interview with the Borrower has been conducted by the Lender;
- 12.2.10 a satisfactory review of the present and intended use of the Property and the income generated and to be generated from the Property;
- 12.2.11 an environmental report prepared, at the expense of the Borrower, by qualified environmental consultants acceptable to the Lender, addressed to the Lender or, alternatively, accompanied by a letter of transmittal from the environmental consultants who prepared the report, allowing the Lender to rely upon the same and to use it for mortgage purposes, disclosing no site contamination or hazardous substances and confirming, to the satisfaction of the Lender, that the Property complies with applicable environmental laws. The Borrower hereby agrees to provide all information that it has with respect to environmental matters and hereby warrants to provide full disclosure in this regard to the Lender;
- 12.2.12 an appraisal report of the Property prepared in a form and substance satisfactory to the Lender, at the expense of the Borrower, by a qualified appraiser acceptable to the Lender, addressed to the Lender, or, alternatively, accompanied by a letter of transmittal from the appraiser allowing the Lender to rely upon the same and use it for mortgage purposes;

- 12.2.13 Borrower shall provide a pro forma income and expense projection for the proposed improvements and a proposed cost budget to complete the project;
- 12.2.14 Borrower shall provide evidence satisfactory to Lender and its attorneys confirming reinstatement and extension of the Real Estate Contract for Commercial Building dated April 14, 2016, for the sale of the Conney's Parcel commonly known as 736 Elm St., Winnetka, Illinois to SB Winnetka, LLC;
- 12.2.15 Borrower shall provide a budget satisfactory to Lender with respect to the completion of construction of the Conney's Pharmacy;
- 12.2.16 Borrower shall provide evidence satisfactory to Lender of all municipal zoning and development entitlements in place and timeline to obtain proposed entitlements and that the development approval for the Property has been extended by the Village of Winnetka;
- 12.2.17 satisfactory evidence that all applicable utilities, including water, sewer, hydro, and all utility connections have been approved and are available for the Property;
- 12.2.18 the Lender and its counsel shall have approved any, and all contracts and documents affecting or with respect to the Property;
- 12.2.19 the project management agreement, any co-owners agreement, and/or the nominee trust agreement in effect in respect of the Property;
- 12.2.20 evidence of compliance with The Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) and Regulations, including but not limited to:
 - (a) Each individual Guarantor is to provide, **at least 3 days prior to funding**, the completed Agent Examination of Identification as shall be provided to Borrower by Lender;
 - (b) Borrower and any corporate Guarantor is to provide, **at least 3 days prior to funding**, with the following:
 - (i) Corporation profile report or Certificate of Status confirming such corporate Borrower or corporate Guarantor has not been dissolved;
 - (ii) Executed Certificate of Incumbency setting out the names of all directors and officers, and the office held by each officer;
 - (iii) Executed director(s)' resolution authorizing the transaction;
 - (iv) Shareholders' register;
 - (v) A completed Agent Examination of Identification form is required for each signing officer (up to a maximum of 3);
 - (vi) Borrower and each Guarantor shall represent and covenant that it is not and will not become a person (individually, a "Prohibited Person" and collectively "Prohibited Persons") listed on the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Asset Control, U.S.

Department of the Treasury (the "OFAC List") or otherwise subject to any other prohibitions or restriction imposed by laws, rules, regulations or executive orders, including Executive Order No. 13224, administered by OFAC (collectively the "OFAC Rules"). Borrower and Guarantor also shall represent and covenant that it also (i) is not and will not become owned or controlled by a Prohibited Person, (ii) is not acting and will not act for or on behalf of a Prohibited Person, (iii) is not otherwise associated with and will not become associated with a Prohibited Person, and (iv) is not providing and will not provide any material, financial or technological support for or financial or other service to or in support of acts of terrorism or a Prohibited Person. Borrower will not transfer any interest in Borrower to or enter into a Lease with any Prohibited Person. Borrower shall immediately notify Lender if Borrower has knowledge that any Guarantor or any member or beneficial owner of Borrower or any Guarantor is or becomes a Prohibited Person or (A) is indicted on or (B) arraigned and held over on charges involving money laundering or predicate crimes to money laundering. Borrower will not enter into any Lease or any other transaction or undertake any activities related to the Loan in violation of the federal Bank Secrecy Act, as amended ("BSA"), 31 U.S.C. §5311, et seq. or any federal or state laws, rules, regulations or executive orders, including, but not limited to, 18 U.S.C. §§1956, 1957 and 1960, prohibiting money laundering and terrorist financing (collectively "Anti-Money Laundering Laws"). Borrower shall (a) not use or permit the use of any proceeds of the Loan in any way that will violate either the OFAC Rules or Anti-Money Laundering Laws, (b) comply and cause all of its subsidiaries to comply with applicable OFAC Rules and Anti-Money Laundering Laws, (c) provide information as Lender may require from time to time to permit Lender to satisfy its obligations under the OFAC Rules and/or the Anti-Money Laundering Laws and (d) not engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the foregoing. Borrower shall immediately notify Lender if any Tenant becomes a Prohibited Person or (A) is convicted of, (B) pleads nolo contendere to, (C) is indicted on, or (D) is arraigned and held over on charges involving money laundering or predicate crimes to money laundering.

- 12.2.21 notwithstanding anything contained herein, no Advance shall be made by the Lender until it shall have been duly advised by its legal counsel that, having regard to all the circumstances, such Advance should be made.

13. TERMINATION

In the event the Borrower is in default for any reason whatsoever under the terms of this Commitment, or if it does not fulfill the conditions for disbursement of the Loan in accordance with the terms and conditions contained herein or in any other agreement or document relating to this Commitment, no

later than five (5) business days prior to the First Advance Date, or if any information or document supplied by the Borrower is found to be incomplete or inaccurate in a material respect or if for any reason the Borrower does not accept all or a part of the proceeds of the Loan when the Lender makes the same available, the parties to this Commitment hereby acknowledge that the Lender shall be entitled, at its discretion, to cancel its obligations under this Commitment and to retain the Standby Deposit as liquidated damages and in such event, this Commitment shall thereafter, subject as hereinafter provided, be null and of no further effect, without any further recourse by either party against the other. In addition, notwithstanding the forfeiture of the Standby Deposit, the Borrower and Guarantors shall remain liable and be required to pay and reimburse the Lender all fees, costs and expenses as set out in Section 10 whether or not the Loan is proceeded with. The aforesaid covenants and agreements with respect to the Standby Deposit and the Borrower's and Guarantors' obligation to pay and reimburse the abovementioned amounts are enforceable by the Lender notwithstanding the termination of this Commitment, each of such covenants and agreements having an independent existence from this Commitment.

14. OTHER FINANCING TERMS

14.1 Repayment and Monthly Mortgage Installments

Interest computed as provided in Section 6 shall be payable monthly in arrears on the same day of each and every month throughout the Loan Term. Notwithstanding the foregoing, the Lender may, at its sole discretion, deduct interest accrued to the date of any Advance from the proceeds of such Advance. Lender may further deduct interest from the First Advance from the date of First Advance to the Interest Adjustment Date.

With respect to any Advance, funds shall be deemed advanced on the date that the funds are removed from the Lender's account and designated to the Borrower's account or as the Borrower may direct.

Upon expiration of the Loan Term, the principal of the Loan, together with any unpaid interest and all other amounts due and owing by the Borrower to the Lender shall be immediately due and payable.

14.2 Reserve for Real Estate Taxes

The Borrower shall maintain all tax accounts current. However, the Lender shall have the right to require the establishment of a tax reserve by way of monthly payments representing the Lender's estimate of one twelfth (1/12) of the annual taxes payable.

The Lender shall not be responsible for the payment of any tax arrears.

14.3 Method of Payment of Monthly Instalments of Interest

The Borrower shall remit payments via an automatic debit service, by submitting the Authorization Form attached hereto as Schedule "E", together with a "void" check. If there are any changes to the Borrower's regular payment, the Lender will provide notice at least ten (10) days in advance of the debit. Please note that all of the account information provided in this respect will be kept confidential.

14.4 Condition upon Maturity

In the event that the Borrower fails to repay the principal and interest outstanding on the Loan Maturity Date or any renewal thereof agreed to by the Lender, the Lender may, at its sole discretion, extend the mortgage for a period of one (1) month from the original Loan Maturity Date or any renewal thereof as set forth in Section 7 or as otherwise may be agreed to by the Lender, at an interest rate equal to the higher between the Interest Rate for the Loan and the then Royal Bank of Canada Prime Rate per annum plus five percent (5.00%), calculated and payable monthly. In the event that the Loan has not been repaid or renewal has not been finalized within this one (1) month period, then there will be no further extensions, and the Lender may exercise its remedies under the Loan Documents.

The interest rate applicable will be determined by the Lender on the first (1st) Banking Day of the month in which the Loan matures.

"Royal Bank of Canada Prime Rate" means the rate of interest, expressed as a percentage per annum, published and quoted by Royal Bank of Canada's Toronto, Ontario, Head Office and which is commonly known as the prime lending rate for commercial loans in Canadian Dollars.

"Banking Day" for the purposes of this clause, will mean a day on which the Toronto, Ontario, Head Office for the Royal Bank of Canada is open for business and which is not a Saturday, Sunday, Civic or Statutory Holiday.

The Loan may be paid in full on the Loan Maturity Date or any renewal thereof agreed to by the Lender, or any time during the one (1) month extension period without notice, bonus or penalty, other than payment of the Extension Fee and any applicable discharge fees as hereafter set out.

An extension fee which is the greater of Five Thousand Dollars (\$5,000.00) or one percent (1.00%) of the outstanding balance shall be added to the principal balance if this extension provision is utilized.

14.5 Tax Withholding.

Borrower shall if required by law, withhold federal income tax as required from payments made to Lender and shall immediately pay or cause to be paid the withheld funds to the Internal Revenue Service. Any amounts withheld by Borrower and paid to the Internal Revenue Service shall, for all purposes, be treated as though they were received by Lender on the date the amount is paid to the Internal Revenue Service. Each party shall provide the other, as applicable, with any necessary documentation to obtain reduced or no withholding tax as portfolio interest under the Internal Revenue Code or any applicable income tax treaty, including Lender providing IRS Form W-8BEN to Borrower. Under the United States – Canada Income Tax Treaty (the "Treaty") as in effect on the date of this Agreement, Lender and Borrower agree that there is currently no withholding required on the interest for the Loan. In order for the interest to qualify as portfolio interest, the Note shall be in registered form as to both principal and interest. In addition, the Note may be

assigned or transferred only by the Lender, and Borrower must either reissue the Note to the new holder or issue a new note to the new holder, if so required by Lender or Lender's assignee.

15. LEGAL COUNSEL

The documents relating to the financing shall be prepared by the Lender's counsel who shall act on behalf of the Lender:

Trevor A. Jenkins
Bryan Cave Leighton Paisner LLP
1200 Main Street, Suite 3800
Kansas City, Missouri 64105
Tel: 816-374-3262
Fax: 816-855-3262
trevor.jenkins@bryancave.com

The Borrower shall be responsible for all legal costs involved in the preparation, settlement, execution and delivery of this Commitment, the Loan Documents and all other documentation and legal due diligence related to the Loan.

16. PREPAYMENT PRIVILEGE

The Borrower shall, when not in default, have the right to prepay all of the amount outstanding under the Loan prior to the Maturity Date, on any payment date, upon giving the Lender one (1) month's written notice in advance of payment and upon payment of a bonus equal to one (1) month's additional interest.

17. PARTIAL DISCHARGES

There are no partial discharge privileges.

18. SURVEY

The Borrower shall deliver to the Lender within five (5) business days prior to the First Advance for its examination an ALTA survey of the Property prepared by a duly qualified Land Surveyor, and certified to Lender and the Title Company showing, *inter alia*:

- 18.1 the boundaries and dimensions of the lands;
- 18.2 the location of all buildings and other improvements (if any) on the Property;
- 18.3 the names and municipal block numbers of adjacent streets;
- 18.4 the location of all recorded easements, rights of way, etc.

If a survey comporting with the foregoing requirements is not available, Borrower shall deliver to Lender copies of each survey available to Borrower, so that Lender may make a determination as to the adequacy of the existing survey. Said survey shall be approved by the legal counsel for the Lender. If said survey is not an original signed and sealed survey, the Borrower hereby undertakes to deliver to the Lender, within a reasonable time after the First Advance, three (3) original signed and sealed copies of the said survey, or an original certification letter from the Land Surveyor who

prepared the survey, expressly permitting Lender and Title Company to rely upon the survey as provided. Immediately prior to the First Advance, Borrower shall deliver to Lender and the Title Company, an affidavit of a senior officer of the Borrower certifying that, since the preparation of the said survey, no new easement has been created, no construction or modification of any building shown thereon has been effected (other than construction expressly approved by Lender as part of the renovation and development of the Project) and no new construction has been erected by a neighbor along the boundaries of the land described therein.

19. **INTENTIONALLY DELETED**

20. **SHARE CAPITAL/MEMBERSHIP INTERESTS OF THE BORROWER**

The Borrower declares and represents that its authorized share capital/membership interests are as follows:

SB ONE WINNETKA, LLC

Number of shares/ Interests	Class	Shareholders/Members/ Limited Partners
5%	NA	SPC Winnetka Investors
95%	NA	Greeley Investors

SB WINNETKA, LLC

Number of shares/ Interests	Class	Shareholders/Members/ Limited Partners
5%	NA	SPC Winnetka Investors
95%	NA	Greeley Investors

21. **SPECIAL PROVISIONS**

The Initial Advance shall be funded into a construction escrow ("Construction Escrow") acceptable to Lender, the following additional conditions must be satisfied for releases from the Construction Escrow:

- 21.1.1 (i) Receipt of back-up documentation for the disbursement request including a summary of the current work in place, cost to complete, a detailed budget for both onsite and offsite work and a schematic showing the work in place to date

that such disbursement request is being requested. Borrower shall also provide back-up documentation satisfactory to Lender that confirms the work in place (a copy of the general ledger, bank statements and cancelled checks), and lien waivers (if applicable); and

- 21.1.2 Receipt of a title update confirming no subsequent or prior items to Lender's security.

Notwithstanding anything contained herein to the contrary, Lender acknowledges and agrees that prior to the Initial Advance it will not be receiving any mortgage lien or other security interest in the Conney's Parcel and that no such conveyance is necessary in order to make the Initial Advance, and that Borrower will not own the Conney's Parcel at the time of the Initial Advance to finish the build out of the Conney's Replacement Parcel. Lender shall receive a first mortgage lien on the Conney's Parcel on the date of the Acquisition Advance.

22. CROSS-DEFAULT AND CROSS-COLLATERALIZATION

The Borrower and Guarantor(s) hereby acknowledge that any default with respect to this Loan will constitute a default with respect to any other debt owing by any of them to the Lender or to an affiliate of the Lender. Vice versa, a default in paying any other debt of the Borrower or a Guarantor owing to the Lender or to an affiliate of the Lender will constitute a default with respect to this Loan. The Loan shall be cross collateralized with each other property owned by any Borrower, including 714-718 Elm Street and 513-515 Lincoln Avenue, Winnetka, Illinois.

23. SIGNAGE

Subject to compliance with requirements of applicable municipal by-laws, the Lender shall be entitled to place on the Property signage indicating the Lender's participation in the funding of the Property.

24. ADVERTISING BY LENDER

The Lender may, in its advertising describe and/or picture the Property without identifying the Borrower. The cost of the said advertising shall be paid by the Lender.

The Borrower agrees that Lender may advertise the availability of the Loan to its potential investors by providing details of the same, by any means whatsoever including but not limited to, letter, fax, e-mail and posting on its website. Lender may not include any information (including, but not limited to, Borrower's or any Guarantor's name or contact information such as telephone numbers and email addresses) relating to Borrower or any Guarantor to its potential investors in such advertising.

25. APPLICABLE LAW

The terms and conditions of this Commitment as well as all other documents relating to the execution of the transactions provided for by this Commitment shall be governed by and interpreted in accordance with the laws of the State of Illinois and of the United States and the Borrower and Guarantor hereby irrevocably attorn to the jurisdiction of the courts of the State of Illinois.

26. CURRENCY

All monetary amounts expressed in this Commitment are in US dollars.

Borrower agrees to pay an additional amount to Lender (the "**Currency Adjustment**") in the event that Lender incurs any currency exchange losses when the Loan is repaid by Borrower and then converted to Canadian dollars by Lender upon such repayment. The Currency Adjustment, if any, will be determined by subtracting the amount of Canadian dollars actually received by Lender after converting U.S. dollar repayment(s) from Borrower from the aggregate amount in Canadian dollars that Lender expended to fund the United States dollar advances under the Loan. A positive difference represents a net currency loss to be covered by Borrower by paying a Currency Adjustment to Lender. Lender shall, at its option, either: (a) convert funds at the offered or prevailing exchange rate of a financial institution or exchanger of its choosing, on a banking date within two (2) banking days after repayment, and Lender shall use its best efforts but shall have no obligation to ensure that it is obtaining the most favorable exchange rate available on the date of conversion, or (b) determine the Canadian dollar value of United States dollars received, based on the Bank of Canada end of day rate on the date the funds are credited to the Lender's account. Lender will provide Borrower with a reconciliation of the Currency Adjustment calculation, and the payment by Borrower of the Currency Adjustment, if any, will be a condition of Lender providing Borrower with a release or discharge of its collateral.

27. AMENDMENT

The terms or requirements of this Commitment or any security may not be waived or varied orally, or by any course of conduct of any officer, employee or agent of the Lender, Borrower or Guarantors. Any amendment to this Commitment must be in writing and signed by a duly authorized officer of the Lender, the Borrower and Guarantors; provided, however, that the Lender may unilaterally extend the date for return of this Commitment or receipt of any documentation upon written notice to the Borrower.

28. ASSIGNMENT BY BENEFICIAL OWNER AND/OR BORROWER

None of any beneficial owner, the Borrower or the Guarantor shall assign their rights and obligations pursuant to the Commitment, and/or the security required by the Commitment in whole or in part, without the Lender's prior written consent, which consent may be withheld in the Lender's sole and absolute discretion.

29. MORTGAGE RECORDATION

It is understood that neither the preparation nor the recordation of any of the documents contemplated herein shall bind the Lender to advance the funds or any unadvanced portion thereof, it being agreed that any Advance from time to time shall be in the sole, absolute, unfettered and unqualified discretion of the Lender.

30. SUCCESSORS AND ASSIGNS

This Commitment shall enure to the benefit of the Lender and its successors and assigns and be binding upon the heirs, personal representatives and permitted successors, and assigns of the

Borrower, and the Guarantor, including any successors by virtue of any amalgamation or other corporate reorganization and including any trustee in bankruptcy.

31. CONFIDENTIALITY

The Borrower and Guarantor acknowledge and agree that the terms and conditions recited herein are confidential between the Borrower, the Guarantor and the Lender. The Borrower and Guarantor agree not to disclose the information contained herein to a third party without the express written consent of the Lender.

32. ASSIGNMENT AND SYNDICATION

The Borrower hereby acknowledges that this Commitment, when accepted, and any security in furtherance thereof may be assigned by the Lender, or monies required to be advanced may be syndicated by the Lender from time to time.

33. CREDIT AUTHORIZATION AND CONSENT TO DISCLOSURE

The Lender may collect, retain, release, disclose, exchange, share, transfer and assign from time to time, as it may determine in its sole discretion, all information and materials (including financial statements and information concerning the status of the Loan, such as existing or potential Loan defaults, lease defaults or other facts or circumstances which might affect the performance of the Loan) provided to or obtained by it relating to any Borrower, or Guarantor, the Property, or the Loan (both before and after the disbursement of funds and/or default thereunder) without restriction and without notice to or the consent of any Borrower and/or Guarantor (and each Borrower and Guarantor hereby irrevocably consents thereto):

- (a) to any other Lender or investor who has an interest in the Loan;
- (b) to any proposed purchaser or subsequent owner of the Loan including any subsequent or proposed Lender and their respective third party advisors and agents, such as lawyers, accountants, auditors, consultants, appraisers and credit verification sources;
- (c) to the public or any private group in any offering memorandum, prospectus or other disclosure document relating to any sale, syndication or securitization of the Loan (including all initial and continuing disclosure requirements), regardless of format or scope of distribution;
- (d) to the public or other interested persons, directly or indirectly through information service providers or other market participants, for the purpose of providing market information from time to time relating to the status of the Loan or any related securitization or any interest therein, regardless of format or scope of distribution;
- (e) to any governmental authority having jurisdiction over any sale, syndication or securitization of the Loan or any trade of any interest therein;
- (f) to any other person in connection with the sale, syndication or securitization of the Loan, including insurers and rating agencies; and
- (g) to any other person in connection with the collection or enforcement proceedings taken under or in respect of the Loan.

Without limiting the foregoing, each Borrower and Guarantor hereby consents to the Lender obtaining all information as may be necessary from all available sources as to the creditworthiness of each Borrower and /or Guarantor and acknowledges that the Lender may collect or come into possession of personal information relating to certain individuals either comprising or otherwise connected with the Borrower and/or Guarantor which information may include contact information (mailing address, e-mail address, telephone number or fax number), financial information and status (bank account numbers, existing debts, personal net worth or credit history), date of birth, place of employment and social insurance number. Each Borrower and Guarantor acknowledges and agrees that such personal information may be used by Lender in connection with the processing, approving, funding, servicing and administering the Loan and any sale, syndication or securitization of the Loan, and in so doing the Lender may disclose and otherwise deal with personal information in the same manner and to the same persons as provided in the preceding paragraph without restriction and without notice to or the consent of any Borrower and/or Guarantor or any related individual. Each Borrower and Guarantor for itself and on behalf of its directors, officers, shareholders and principals, hereby consents to and authorizes such use and disclosure of all such personal information by the Lender and represents and warrants that it has full power and authority to give such consent and authorization. Notwithstanding the aforesaid, Lender undertakes to act reasonably with respect to disclosure of information and will only do so where commercially necessary and advisable with respect to Lender's business.

34. MATERIAL ADVERSE CHANGES

In the event that at any time either before the First Advance and/or while any indebtedness remains outstanding pursuant to the Loan, the Lender discovers a material discrepancy or inaccuracy in any written information, statements or representations made or furnished to the Lender by or on behalf of the Borrower or any Guarantor or concerning the Property, or the financial condition and responsibility of the Borrower or any Guarantor or in the event that the Lender discovers any material adverse change in the value of the Property or the financial status of the Borrower or any Guarantor or any lessee on which the Lender relied upon in making any Advance, which material change, discrepancy or inaccuracy cannot be rectified by the Borrower or such Guarantor or Lessee (as applicable) within 60 days after written notification thereof by the Lender to such Borrower or such Guarantor or lessee, the Lender shall be entitled to decline to advance any funds pursuant to the Loan and at its option terminate this Commitment. In the event that at any time after the First Advance, the Lender discovers a material discrepancy or inaccuracy in any written information, statements or representations made or furnished to the Lender by or on behalf of the Borrower or any Guarantor or concerning the Property, or the financial condition and responsibility of the Borrower or any Guarantor, or any lessee on which the Lender relied upon in making any Advance, which material change, discrepancy or inaccuracy cannot be rectified by the Borrower or such Guarantor or Lessee (as applicable) within 30 days after written notification thereof by the Lender to such Borrower or such Guarantor or Lessee, the Lender shall be entitled to declare any and all amounts advanced together with interest thereon and any costs incurred by the Lender to such date, to be immediately due and payable.

35. ENTIRE AGREEMENT

This Commitment, together with its schedules and any agreements, instruments and other documents herein contemplated to be entered into between, by or including the parties hereto constitute the entire agreement between the parties hereto pertaining to the subject matter of this Commitment and supersede all prior agreements, understandings, negotiations and discussions,

whether oral or written, with respect thereto, and there are no other warranties or representations and no other agreements between the parties hereto in connection with the Commitment provided for herein except as specifically set forth in this Commitment and the Borrower's application relating thereto.

36. SCHEDULES

The following documents marked "X" are attached as schedules to this Commitment and form a part hereof:

- X Schedule A Property Description
- X Schedule B Survey Certification
- X Schedule C Title Insurance Requirements
- X Schedule D Insurance Requirements
- X Schedule E Pre-authorized Debit Form

37. DATES OF EXPIRATION

- 37.1 The Loan Documents shall be executed and delivered to the Lender's counsel no later than three (3) business days prior to the First Advance Date and the first Advance must take place no later than the First Advance Date unless otherwise agreed to by Lender or its attorneys in writing.
- 37.2 If on or before the date specified in Section 37.1 the security documents provided to the Borrower or its counsel have not been delivered for recordation and the first Advance has not been disbursed by the First Advance Date, the Lender may at any time thereafter, in its sole discretion, terminate its obligations under the terms of this Commitment and/ or the Loan Documents and may retain the Standby Deposit as liquidated damages.
- 37.3 The Lender may, at its sole option from time to time, elect to extend the above-mentioned date by which the Loan Documents are to be executed and recorded and/or the date by which the Loan is to be disbursed or any of the other time periods contained in this Commitment. Time shall remain of the essence of this Commitment and all other terms and conditions shall remain unchanged.

38. WAIVER

The terms and conditions contained in this Commitment are inserted for the exclusive benefit of the Lender and may be waived in whole or in part by the Lender at any time. No Advance, either singularly or collectively, shall constitute a waiver of any of the Borrower's obligations nor obligate the Lender to make further Advances, except as set forth in the Loan Documents.

The Lender's failure to insist upon a strict performance of any obligation or covenant of this Commitment by the Borrower or to exercise any option or right herein shall not be a waiver, or relinquishment for the future of such obligation or covenant, option or right, but the same shall remain in full force and effect and the Lender shall have the right to insist upon the strict performance by the Borrower of any and all of the terms and provisions of this Commitment and the security documentation.

39. COUNTERPARTS

This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same Agreement. Counterparts may be executed either in original or faxed or emailed form and the parties adopt any signature received by a receiving fax machine or email as original signatures of the parties; provided, however, that any party providing its signature in such manner shall promptly forward to the other party an original of the signed copy of this Agreement which was so faxed or emailed.

ROMSPEN INVESTMENT CORPORATION

By: _____

Name: Wesley Roitman

Title: Managing General Partner

I have authority to bind the corporation.

ACCEPTANCE

We hereby accept the terms and conditions set out in this Commitment and submit the Standby Deposit, on this _____ day of _____, 2019.

BORROWER:

SB WINNETKA, LLC
a Delaware limited liability company
By: Greeley Manager, LLC
Its: Manager

Per: [Redacted]
Name: [Redacted]
Title: [Redacted]
I have authority to bind the Corporation

SB ONE WINNETKA, LLC

A Delaware limited liability company
By Greeley Manager, LLC
Its: Manager

Per: [Redacted]
Name: [Redacted]
Title: [Redacted]
I have authority to bind the Corporation

GUARANTOR:

The Guarantors hereby accept the terms and conditions of this Commitment and hereby agree to guarantee, all obligations of the Borrower with respect to the Loan, as provided for in Section 2 of this Commitment.

[Redacted]

DAVID TRANDEL

[Redacted]

SCHEDULE "A"
PROPERTY DESCRIPTION

TO BE PROVIDED

SCHEDULE "B"
SURVEY CERTIFICATION

The undersigned hereby certifies to Romspen Investment Corporation, an Ontario corporation, and its successors or assigns, its attorneys, and [TITLE COMPANY] that (a) the attached plat of survey and the survey on which it was based were made in accordance with the "Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys" jointly established and adopted by the American Land Title Association, the American Congress on Surveying and Mapping and the National Society of Professional Surveyors in 2010; and meets the accuracy requirements of an urban survey, as defined therein; and (b) this plat of survey and the property description set forth hereon ("**Property**") was prepared by me, a registered land surveyor in the State of [PROPERTY STATE] - and was actually made upon the ground. In addition, the undersigned hereby certifies that (1) the information, courses and distances shown on this survey are correct, (2) the size, location and type of improvements are shown hereon and all are located within the boundaries of the Property and set back from the Property lines the distances indicated, (3) the Property is contiguous to, and has access to and from _____, a public roadway, (4) there are no easements or encumbrances (including utility lines) affecting the Property other than as shown and depicted on this survey, (5) there are no encroachments of any improvements on this Property over any easements or encumbrances, or onto adjoining property, (6) there are no encroachments of any improvements on adjoining property onto the Property, (7) all recorded easements and other exceptions, as noted in [TITLE COMPANY'S] Commitment for Title Insurance No. _____ dated _____ have been correctly platted hereon; (8) all zoning, use and density classifications are shown thereon, and (9) the Property constitutes one contiguous parcel without gaps or gores.

 SEAL

Registration No. _____

SCHEDULE "C"
TITLE INSURANCE REQUIREMENTS

Please provide: (i) a title insurance commitment; (ii) copies of all documents of record for Schedule B.II exceptions; (iii) a closing protection letter (if title company will be handling funds at closing) and (iv) wiring instructions, in accordance with the terms and conditions that follow.

Following our review of the title commitment, and prior to closing, we must receive a proforma title policy that conforms to these requirements and our markup of the title commitment. Please also note that we anticipate that the title company will executed an Escrow Instruction Letter at closing, confirming that the funds will be disbursed and the title policy will issue in the form indicated in the proforma upon satisfaction of the indicated closing conditions.

POLICY FORM	The Title Policy must be written on the 2006 standard American Land Title Association ("ALTA") loan policy form, with markups as approved by Lender's Counsel.
LENDER	Romspen Investment Corporation, an Ontario corporation, and its successors and/or assigns, and their interests may appear
POLICY AMOUNT	Must reflect the full loan amount (not just the First Advance)
POLICY NUMBER	The Title Policy Number must appear on every page of the Proforma, including all applicable Endorsement pages.
EFFECTIVE DATE	The effective date of the title insurance policy must be "through the date and time of the recording of the Mortgage".
STANDARD EXCEPTIONS	Standard exceptions must be deleted.
SURVEY EXCEPTION	The standard survey exception, if any, to the title insurance policy must be deleted. Exceptions to matters shown on a recorded map or plat must be specifically described. <u>PLEASE NOTIFY US IMMEDIATELY IF A SURVEY WILL BE REQUIRED TO REMOVE THE STANDARD SURVEY EXCEPTION.</u>
EXCEPTION FOR TAXES, ASSESSMENTS, OR OTHER LIENABLE ITEMS	If the title insurance policy includes any exception for taxes, assessments, or other lienable items, the title insurance policy must expressly insure that such taxes, assessments, or other lienable items are not yet due and payable.
TAX AND PARCEL NUMBERS	The title insurance policy must include (a) the recorded plat number (and recording information), if any, and (b) the Property parcel number(s) or tax identifying number(s), as applicable, for the Property, if such numbers are available in the jurisdiction in which the Property is located.
REQUIRED ENDORSEMENTS	☒ Access ☒ Address (location) ☒ Assignment of Leases and Rents (CLTA 104.6) – Note that this assignment is included as an integral part of the Mortgage ☒ Arbitration (deleted or waived) ☒ Comprehensive (ALTA 9-06) ☒ Environmental Protection (ALTA 8.1) ☒ Separate (Single) Tax Parcel ☒ Survey-Same Parcel ☒ Usury ☒ Zoning ALTA 3.1, including completed structures and parking
ADDITIONAL ENDORSEMENTS REQUIRED, IF APPLICABLE:	☐ Condominium ☐ Contiguity ☐ x Lot Split Compliance ☐ x Mechanics Lien

- | |
|--|
| <ul style="list-style-type: none">☐ Mortgage Tax☐ Street Assessment☒ Subdivision Compliance☐ Water Rights Endorsement (exercise of surface rights for the extraction or development of water - CLTA 103.5)☐ Navigational Servitude Endorsement |
|--|

SCHEDULE "D"

MINIMUM INSURANCE REQUIREMENTS

The Borrower shall obtain and maintain during the term of the Loan the following insurance coverage with respect to the Property and the property related thereto or used for its operation.

1. Existing Properties

1.1 Fire Insurance:

A fire insurance policy with extended coverage for all other risks and perils for an amount equal to one hundred percent (100%) of the gross replacement cost for the building erected on the Property, without deduction for foundation and footings; said policy shall *inter alia* provide for replacement cost endorsement, deletion from the policy of any provision requiring reconstruction on same or adjacent sites, coverage of direct and indirect damage resulting from leakage of fire protection equipment, an endorsement to the effect that the policy will cover any additional costs of reconstruction as a result of enforcement of current building by-laws and regulations, and loss to be payable to the Lender as a first-ranking mortgage creditor including, without limitation, that such policy will not be cancelled, terminated or permitted to expire unless the Lender shall first receive a thirty (30) day prior written notice of the same.

Such policy of insurance shall not contain a percentage co-insurance endorsement other than a one hundred percent (100%) stated amount co-insurance endorsement; and

1.2 Boiler and Machinery Insurance:

A broad form boiler insurance policy with coverage on all electrical and mechanical equipment, as well as all pressure vessels; such policy shall contain a rider with the standard mortgage clause, with proceeds payable to the Lender as first-ranking mortgage creditor and such policy shall provide *inter alia* for the same terms and conditions as set out in paragraph 12.1.1 above.

1.3 Liability Insurance:

A general liability insurance policy covering corporeal and material damages in an amount of not less than Five Million Dollars (\$5,000,000) per occurrence. The Policy shall include limited pollution coverage.

1.4 Rental Insurance:

A rental income insurance policy for a period of indemnity of at least Twenty-four (24) months for an amount equal to at least the greater of one hundred per cent (100%) of the actual or projected gross annual rents (or the net rentals plus the amount of the operating expenses from the Property) for a period of Two (2) years.

2. For Properties Under Construction [Note: to be reviewed by ROMSPEN insurance consultants]

2.1 All Risks Builders Course of Construction:

All Risks Builders Course of Construction including flood and earthquake on:

- (i) one hundred percent (100%) of the estimated final construction cost of the Property, including reasonable soft costs;

- (ii) one hundred percent (100%) of the anticipated annual rents (assuming full occupancy) written on a delayed income basis.

The policy shall allow for partial or full occupancy.

All other terms and conditions shall apply as if there were a fire with extended coverage policy in force as described above in paragraph 1.1.

- 2.2 The liability coverage as described more fully in paragraph 1.3 above. However, if the construction cost is in excess of Ten Million Dollars (\$10,000,000), then a Wrap-up Liability is required with a limit of not less than Ten Million Dollars (\$10,000,000) and must include all contractors, subcontractors and trades.
- 2.3 Engineers' errors and omission insurance for at least Five Hundred Thousand Dollars (\$500,000) or such greater amount as Lender may reasonably require.

3. Additional Insurance

In addition to any of the forgoing, the Lender shall be entitled to request that the Borrower obtain any other insurance coverage it deems necessary, useful or appropriate.

The provisions relating to cancellation of the insurance policies or alteration clauses in the policies, including the mortgage clause, shall provide that a prior written notice of not less than thirty (30) days must in such event be given to the Lender.

All proceeds of insurance from insurance policies maintained other than liability insurance, shall be paid to the Lender and at the option of the Lender may either be applied on account of the Loan, whether or not the same may be due and payable, and interest thereon and any other sums payable in respect thereof, or held by it as part of the Lender's security and, so long as the Borrower is not in default, may be subject to withdrawal by the Borrower in instalments on a cost to complete basis, as the repair or replacement progresses, subject to the Lender's receipt of appropriate certificates, opinions and other documents as required by it and Lender's counsel.

The Borrower shall provide to the Lender such evidence as the Lender may request that all of the above required insurance is in place prior to any advance of the Loan being made.

All required insurance policies shall be forwarded to the Lender's insurance expert at the following address for verification and approval, at the expense of the Borrower, prior to the disbursement of the first advance of the Loan and, in addition, if permanent financing is being provided hereunder, at the time of substantial completion of the Project:

Proinco Limited
300-570 Portage Avenue
Winnipeg, Manitoba R3C 0G4

Tel: 204-953-6222
Fax: 204-953-6220

INSURANCE BROKER CONTACT INFORMATION /
INFORMATION RELEASE AUTHORIZATION

Please complete this form and return it to us along with your accepted Commitment letter:

BORROWER: SB One Winnetka LLC

SUBJECT PROPERTY ADDRESS: 736 Elm St, 714-718
Elm St, 513-515 Lincoln Ave.

INSURANCE BROKER: Risk Strategies

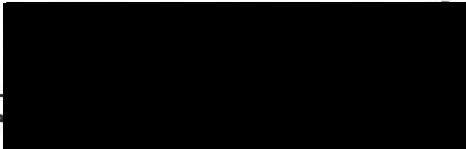
CONTACT PERSON: Lauren Conner

TELEPHONE NUMBER: 312-506-8827

FACSIMILE NUMBER: _____

E-MAIL ADDRESS: Lconner@risk-strategies.com

I/We hereby authorize the above noted Insurance Broker to release any insurance information required by Romspen Investment Corporation, its affiliates and/or their insurance consultant, pertaining to the above property(ies).

BORROWER(S): 

DATE: 6/4/19

**ROMSPEN INVESTMENT CORPORATION
AUTOMATIC MORTGAGE PAYMENT SERVICE
AUTHORIZATION FORM**

To sign up for the Automatic Mortgage Payment Service, simply fill out the form attached, keep a copy for your files, and return the original form with a "void" cheque to ROMSPEN INVESTMENT CORPORATION.

If there are any changes to your regular payment, we will send you a notice at least ten (10) days in advance of your debit. This will give you plenty of time to review the adjustment before your payment. If you wish to make any changes or cancel your Automatic Payment Service you can do so by calling your Account Manager.

Your Automatic Mortgage Payment Service will begin approximately one (1) month after you complete and return the attached form to our office, and will be confirmed by letter from us. All of your account information will be kept confidential.

Pre-Authorized Debit (PAD) Agreement

Loan No. _____

To: _____ (the "Payee")

This Authorization is provided for the benefit of the Payee and our Financial Institution and is provided in consideration of our Financial Institution agreeing to process debits against our account in accordance with must comply with the provisions of U.S. law.

INSTRUCTIONS: Please complete all sections to instruct your Financial Institution to make payments directly from your account. Return the completed form with a blank cheque marked "VOID" to the payee below.

1. CUSTOMER (ACCOUNT HOLDER) INFORMATION (Please print clearly)		
Name:		
Mailing Address:		
City:	State:	Zip Code:
Telephone Number:		

2. BANK ACCOUNT INFORMATION		
Name of Primary Bank:		
Bank Address:		
Bank Representative:	Telephone Number:	
Name of Account:	Checking ☐	Savings ☐
Bank ABA Routing & Transit Number:	Account Number:	
ACH Routing Number: (if different from ABA Routing Number ** please check with your Bank **)		

3. PRE-AUTHORIZED DEBIT (PAD) PAYEE DETAILS		
Company Name: Romspen Investment Corporation		
Account Number: Bank of America		
Mailing Address:		
City:	State:	Zip Code:
Telephone Number:	Fax Number:	
E-mail:		

Account Information: The account that the Payee is authorized to draw upon is indicated above. A specimen cheque available for this account has been marked "VOID" and is attached to this authorization.

Accuracy and Changes in Account Information: By signing this Authorization, we certify that all information contained in this form is accurate and we agree to inform the Payee, in writing, of any change in the information provided prior to the next due date of the PAD.

Valid Signing Authority: We warrant and guarantee that all persons whose signatures are required to sign on this account have signed this agreement below.

Authority to Debit Account: We hereby authorize the Payee to draw on our account indicated above with our Financial Institution, for the following purpose: Mortgage Payments

Frequency and Amount of Debits: A debit, in paper, electronic or other form in the amount of \$ _____ with a reasonable latitude for adjustments and in no case to exceed \$ _____, may be drawn on our account monthly (frequency: Weekly/Monthly/Bi-monthly/sporadic) beginning on _____. Annual top-ups or adjustments are/not permitted. *If payments are sporadic*, we agree to cooperate with the Payee to pre-authorize the processing of each and every PAD against our account whether authorized verbally or electronically, by use of a password, secret code or such other signature equivalent, as the parties shall agree to constitute valid authorization.

Validation by Processing Financial Institution: We acknowledge our Financial Institution is not required to verify that any purpose of payment for which a PAD was issued has been fulfilled by the Payee or that a PAD has been issued in accordance with the particulars of our Authorization including, but not limited to, the amount, as a condition to honouring a PAD issued by the Payee on our account.

Recourse/Reimbursement: We have certain recourse rights if any debit does not comply with this agreement. For example, we have the right to receive reimbursement for any debit that is not authorized or is not consistent with this PAD agreement.

Our Rights of Dispute: We may dispute a Pre-Authorized Debit in accordance with U.S. law under the following conditions:

1. The PAD was not drawn in accordance with our Agreement; or
2. This Authorization was revoked.

In order to be reimbursed, we acknowledge that a declaration to the effect that either (1) or (2) took place, must be completed and presented to our branch of our Financial Institution up to and including 10 calendar days after the date on which the disputed PAD was posted to our account. We acknowledge that any claim made after 10 business days or for any reason other than the above, is a matter to be resolved solely between the Payee and ourselves.

Acceptance of Delivery of Authorization: We acknowledge that provision and delivery of this authorization to the Payee constitutes delivery by us to our Financial Institution. Any delivery of this Authorization to you constitutes delivery by us.

Cancellation of Arrangement: This Authorization may be cancelled at any time upon notice by us to the Payee at least 30 days prior to the PAD being issued.

Pre-Notification Waiver: We agree with the Payee to waive the requirement under the CPA Rules to receive a written pre-notification prior to each PAD as set out in the Rules.

Contract for Goods or Services: Revocation of this Authorization does not terminate any contract for goods or services that exists between the Payee and us. Our Authorization applies only to the method of payment and does not otherwise have any bearing on the contract for goods or services exchanged.

We understand and agree to this PAD arrangement and to the disclosure of any confidential information to any third parties as may be required to process the PAD in accordance with the provisions of U.S. law.

Dated this _____ day of _____, 20____

Authorized Signatory

Name (please print)

Authorized Signatory

Name (please print)

ROMSPEN

Our File: 8745

July 9, 2019

SB Winnetka, LLC
730 West Randolph Street, Suite 500
Chicago, IL 60661

SB One Winnetka, LLC
730 West Randolph Street, Suite 500
Chicago, IL 60661

Dear Sirs:

**Re: \$2,220,000 First and Second Ranking Mortgage Loan
736 Elm St., Winnetka, Illinois and 714-718 Elm Street and 513-515 Lincoln
Avenue, Winnetka, Illinois ("Property")**

Reference is made to our commitment letter dated May 31, 2019, (the "Commitment Letter") and accepted by you and the Guarantor (as such term is defined in the Commitment Letter).

All capitalised words used herein, unless otherwise defined herein, shall have the meaning ascribed to them in the Commitment, as amended by this Supplement No. 1 (this "Supplement").

The parties hereto wish to amend the Commitment on the terms and conditions herein provided and in consideration of the covenants and agreements between the parties contained in this Supplement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Amendments

The Commitment is hereby amended as follows:

- (a) Section 3 "Approved Loan Amount" is amended by deleting the first sentence and inserting the following sentences in its place:

"The approved loan amount is \$2,600,000."

- (b) Section 8 "Use of Funds" is amended by deleting the contents of same and inserting the following in its place:

To provide funds as follows:

- (a) To pay Lender's fee and other transaction costs (approximately \$125,000);

- (b) To provide funds (approximately \$440,190) to assist in completion of the building known as the "Conney's Pharmacy" ("Initial Advance");
- (c) To provide funds to pay realty taxes and insurance (approximately \$275,000);
- (d) To provide funds (approximately \$1,530,000) to assist in the acquisition of the "Conney's Parcel" (the "Acquisition Advance"), which parcel is described in the real estate loan agreement dated as of February 15, 2017, amount SB One Winnetka, LLC and SB Winnetka, LLC, and Romspen Mortgage Limited Partnership ("Existing Financing"); and
- (e) The balance to be disbursed in Lender's absolute discretion, the Lender having absolutely no obligation to do so.

2. Representation and Warranty

To induce the Lender to enter into this Supplement, the Borrower hereby reaffirms to the Lender that, as of the date hereof, its representations and warranties contained in the Commitment, as amended by this Supplement, and except to the extent such representations and warranties relate solely to an earlier date, are true and correct and additionally represents and warrants as follows:

- (a) the execution and delivery of this Supplement and the performance by it of its obligations under this Supplement: (i) are within its corporate powers, (ii) have been duly authorized by all necessary corporate action, (iii) have received all necessary governmental approval (if any were required), and (iv) do not and will not contravene or conflict with any provision of applicable law or any of its constating documents or of any material agreement, judgment, license, order or permit applicable to or binding upon it; and
- (b) the Commitment, as amended by this Supplement, is and will continue to be a legal, valid and binding obligation of it, enforceable in accordance with its terms except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization, winding-up, moratorium or similar applicable laws relating to the enforcement of creditors' rights generally and by general principles of equity.

3. References

Each of the parties hereto acknowledges that all references to "this Commitment" in the Commitment shall mean the Commitment, as amended by this Supplement.

4. Miscellaneous

Nothing in this Supplement shall be construed or interpreted as novating any obligations, terms or conditions of the Commitment, the Security or any other document entered into pursuant thereto or contemplated thereby, all of which obligations, terms and conditions remain in full force and effect, without any amendment or modification thereto, save and except only as expressly amended or supplemented by this Supplement.

The terms and conditions of this Supplement shall be governed by and interpreted in accordance with the laws of the State of Illinois and the Borrower and each Guarantor hereby irrevocably attorn to the jurisdiction of the courts of the State of Illinois.

Initials.....
Initials.....

In the event of any inconsistency between the terms and conditions of this Supplement and the terms and conditions of the Commitment, this Supplement shall prevail.

This Supplement may be executed in one or more counterparts, each of which so executed will constitute an original and all of which will constitute one and the same agreement. This Supplement may be executed by the parties and transmitted by facsimile or other electronic means and if so executed and transmitted this Supplement will be for all purposes as effective as if the parties had delivered an executed original agreement.

ROMSPEN INVESTMENT CORPORATION

By: _____

Name: Wesley Roitman
Title: Managing General Partner

I have authority to bind the corporation.

Initials.....
 Initials.....

ACCEPTANCE

We hereby accept the terms and conditions set out in this Amendment, on this

_____ (_____) day of _____, 20____.

BORROWER(S)**SB WINNETKA, LLC**

a Delaware limited liability company

By: Greeley Manager, LLC

Its: Manager

Per: _____

Name:

Title:

I have authority to bind the Corporation

SB ONE WINNETKA, LLC

A Delaware limited liability company

By Greeley Manager, LLC

Its: Manager

Per: _____

Name:

Title:

I have authority to bind the Corporation

GUARANTOR:

The Guarantor hereby accepts the terms and conditions of this Supplement.



DAVID TRANDEL



Initials.....
Initials.....

*******REINSTATEMENT AND EXTENSION AGREEMENT -
SIXTH AMENDMENT TO CONTRACT*******

This Reinstatement and Extension Agreement - Sixth Amendment to Contract ("6th A") is made and entered into as of this ____ day of July, 2019 by and among ELM STREET PHARMACY, LLC ("Seller"), SB ONE WINNETKA, LLC ("Buyer") (which Seller and Buyer may sometimes be referred to as the "Parties"), and SB WINNETKA, LLC, a Delaware limited liability company, Assignee of Buyer ("Assignee").

In consideration of the mutual promises and undertakings hereinbelow set forth, and for other good and valuable consideration, the receipt and sufficiency whereof are hereby mutually acknowledged by the Parties, the Guarantor and the Assignee, it is agreed as follows:

Preamble

A. The Parties and the Guarantor have heretofore entered into a Real Estate Contract for Commercial Building dated April 14, 2016 ("Contract") for the sale of the property commonly known as 736 Elm Street, Winnetka, Illinois ("Premises"), which was amended by an Amendment and Extension Agreement dated as of November 22, 2016 ("1st A").

B. Buyer Assigned its interest therein to Assignee by Second Amendment to Contract ("2nd A") dated as of November 28, 2016, and Buyer remains liable thereon together with Assignee.

C. The Contract was further amended by Third Amendment to Contract ("3rd A") dated as of April 27, 2017, the Fourth Amendment to Real Estate Contract for Commercial Building dated on or about June 20, 2017 ("4th A") and the Fifth Amendment to Real Estate Contract for Commercial Real Estate dated on or about February __, 2018 ("5th A").

D. The Contract and the 1st A, 2nd A, 3rd A, 4th A and 5th A are all incorporated herein as Exhibit A and made a part hereof and terms, conditions and exhibits are ratified and affirmed by the parties hereto.

E. After Buyer's default and failure to cure, the Parties and the Guarantor and the Assignee have mutually agreed to reinstate and extend the Contract as amended by the 1st A, 2nd A, 3rd A, 4th A and 5th A, subject to and in accordance with the further terms, conditions, provisions and amendments of this 6th A.

F. Where the provisions of this 6th A are inconsistent with, amend or modify any provision of said Contract as heretofore amended, then the provisions of this 6th A shall prevail. Upon mutual execution hereof, said Contract as heretofore amended shall be reinstated and shall be in full force and effect as further amended by this 6th A.

Agreements

1. The foregoing Preamble is incorporated herein and made a part hereof.

2. Wherever in the 1st A or in any subsequent Amendment, a monetary limitation appears for the amount required of Buyer to complete the work on the Transfer Parcel (727-29 Elm Street, Winnetka, Illinois) (the construction project budget and cost), the same is hereby deleted. There shall be no monetary limitation for Buyer to complete such construction project, except as follows: the sole limitation shall be the net amount of the Purchase Price due to Seller for the Premises at the 2nd Closing after all credits due to Buyer have been applied. The "2nd Closing" refers to the closing at which the Premises are conveyed from Seller to Buyer, and the Transfer Parcel is conveyed from Buyer to Seller, all in accordance with the provisions of the Contract as amended. Notwithstanding the above, all costs and expenses including all increased costs and expenses to complete the construction as required in paragraph 7 below and clear title to the Transfer Parcel shall be borne solely by the Buyer including but not limited to any previous or prospective project management fees.

3. Buyer and Guarantor shall as a condition of Closing for the Transfer Parcel tender and provide to Seller and Seller's attorney written verification including a sworn statement signed by all relevant and necessary parties and all final lien waivers from all general contractors, subcontractors and material providers employed by Buyer to complete the construction of the Transfer Parcel which shall all be subject to the approval of Seller which approval may be reasonably withheld but may not be unreasonably conditioned or delayed.

4 Intentionally deleted

5. It is acknowledged that Seller has timely applied for the licenses required to operate a pharmacy at the Transfer Parcel (Illinois State Pharmacy License, Controlled Substance License, and DEA License), but that final approval cannot be granted until a State inspection after completion of the construction project and the 2nd Closing. Because of delays and stoppages in construction, the application process or said inspection could be delayed. Accordingly, it is understood and agreed that the term of the Post-Closing Lease on the Premises shall commence on the date of the 2nd Closing and shall be extended to be sixty (60) days after the granting of all required licenses (subject to earlier termination by Seller if the full term is not needed). Seller agrees to request a State inspection as soon as practicable after the 2nd Closing.

6. As a condition of Closing, Buyer shall provide to Seller the form of Post-Closing Lease for Seller's review and approval. The Post-Closing Lease shall have a term of sixty (60) days beginning on the day of the Closing and ending sixty (60) days after Seller receives in writing its State of Illinois and DEA pharmacy licenses and shall contain no right of Buyer to terminate the Post-Closing Lease at its discretion.

7. The final date for the 1st and 2nd Closings shall occur within thirty (30) days after Buyer has completed to "turn key" condition, all of the construction necessary and remaining at the

Transfer Parcel, has received a certificate of occupancy from the Village of Winnetka, has provided written proof as required in paragraph 3 above that all general contractors, subcontractors and material providers have been paid in full and all additional costs of construction arising as a result of Buyer's defaults and delays including any updating or reissuing of all building permits have been paid and a warranty from the contractor employed for the construction of the Transfer Parcel warranting to Seller for one (1) year all of the construction done by all contractor to the Transfer Parcel

8. All work necessary to complete the construction of the improvements on the Transfer Parcel shall be managed by Seller and its representatives and paid for by Seller in a timely manner. Notwithstanding the foregoing, Seller agrees that Lender (hereinafter defined) may, upon prior notice to Seller, enter upon the Transfer Parcel for the purpose of conducting an assessment or examination of the Transfer Parcel and the construction thereon, and Seller shall facilitate such access.

9. Within ten (10) days of execution of this 6 A, Buyer shall tender to Seller's attorney a new 2006 ALTA title commitment and new ALTA survey with Table A items 1, 2, 3, 4, 6b, 7a, 7 b (1), 8, 9, 11, 16, 18 covering the Transfer Parcel for Seller's review and approval.

10. At the Closing of the Premises, Buyer shall record a restrictive covenant which shall run with the land and bind all future owners, tenants or licensee from using the Premises as a pharmacy or any business similar to a pharmacy for a period of ten (10) years from the date of Closing.

11. Paragraph 17 of the Contract is hereby deleted in its entirety and replace with the following language:

"In the event of Seller's default and failure to cure within ten (10) days after Buyer's written notice of default, then Buyer's remedies shall be limited to the return of Buyer's Earnest Money deposit. Notwithstanding anything contained herein or the aforementioned sentence, Buyer shall be entitled to any and all remedies, at law or in equity, including but not limited to the remedy of specific performance, in the event that Seller intentionally defaults under the Contract or commits an act of fraud. In the event of Buyer's default and failure to cure timely, Seller shall be entitled to all legal and equitable remedies then available under Illinois law against Buyer and David Trandel personally.

12. Guarantor consents to the provisions of this 6th A and shall continue to be the Guarantor of Buyer and the Guarantor of Buyer's Assignee, with equal force and effect.

13. Seller hereby waives any and all defaults of Buyer, Assignee and Guarantor, pursuant to the Contract, as heretofore amended, arising prior to the date hereof.

14. Buyer's Financing:

(a) Seller acknowledges that the Contract has been assigned, and Buyer does hereby assign the Contract, to Buyer's lender providing financing for the acquisition of the Premises and construction on the Transfer Parcel (together with its successors, assigns and

designees, "Lender"). Upon any assignment of Buyer's interests hereunder to Lender, Lender shall succeed to all rights of Buyer hereunder and Seller shall perform all its obligations under this Contract in favor of Lender.

(b) Seller agrees to give Lender written notice of: (a) any casualty damage or condemnation or threatened condemnation affecting the Premises; and (b) any default by Buyer under the Contract, as hereby amended. Seller agrees that, prior to the Seller's exercise of any rights or remedies (including termination) under the Contract, Lender shall have the right, but not the obligation, to cure any such default by Buyer if Buyer fails to perform its obligations under the Contract within the appropriate time specified for such performance under the Contract or prior to the expiration of any applicable cure or grace period. In the event Lender elects to cure default by Buyer, Lender shall be afforded such time period as is reasonably necessary, under the circumstances, for Lender to cure such default.

15. Within five (5) days of execution of this 6th A, Buyer at its sole cost and expense shall conduct a mold test at the Transfer Parcel by an Illinois licensed mold remediation company which shall include all necessary air testing to determine the presence or lack of presence of mold or other biohazards on and within the walls, floor or ceiling of the Transfer Parcel. Should the molding testing indicate there is no mold or other biohazards on or within the Transfer Parcel then the terms of this provision shall be waived. However, in the event any mold is detected on or within the Transfer Parcel then as a condition of Closing and at Buyer's sole cost and expense all necessary remediation work shall be done until such time as Buyer can produce to Seller's reasonable satisfaction written verification including air testing that all mold has been properly and totally remediated. Should Buyer fail to produce such final documentation, then Seller shall have the exclusive right to terminate this Contract with the return of all Earnest Money paid for the Transfer Parcel.

16. Within five (5) days of execution of this 6th A, Buyer at its sole cost and expense but subject to Seller's reasonable approval shall retain an independent contractor to analyze and review all of the current construction which has been completed at the Transfer Parcel to confirm that all of the construction done to date on and at the Transfer Parcel complies with current Village of Winnetka building, fire and environmental codes ("Code") and remains in compliance with Code. In the event the independent contractor determines that aspects of the construction on the Transfer Parcel do not meet Code, Buyer shall be responsible for all additional construction required to bring the Impacted construction areas up to Code as a condition of Closing on the Transfer Parcel.

17. The terms of the Contract must be performed and completed by Buyer no later than July 1, 2020 (the "Completion Deadline") to the reasonable satisfaction of Seller or Seller shall have the exclusive right to terminate this Contract upon written notice ("Termination Notice") to Buyer. Upon receipt of Seller's Termination Notice, this Contract and all obligations, duties and undertakings shall be null and void and any and all earnest money provided by Seller shall be returned to Seller immediately. Notwithstanding anything herein to the contrary, the foregoing right of Seller to terminate the Contract shall be subject to Paragraph 14(b) hereof. Seller shall

provide a copy of the Termination Notice to Lender simultaneously with its furnishing of such notice to Buyer. Seller shall not exercise its right to terminate the Contract pursuant to this Paragraph 17 prior to the expiration of a period of forty-five (45) days following Lender's receipt of the Termination Notice (the "Waiting Period"). Lender shall have the right to elect, in Lender's sole and absolute discretion, to perform the obligations of Buyer under the Contract which Lender shall perform no later than December 31, 2020, by providing Seller with notice of such election prior to the expiration of the Waiting Period. So long as Lender shall have provided Seller with a timely notice of such election, then: (a) in accordance with Paragraph 14(b) hereof, Lender shall be afforded such time period as is reasonably necessary, under the circumstances, for Lender to perform the obligations of Buyer under the Contract, (b) in accordance with Paragraph 14(a) hereof, Seller agrees to perform any and all of its obligations under the Contract for the benefit of Lender, and (c) Seller agrees, if Lender so requests, to enter into a new agreement for purchase and sale with Lender, the terms of which shall be substantially similar to the terms hereof, with reasonable modifications which may be requested by Lender. In no event shall Lender or its designee, be liable to Seller for any loss, cost or damage suffered by Seller and caused by Buyer, or any loss cost or damage suffered by Seller and arising prior to the date Lender acquires possession and control of the Transfer Parcel.

18. In the event Lender elects to complete the transaction contemplated herein as provided in the paragraph 17 above, then the Purchase Price of Seller's Premises shall increase by Two Hundred and Fifty Thousand Dollars (\$250,000.00) to Three Million Dollars (\$3,000,000.00), and Lender must complete performance of the Contract by no later than December 31, 2020. Should Lender fail to complete the Closing by December 31, 2020 through no fault of Seller, then Seller shall have the right beginning January 1, 2021 to terminate this Contract by written notice to Lender or Lender's attorney, and Lender shall have no right or obligation to Seller under the Contract or any amendment thereto, or replacement thereof, or otherwise. For the avoidance of doubt, the increase in the Purchase Price of Seller's Premises described in this Section 18 shall only apply if Lender elects to perform Borrower's obligations in the event Borrower fails so to do by the Completion Deadline.

19. Miscellaneous.

(a) No Other Changes. Except as specifically amended herein, all covenants, terms and conditions of the Contract remain unchanged and in full force and effect.

(b) Counterparts. This 6 A may be executed by electronic mail or facsimile (if promptly followed by the original) and in any number of counterparts, each of which shall constitute one and the same instrument, and either party hereto may execute this Amendment by signing any such counterpart.

(c) Merger. This 6 A constitutes the entire Contract of the parties hereto, it being understood and agreed that all prior and contemporaneous representations, statements, understandings and Contracts, oral or written, between the parties concerning the subject matter of this 6 A are merged into this 6 A, which alone fully and completely expresses their Contract as to the matters herein, and that the same is entered into after full investigation, neither party relying on any statement or representation,

whether written or oral, not embodied in this Amendment made by the other or any third party acting on behalf of the other.

(d) Attorney Fees. In the event of litigation arising from the terms and condition of this 6 A, all fees and costs including reasonable attorney fees shall be paid by the losing party to the prevailing party within thirty (30) days of judgment being entered or settlement whichever comes first.

(e) Reaffirmation. Seller hereby reaffirms its representations and warranties set forth in Section 15 of the Contract.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

In Witness Whereof the Parties hereto and the Guarantor and the Assignee have duly executed this Reinstatement and Extension Agreement - Sixth Amendment to Contract (6th A) as of the date first above written.

Elm Street Pharmacy, LLC, Seller

By: _____
Mark Jacobs, its Manager

[SIGNATURES CONTINUE ON THE FOLLOWING PAGE]

[SIGNATURES CONTINUED FROM PRECEDING PAGE]

SB One Winnetka, LLC, Buyer

By: Greely Manager, LLC, its Manager

B/C

David M. Trandel, its authorized signatory

SB Winnetka LLC Assignee

David M. Trandel,

Authorized Signatory of Buyer and Assignee

David Trandel, personally

In Witness Whereof the Parties hereto and the Guarantor and the Assignee have duly executed this Reinstatement and Extension Agreement - Sixth Amendment to Contract (6th A) as of the date first above written.

Elm Street Pharmacy, LLC, Seller


By 
Mark Jacobs, Its Manager

[SIGNATURES CONTINUE ON THE FOLLOWING PAGE]

[SIGNATURES CONTINUED FROM PRECEDING PAGE]

SB One Winnetka, LLC, Buyer

By: Greely Manager, LLC, its Manager

By: _____
David M. Trandel, its authorized signatory

SB Winnetka, LLC, Assignee

By: _____
David M. Trandel,
Authorized Signatory of Buyer and Assignee

David Trandel, personally



Agenda Item Executive Summary

Title: Ordinance No. MC-7-2019: Amending Village Flood Plain Regulations (Introduction)

Presenter: Steven M. Saunders, Director of Public Works/Village Engineer

Agenda Date: 08/06/2019

Consent: ☐ YES ☒ NO

☒ Ordinance
☐ Resolution
☐ Bid Authorization/Award
☐ Policy Direction
☐ Informational Only

Item History:

The Metropolitan Water Reclamation District of Greater Chicago ("MWRD") has county-wide authority to regulate stormwater management through its Watershed Management Ordinance ("WMO"). The Village has adopted the WMO by reference. On May 16, 2019, the MWRD amended the WMO to delete the definition for "substantial improvement," which is a critical component of floodplain management for existing buildings.

Executive Summary:

Under the guidelines of the National Flood Insurance Program (NFIP) the substantial improvement metric is an upper limit for the level of investment that can be made to structures that do not comply with flood protection regulations and which were constructed before those regulations were implemented. Under NFIP regulations, once the level of investment in a non-compliant flood plain structure reaches 50% of the fair market value of that structure, it must be brought completely into compliance with current flood protection requirements. When the MWRD deleted the definition of "substantial improvement" and removed all references to the term in the WMO, a loophole was created that may permit a property owner to disaggregate improvements to a structure into separate projects. Doing so would nullify the requirement that property owners bring structures into compliance with the Village's flood protection regulations when level of investment equals or exceeds 50% of its fair market value.

Ordinance No. MC-7-2019 adopts local amendments to the WMO and updates the Village's definition of "substantial improvements" in Section 15.68.020 of the Village Code, which will maintain the Village's current flood regulations and close the loophole created by the WMO Amendment.

Recommendation:

Consider introduction of Ordinance No. MC-7-2019, amending the Village's Flood Plain regulations pertaining to the definition of substantial improvements.

Attachments:

Ordinance No. MC-7-2019

**AN ORDINANCE ADOPTING LOCAL AMENDMENTS TO THE COUNTYWIDE
WATERSHED MANAGEMENT ORDINANCE AND AMENDING SECTION 15.68.020
OF THE WINNETKA VILLAGE CODE TO AMEND THE VILLAGE'S
FLOOD PROTECTION REGULATIONS**

WHEREAS, the Village of Winnetka is a home rule municipality in accordance with Article VII, Section 6 of the Constitution of the State of Illinois of 1970 and has the authority to exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, pursuant to Section 15.08.010(j) of the Winnetka Village Code, as amended ("**Village Code**"), the Village has adopted by reference the Metropolitan Water Reclamation District of Greater Chicago ("**MWRD**") Countywide Watershed Management Ordinance, October 2013, as amended ("**WMO**"); and

WHEREAS, on May 16, 2019, the MWRD amended the WMO to, among other things, delete from the WMO the definition of "substantial improvement" ("**WMO Amendment**"); and

WHEREAS, while Section 15.68.020 of the Village Code contains a definition of a "substantial improvement," that definition is not as strict as the definition of the same term in the in the WMO prior to the WMO Amendment; and

WHEREAS, by the MWRD deleting the definition of "substantial improvement" and removing all references to the term in the WMO, a loophole was created that may permit a property owner to disaggregate improvements to a structure into separate projects, thereby nullifying the requirements that property owners bring structures into compliance with the Village's flood protection regulations when the costs of a project equals or exceeds 50 percent of the fair market value of a building; and

WHEREAS, pursuant to the Village's home rule authority, the Village may adopt flood protection regulations that are stricter than the WMO; and

WHEREAS, the Village Council desires to adopt local amendments to the WMO and to update the Village's definition of "substantial improvements" in Section 15.68.020 of the Village Code to maintain the Village's current flood regulations and to close the loophole created by the WMO Amendment; and

WHEREAS, the Village Council has determined that it will serve and be in the best interest of the Village and its residents to amend the Village Code pursuant to this Ordinance;

NOW, THEREFORE, the Council of the Village of Winnetka does ordain as follows:

SECTION 1: RECITALS. The foregoing recitals are hereby incorporated into this Section as the findings of the Village Council, as if fully set forth herein.

SECTION 2: AMENDMENTS TO THE WATERSHED MANAGEMENT ORDINANCE. Chapter 15.08, titled “Model Codes Adopted by Reference,” of Title 15, titled “Buildings and Construction,” is amended by adding a new Section 15.08.100 to read as follows:

“Section 15.08.100 Amendments to Metropolitan Water Reclamation District of Greater Chicago Countywide Watershed Management Ordinance, October 2013.

A. Amendments. The following provisions of the Metropolitan Water Reclamation District of Greater Chicago Countywide Watershed Management Ordinance, October 2013, are amended for adoption by the Village and shall provide as follows:

1. **Section 200.5** Existing structures that do not conform to the requirements of this Ordinance shall not be substantially improved, replaced, or enlarged in any manner unless such **substantial** improvements, replacements, or enlargements conform to the requirements of this Ordinance.
2. **Section 602.1** For **substantial improvements to single family homes** or a new building or a foundation expansion of an existing building that increases the building footprint by the lesser of either twenty percent (20%) or 2,500 square feet, in aggregate, the proposed lowest floor shall be elevated to at least the FPE in accordance with the requirements specified in §602.8, §602.9, §602.10, and the local municipality’s NFIP ordinance. A non-residential new building or a foundation expansion to an existing building that increases the building footprint by the lesser of either twenty percent (20%) or 2,500 square feet may be floodproofed in accordance with the municipality’s NFIP ordinance.
3. **Section 602.2** New building or foundation expansions to existing buildings that increases the building footprint by the lesser of either twenty percent (20%) or 2,500 square feet, in aggregate, **or substantial improvements to single family homes,** with the lowest floor below the BFE, shall comply with the following:
 - A. The lowest entry elevation, shall be at or above the FPE;
 - B. Provide compensatory storage per §602.5 and §602.6 of this Ordinance;
 - C. Demonstrate that a building, and foundation below the BFE are reasonably safe from flooding per design standards requirements in Technical Bulletin 10-01 issued by FEMA; and

D. Obtain a Letter of Map Revision Based on Fill (LOMR-F) if the building is in the regulatory floodplain.

4. **Section 602.8** New structures that are elevated, existing structures that are floodproofed, foundation expansions, or **substantial improvements** shall:

- A. Be anchored to prevent flotation, collapse, or lateral movement;
- B. Use flood resistant materials below the FPE;
- C. Use construction methods and practices that do not increase the potential for increases in flood damage;
- D. Elevate electrical, heating, ventilation, plumbing, air conditioning equipment, and other service facilities to the FPE or higher;
- E. Provide adequate access and drainage; and F. Provide a backup power source that will activate without human intervention if electricity is required.

B. Definition of Development. The definition of “Development” contained in Appendix A of the Metropolitan Water Reclamation District of Greater Chicago Countywide Watershed Management Ordinance, October 2013, is amended for adoption by the Village and shall read as follows:

Development. Any human-induced activity or change to real estate (including, but not limited to, grading, paving, excavation, fill, or mining; alteration, subdivision, change in land use or practice; building; or storage of equipment or materials) undertaken by private or public entities that affects the volume, flow rate, drainage pattern or composition of stormwater **or the substantial improvement of an existing building in a Special Flood Hazard Area**. The term development shall include redevelopment and shall be understood to not include maintenance, maintenance activities, or demolition. [Compare development with maintenance, maintenance activity, and demolition.]

C. Definition of Substantial Improvement. Appendix A of the Metropolitan Water Reclamation District of Greater Chicago Countywide Watershed Management Ordinance, October 2013, is amended for adoption by the Village to include the following definition of “Substantial Improvement”

Substantial Improvement. Determined by the local municipality in accordance with NFIP regulation. FEMA defines substantial improvement as “Any repair, reconstruction, rehabilitation, addition, or other improvement of a building, the cost of which improvement equals or exceeds, individually or in the aggregate, fifty percent (50%) of the fair market value of the building, determined from the equalized assessed value of the building before the start of construction of the

improvement. This term includes buildings which have incurred “substantial damage”, regardless of the actual repair work performed.” The term "cost of improvement" includes the market value of volunteer labor and donated materials. The term "cost of improvement" does not, however, include either (a) any project for improvement of a building to correct existing violations of state or local health, sanitary, or safety code specifications that have been identified by the local code enforcement official and that are the minimum necessary to assure safe living conditions or (b) any alteration of a historic building or a historic district that will not preclude the building's continued designation as a historic building.”

SECTION 3: AMENDMENTS TO SECTION 15.68.020 OF THE VILLAGE CODE. Section 15.68.020, titled, “Definitions,” of Chapter 15.68, titled “Flood Hazard Protection Regulations,” of Title 15, titled “Buildings and Construction,” is amended to read as follows:

“15.68.020 Definitions.

Terms used in this chapter mean as follows:

* * *

"Substantial improvement" means any repair, reconstruction or improvement of a structure, the cost, as substantiated by an executed contract that outlines the entire scope of work, of which equals or exceeds, **individually or in the aggregate,** fifty (50) percent of the market value of the structure either (1) before the improvement or repair is started; or (2) if the structure has been damaged and is being restored, before the damage occurred. For the purposes of this definition, "substantial improvement" is considered to occur when the first alteration of any wall, ceiling, floor, or other structural part of the building commences, whether or not the alteration affects the external dimensions of the structure. The term does not, however, include either any improvement necessary to make a structure comply with existing state or local health, sanitary, or safety code specifications which are solely necessary to assure safe living conditions, or any alteration of a structure listed on the National Register of Historic Places or a State Inventory of Historic Places.

* * *

SECTION 4: EFFECTIVE DATE. This Ordinance shall be in full force and effect from and after its passage, approval, and publication in the manner provided by law.

[SIGNATURE PAGE FOLLOWS]

PASSED this ____ of _____, 2019, pursuant to the following roll call vote:

AYES: _____

NAYS: _____

ABSENT: _____

APPROVED this ____ day of _____, 2019.

Signed:

Village President

Countersigned:

Village Clerk

Published by authority of the
President and Board of Trustees
of the Village of Winnetka,
Illinois, this ____ day of _____,
2019.

Introduced: _____, 2019

Passed and Approved: _____, 2019



Agenda Item Executive Summary

Title:

Ordinance No. M-10-2019: 315 Fairview Avenue Public Alley Vacation (Public Hearing & Introduction)

Presenter:

David Schoon, Director of Community Development

Agenda Date:

08/06/2019

☒

Ordinance

☐

Resolution

☐

Bid Authorization/Award

☐

Policy Direction

☐

Informational Only

Consent:☐

YES

☒

NO

Item History:

None

Executive Summary:

On August 6, 2019 the Council is scheduled to hold a public hearing and consider introduction of Ordinance No. M-10-2019, an Ordinance Vacating a Portion of a Public Alley Right-of-Way Adjacent to 315 Fairview Avenue and Approving a Subdivision Plat to Consolidate the Parcels (Attachment A). The owners of 315 Fairview Avenue, Jack Kruszewski and his wife, are in the process of developing plans for a new house on their property and have inquired into the status of an unimproved Village alley lying immediately east of their parcel. Subsequently, the property owner has expressed interest in acquiring that portion of the unused alley adjacent to their rear lot line.

A legal notice was published in the Winnetka Current on July 18, 2019 and a notice was sent by U.S. mail to property owners within 250 feet of the Subject Property. As of the date of this memo, staff has not received any written comments from the public regarding this petition.

Attached is a staff report containing more details regarding the request.

Recommendation:

After holding the public hearing, the Council may consider introduction of Ordinance No. M-10-2019, an Ordinance Vacating a Portion of a Public Alley Right-of-Way Adjacent to 315 Fairview Avenue and Approving a Subdivision Plat to Consolidate the Parcels.

Attachments:

Staff Report

Attachment A: Ordinance No. M-10-2019

Attachment B: Subject Alley As Originally Platted (1872)

Attachment C: Previous Alley Vacation and Sales

Attachment D: Property Appraisal Commissioned by Village, Prepared by Valuentric, LLC

Attachment E: Correspondence Regarding Property Valuation from Property Owner, Appraisal Commissioned by Owner and Prepared by KBS, Inc.



MEMORANDUM VILLAGE OF WINNETKA

COMMUNITY DEVELOPMENT DEPARTMENT

TO: VILLAGE COUNCIL
FROM: DAVID SCHOON, DIRECTOR OF COMMUNITY DEVELOPMENT
DATE: AUGUST 1, 2019
SUBJECT: ORDINANCE M-10-2019: REQUEST TO VACATE ALLEY RIGHT-OF-WAY
ADJACENT TO 315 FAIRVIEW AVENUE

INTRODUCTION

At the August 6, 2019 Village Council meeting, the Council is scheduled to hold a public hearing and consider introduction of Ordinance M-10-2019, An Ordinance Vacating a Portion of a Public Alley Right-of-Way Adjacent to 315 Fairview Avenue and Approving a Subdivision Plat to Consolidate the Parcels (*Attachment A*). The owners of 315 Fairview Avenue, Jack Kruszewski and his wife, are in the process of developing plans for a new house for their property and have inquired into the status of an unimproved Village alley lying immediately east of their parcel. Subsequently, the property owner has expressed interest in acquiring that portion of the unused alley adjacent to their rear lot line. The owner plans to construct a detached garage in that general area.

A legal notice was published in the Winnetka Current on July 18, 2019 and a mailed notice was sent to property owners within 250 feet of the Subject Property. As of the date of this memo, staff has not received any written comments from the public regarding this petition.

PROPERTY DESCRIPTION AND BACKGROUND

The location of the 20-foot wide alley, platted in the year 1872, is in one of Winnetka's earliest land subdivisions, "*Dale's Addition to Winnetka*" (See *Attachment B*). In the years that followed platting of this area, the 21 homes on this one-block area have all been built with driveway access from the street. Village records indicate that the alley has never been improved with pavement or otherwise provided access to individual lots.

While the Village-owned alley includes overhead electrical utilities, the area does not include any other utilities such as sewer or water services. As a result, the Village has had a minimal need to access or maintain the unimproved alley. Adjacent private property owners have performed the vast majority of landscape maintenance over the years.

PREVIOUS APPROVALS

The Village has responded favorably to prior requests for sale of portions of the same alley, which were typically received as part of plans for new home construction. *Attachment C* depicts five (5) previous instances in which the Village has vacated and sold portions of the unused alley to adjacent property owners. The most recent vacation and sale was in 2015 for the neighboring property to the north at 319 Fairview. Previous sales have been subject to (a) payment of established fair market value for the land; (b) provision of utility easements for replacement and maintenance of Village utilities; and (c) payment

of other fees such as appraisal, document preparation and recording fees. It should be noted that prior to 2015, a more informal approach was taken to determine fair market value for the alley vacations. Beginning in 2015, the Village began to use the services of certified appraisers.

CURRENT REQUEST

The property owners of 315 Fairview have expressed interest in purchasing the alley portion after it is vacated by the Village. In order to establish a figure for Council consideration of such a transaction, staff arranged for an appraisal to be conducted, with that appraisal establishing a fair market value of **\$24,000** (See *Attachment D – Property Appraisal Commissioned by Village*).

The appraisal takes a traditional *Sales Comparison* approach toward determining an appropriate value for the subject parcel, explained in detail in *Attachment D*. Using comparable sales identified in the report; the appraisal notes a market value of \$80 per square foot for buildable lots of a similar size. Subsequently, the appraisal provides a detailed discussion of an appropriate factor for adjustment to the property value for the 500 square foot alley area (page 19), based on its size and location. The appraisal recommends a reduction in value by a factor of 40 percent, to **\$48/square foot (\$24,000)**. The analysis and valuation of the Subject Property can be found in pages 12-19 of the appraisal report in *Attachment D*.

The owners of 315 Fairview have submitted a letter via email requesting that the Village consider a lower value of the alley right-of-way portion to be vacated (See *Attachment E*). He states that the appraisal should be lower for various reasons including the omission of more appropriate comparable property sales in the commissioned appraisal report. The value he proposes for the property is **\$16,250, or \$32.50 per square foot**. The owners have included their own commissioned appraisal that includes a separate analysis and valuation that can be found on pages 34-37 of their appraisal report, included in *Attachment E*. (Note: In his letter, the owner references some errors in the appraisal commissioned by the Village (i.e. incorrect data errors and wrong comparable photos). Staff had previously identified those errors, which have been corrected in the attached version of the appraisal. The owners also reference their separately commissioned appraisal report before it was received by Village staff.)

The petitioner also cites the previous sale of property by the Village in 2015, located next door at 319 Fairview. In 2015, the Village received a similar purchase request from the owner of 319 Fairview, and arranged for an appraisal. The 2015 appraisal, using a similar *Sales Comparison* approach, yielded a market value of \$66 per square foot, and a discount factor of 50%, ultimately resulting in an appraised value of \$33 per square foot. If a discount factor of 50% were applied to the current appraisal it would result in a sale price of **\$40 per square foot, or \$20,000**.

The Village Manager made a counter offer of \$20,000, which the petitioner has accepted.

SUMMARY

The Village Council is scheduled to hold a public hearing and consider introduction of Ordinance M-10-2019, An Ordinance Vacating a Portion of a Public Alley Right-of-Way Adjacent to 315 Fairview Avenue and Approving a Subdivision Plat to Consolidate the Parcels. The petitioner has agreed to pay the Village \$20,000 for the portion of the alley that is being vacated.

ATTACHMENTS

Attachment A: Ordinance M-10-2019, an Ordinance Vacating a Portion of the Public Alley Right-of-Way Adjacent to 315 Fairview Avenue and Approving a Subdivision Plat to Consolidate the

Parcels

Attachment B: Subject Alley As Originally Platted (1872)

Attachment C: Previous Alley Vacation and Sales

Attachment D: Property Appraisal Commissioned by Village, Prepared by Valucentric, LLC

Attachment E: Correspondence Regarding Property Valuation from Property Owner, Appraisal Commissioned by Owner and Prepared by KBS, Inc.

ATTACHMENT A

ORDINANCE NO. M-10-2019

AN ORDINANCE VACATING A PORTION OF A PUBLIC ALLEY RIGHT-OF-WAY ADJACENT TO 315 FAIRVIEW AVENUE AND APPROVING A SUBDIVISION PLAT TO CONSOLIDATE THE PARCELS

WHEREAS, the Village of Winnetka is a home rule municipality in accordance with Article VII, Section 6 of the Constitution of the State of Illinois of 1970 and has the authority to exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, the Village of Winnetka has the power to vacate alleys pursuant to Section 11-91-1 *et seq.* of the Illinois Municipal Code, 65 ILCS 5/11-91-1 *et seq.*, and its home rule powers; and

WHEREAS, the Village Board of Trustees does hereby determine that there is no public benefit to be obtained by the Village's continued ownership of the portion of the public alley adjacent to the property commonly known as 315 Fairview Avenue ("**Receiving Property**"); and

WHEREAS, the Village Council further determines that it would be in the best interests of the public to vacate the portion of the previously dedicated public alley adjacent to the Receiving Property and the owner of the Receiving Property, Jacek Kruszewski and Chelsea Halweg (collectively, "**Owners**"), have requested this vacation; and

WHEREAS, the Village Council does hereby certify that the right-of-way described in Section 2 below is located entirely within the corporate limits of the Village of Winnetka and is subject to the jurisdiction of the Village of Winnetka; and

WHEREAS, the Owners have prepared a Plat of Consolidation for the Receiving Property consolidating the corresponding portion of the Public Alley described in this Ordinance; and

WHEREAS, consolidation of land is considered a minor subdivision procedure under the Winnetka subdivision regulations ("**Subdivision Regulations**"); and

WHEREAS, staff has reviewed the Plat of Consolidation and recommends approval by the Village Council;

NOW, THEREFORE, be it ordained by the President and Board of Trustees of the Village of Winnetka as follows:

SECTION 1: RECITALS. The foregoing recitals are hereby incorporated as the findings of the Council of the Village of Winnetka, as if fully set forth in this Section.

SECTION 2: VACATION. Subject to and contingent on the prior satisfaction of the conditions stated in Section 4 of this Ordinance, the portion of the public alley depicted and

described on the Plat of Vacation ("**Public Alley**"), prepared by Geodetic Survey, Ltd., and dated March 28, 2019, consisting of one sheet, attached to and made a part of this Ordinance as **Exhibit A ("Plat of Vacation")**, is hereby vacated and closed to public use, with title to the Public Alley transferring to the owners of the Receiving Property located adjacent thereto.

SECTION 3: EASEMENTS RESERVED. Perpetual easements are hereby reserved for public and municipal utility purposes as set forth on the Plat of Consolidation.

SECTION 4: CONDITION OF VACATION. The Owners shall pay to the Village, as consideration for the vacated Public Alley, the amount of \$20,000.00, plus the total amount of all fees, costs, and expenses incurred or accrued in connection with the review, negotiation, preparation, consideration, and review of this Ordinance (collectively, "**Vacation Compensation Fee**"). The Owners shall pay the Vacation Compensation Fee to the Village within 30 days after the date of adoption of this Ordinance.

SECTION 5: RECORDATION. The Village Manager is hereby authorized and directed to cause a certified copy of this Ordinance, together with the Plat of Vacation, to be recorded with the Cook County Recorder of Deeds upon compliance with all the conditions and requirements of this Ordinance.

SECTION 6: APPROVAL OF PLAT OF CONSOLIDATION. The Plat of Consolidation for 315 Fairview Avenue, prepared by Geodetic Survey, Ltd., on March 28, 2019, attached to, and by this reference, made a part of this Ordinance as Exhibit B ("**Plat of Consolidation**") shall be, and are hereby, approved in substantially the following form, and in a final form to be approved by the Village Manager.

SECTION 7: AUTHORIZATION TO EXECUTE PLAT OF CONSOLIDATION. The Village President and Village Clerk are hereby authorized and directed to execute and seal, on behalf of the Village, the Plat of Consolidation, subject to certification by the Office of the Cook County Clerk that there are no property tax delinquencies, as well as all other certifications as necessary.

SECTION 8: RECORDATION OF PLAT OF CONSOLIDATION. The Village Manager is hereby directed to record the Plat of Consolidation in the Office of the Cook County Recorder upon the occurrence of all of the events listed in Section 12 of this Ordinance.

SECTION 9: REPEAL. Unless the conditions set forth in Section 4 are satisfied in full within 30 days after passage of this Ordinance, the Village Council shall have the right, but not the obligation, to repeal this Ordinance by Resolution, in which case this Ordinance shall not take effect and shall be deemed null and void after that date.

SECTION 10: EFFECTIVE DATE. This Ordinance shall take effect immediately upon its passage, approval, and publication as provided by law.

[SIGNATURE PAGE FOLLOWS]

PASSED this ____ day of _____, 2019, pursuant to the following roll call vote:

AYES: _____

NAYS: _____

ABSENT: _____

APPROVED this ____ day of _____, 2019.

Signed:

Village President

Countersigned:

Village Clerk

Published by authority of the
President and Board of Trustees
of the Village of Winnetka,
Illinois, this ____ day of _____,
2019.

Introduced: August 6, 2019

Passed and Approved: _____, 2019

EXHIBIT A
PLAT OF VACATION
(SEE ATTACHED EXHIBIT A)

PLAT OF VACATION OF

BLOCK 3

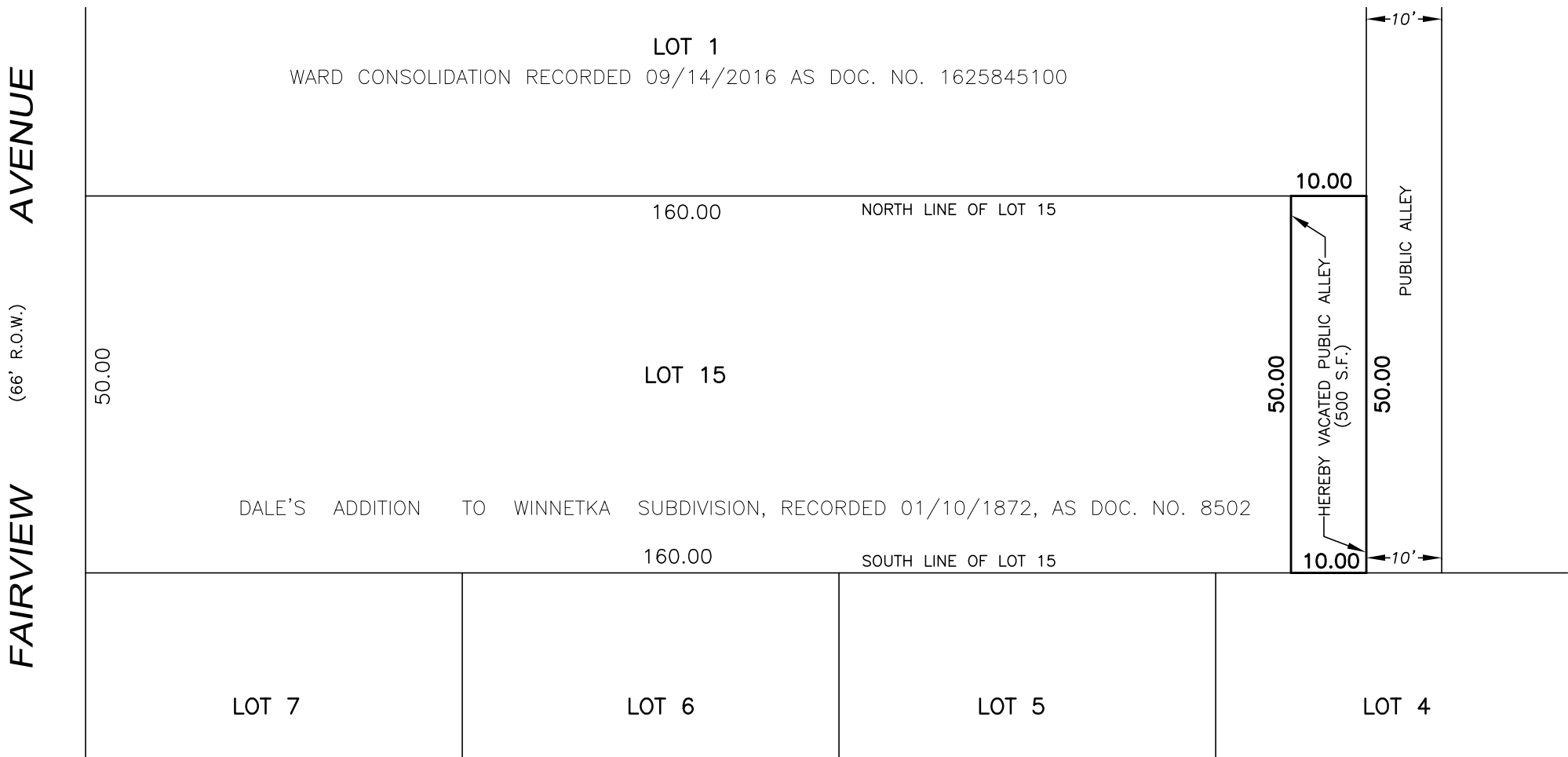


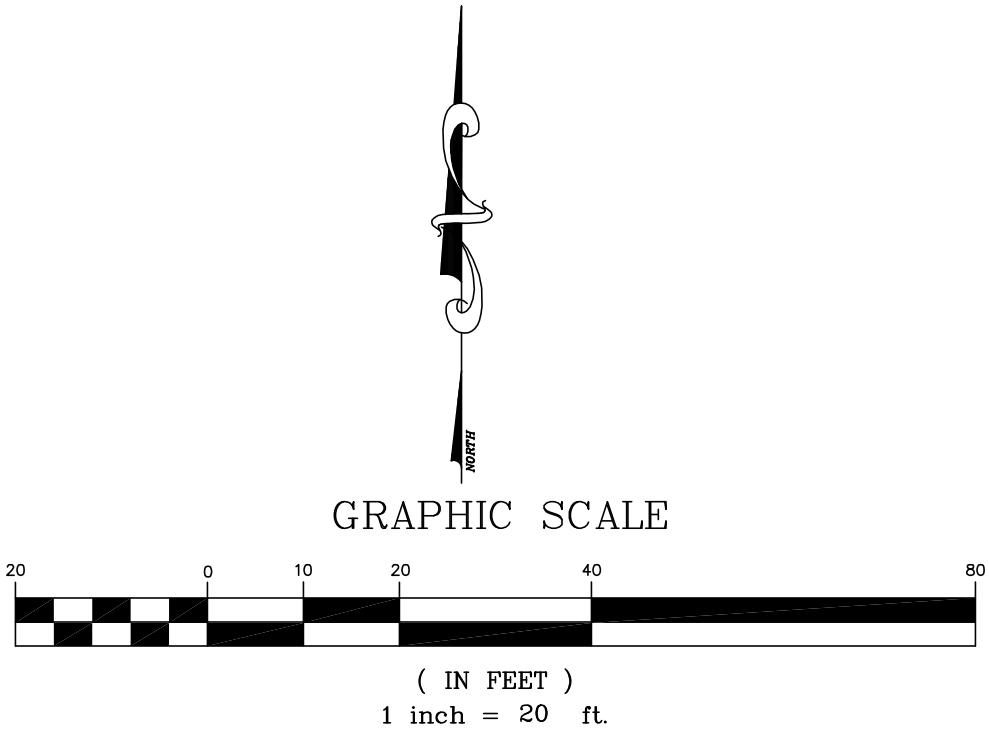
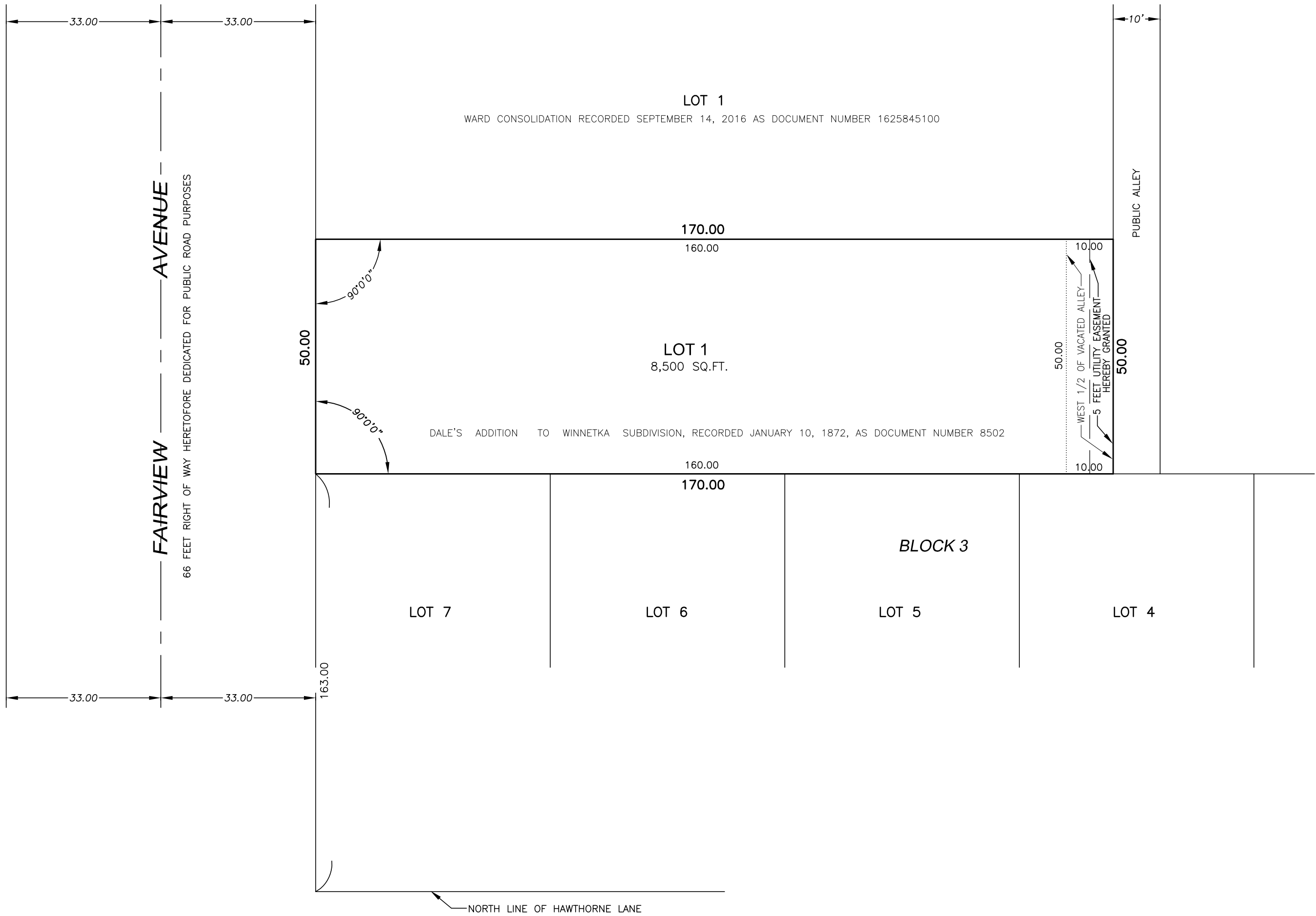
EXHIBIT B
PLAT OF CONSOLIDATION
(SEE ATTACHED EXHIBIT B)

August 6, 2019

M-10-2019

FINAL PLAT OF
KRUSZEWSKI HALWEG CONSOLIDATION

OF LOT 15 IN BLOCK 3 TOGETHER WITH THE WEST HALF OF VACATED ALLEY LYING EAST OF AND ADJOINING LOT 15 IN DALE'S ADDITION TO WINNETKA, A SUBDIVISION OF THE NORTH 7.50 CHAINS OF THE SOUTHEAST QUARTER OF FRACTIONAL SECTION 21, TOWNSHIP 42 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.



This plat submitted for recording by:
Name: VILLAGE OF WINNETKA
Address: 510 GREEN BAY ROAD
City: WINNETKA
State: ILLINOIS Zip 60093

PERMANENT INDEX NUMBER: 05-21-401-010-0000

TAX BILL RECIPIENT:
JACEK KRUSZEWSKI & CHELSEA HALWEG
315 FAIRVIEW AVENUE
WINNETKA, ILLINOIS 60093

OWNER'S CERTIFICATE:

State of Illinois }
County of Cook } s.s.

We, Jacek Kruszewski & Chelsea Halweg, do hereby certify that we are the owners of the property described hereon and that we have caused the said property to be surveyed and resubdivided as shown hereon as the Kruszewski Halweg Consolidation and legally described on the plat of the same name.

Dated this ____ day of _____, A.D. 20__.

Owner's Signature

Owner's Signature

NOTARY CERTIFICATE:

State of Illinois }
County of Cook } s.s.

I, _____ a Notary Public in and for said County in the State

aforsaid do hereby certify that _____ personally known to me to be the same persons whose names are subscribed to the foregoing instrument as owners of the property described hereon, appeared before me this day in person and acknowledged that they signed and delivered this plat as their own free and voluntary act for the uses and purposes therein set forth.

Given under my hand and notarial seal this ____ day of _____, A.D. 20__.

Notary Public

MORTGAGE CERTIFICATE:

State of }
County of } s.s.

This is to certify that _____ as mortgage under the provisions of that certain mortgage and assignments of rents dated _____, _____ recorded in the public records of _____ County, _____, on _____ as Document No. _____ is the mortgage of the property described on the plat of subdivision and does hereby consent to and acknowledge and adopt said plat.

Dated this ____ day of _____, A.D. 20__.

By: _____
(Vice) President

Attest: _____
Secretary

NOTARY CERTIFICATE:

State of }
County of } s.s.

I, _____ a Notary Public in and for said County in the State

aforsaid do hereby certify that _____ personally known to me to be the same persons whose names are subscribed to the foregoing instrument as owners of the property described hereon, appeared before me this day in person and acknowledged that they signed and delivered this plat as their own free and voluntary act for the uses and purposes therein set forth.

Given under my hand and notarial seal this ____ day of _____, A.D. 20__.

Notary Public

SURVEYOR'S CERTIFICATE:

State of Illinois }
County of Cook } s.s.

I, Thomas R. Krohn an Illinois licensed land surveyor do hereby certify that I have surveyed and subdivided the following described property: LOT 15 IN BLOCK 3 TOGETHER WITH THE WEST HALF OF VACATED ALLEY LYING EAST OF AND ADJOINING LOT 15 IN DALE'S ADDITION TO WINNETKA, A SUBDIVISION OF THE NORTH 7.50 CHAINS OF THE SOUTHEAST QUARTER OF FRACTIONAL SECTION 21, TOWNSHIP 42 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

All dimension are in feet and decimal parts thereof.

I further certify that the property shown hereon is identified as Zone "X" (Unshaded), areas determined to be outside the 0.2% annual chance floodplain and is not situated in a special flood hazard area, by The Federal Emergency Management Agency, as per The Flood Insurance Rate Map, Village of Winnetka Community Number 170176, Map 233 of 832, Panel No. 17031C0251 J, effective date August 19, 2008.

I further certify that the property shown hereon is situated within the corporate limits of the Village of Winnetka, Illinois.

Dated this 28th day of March, 2019.

Thomas R. Krohn
Illinois Licensed Land Surveyor No. 3000



State of Illinois
County of Cook SS

Approved this ____ day of _____, 20__ by the VILLAGE PRESIDENT
AND BOARD OF TRUSTEES of the Village of Winnetka, Cook County, Illinois.

Village President

Village Clerk

State of Illinois
County of Cook SS

Approved this ____ day of _____, 20__ by the DIRECTOR OF THE
WATER AND ELECTRIC DEPARTMENT of the Village of Winnetka, Cook County, Illinois.

Water and Electric Director

State of Illinois
County of Cook SS

Approved this ____ day of _____, 20__ by the DIRECTOR OF THE
COMMUNITY DEVELOPMENT DEPARTMENT of the Village of Winnetka, Cook County, Illinois.

Community Development Director

State of Illinois
County of Cook SS

Approved this ____ day of _____, 20__ by the VILLAGE ENGINEER
of the Village of Winnetka, Cook County, Illinois.

Village Engineer

State of Illinois
County of Cook SS

I, _____, Village Collector of the Village of Winnetka, Illinois, do hereby certify that there are no delinquent or unpaid current or forfeited special assessments, or any deferred installments thereon that have been apportioned against the tract of land included in this plat of consolidation

Dated this ____ day of _____, 20__.

Village Collector

GEODETIC SURVEY, LTD.
PROFESSIONAL DESIGN FIRM NO. 184-003942
1121 DEPOT STREET, GLENVIEW IL 60025
TEL. (847) 904-7690; FAX (847) 904-7691

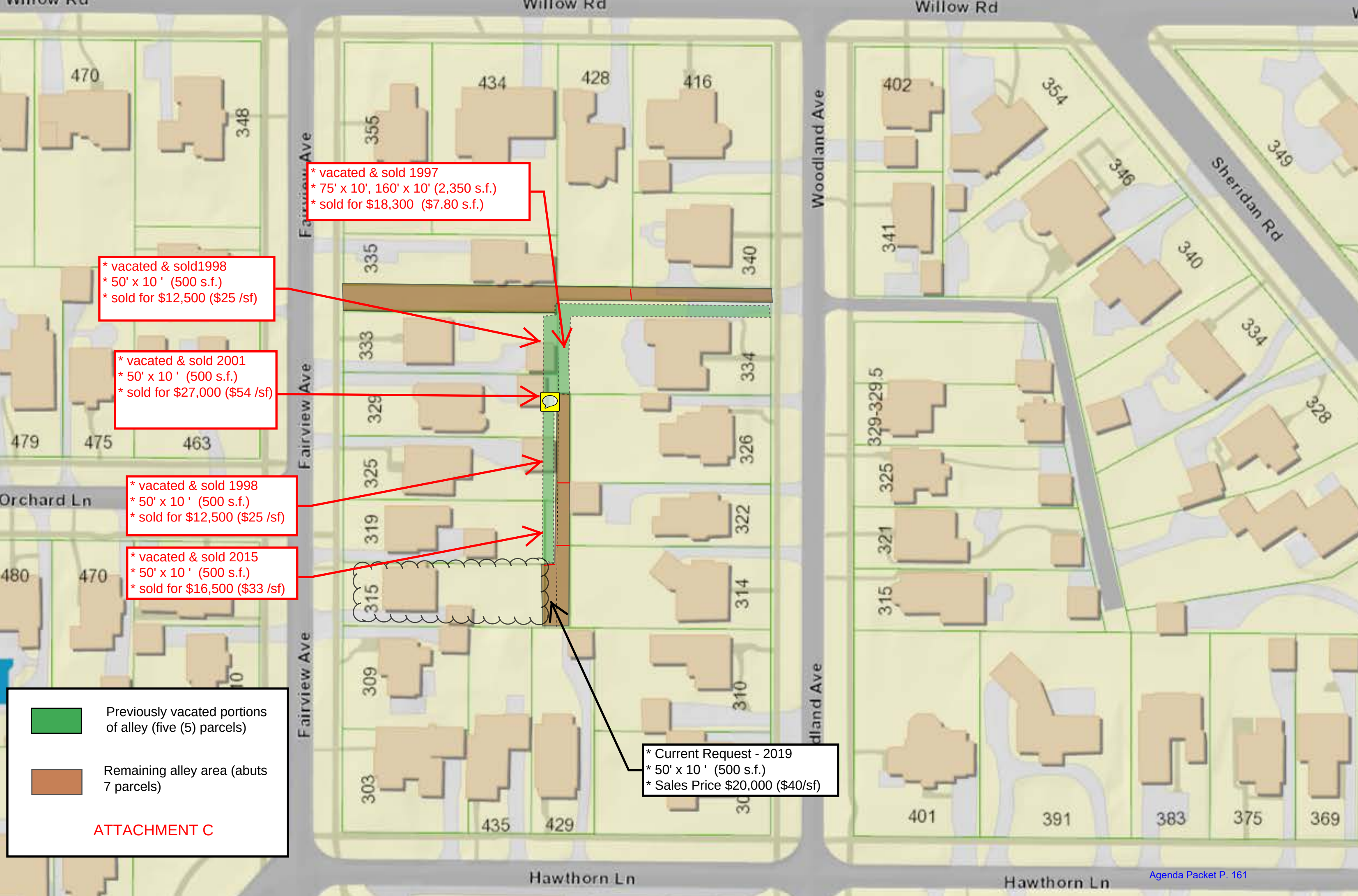
REVISIONS	DATE

FILE NO. 19-044
DATE: 03/28/2019



Originally platted alley area
(platted 1872)

ATTACHMENT B



* vacated & sold 1997
* 75' x 10', 160' x 10' (2,350 s.f.)
* sold for \$18,300 (\$7.80 /s.f.)

* vacated & sold 1998
* 50' x 10' (500 s.f.)
* sold for \$12,500 (\$25 /sf)

* vacated & sold 2001
* 50' x 10' (500 s.f.)
* sold for \$27,000 (\$54 /sf)

* vacated & sold 1998
* 50' x 10' (500 s.f.)
* sold for \$12,500 (\$25 /sf)

* vacated & sold 2015
* 50' x 10' (500 s.f.)
* sold for \$16,500 (\$33 /sf)

* Current Request - 2019
* 50' x 10' (500 s.f.)
* Sales Price \$20,000 (\$40/sf)



Previously vacated portions
of alley (five (5) parcels)



Remaining alley area (abuts
7 parcels)

ATTACHMENT C



ATTACHMENT D

770 Lake Cook Road, Suite 300
Deerfield, IL 60015

Main: 773-467-4444
info@valucentric.com

A REAL PROPERTY APPRAISAL REPORT OF Vacant Alleyway at Rear of 315 Fairview Avenue

LOCATED AT
315 Fairview Avenue
Winnetka, Illinois 60093

CLIENT
Village of Winnetka
510 Green Bay Road
Winnetka, Illinois 60093

PREPARED BY
Valucentric, LLC
770 Lake Cook Road, Suite 300
Deerfield, Illinois 60015
Tel: 773.467.4444



770 Lake Cook Road, Suite 300
Deerfield, IL 60015

Main: 773-467-4444
info@valucentric.com

April 26, 2019

Mr. Christopher Marx, AICP
Village of Winnetka
510 Green Bay Road
Winnetka, Illinois 60093

Re: 315 Fairview Avenue
Winnetka, Illinois 60093

Dear Client,

At your request, we have appraised a real property interest for the above real estate. Our objective was to form one or more opinions about the market value for a 100% ownership interest in the subject property's fee simple estate assuming no liens or encumbrances other than normal covenants and restrictions of record.

As a preview, the subject property consists of 500 square feet of land in an area zoned for residential use. The subject is part of a vacated, public alley and has no parcel identification number. It has no roadway frontage and its highest and best use is for assemblage with an adjacent parcel.

This valuation contains analyses, opinions, and conclusions along with market data and reasoning appropriate for the scope of work detailed later herein. It was prepared solely for the intended use and intended user(s) explicitly identified in the attached report. Unauthorized users do so at their own risk. The appraisal is communicated in the attached Appraisal Report and conforms to the version of the Uniform Standards of Professional Appraisal Practice (USPAP) in effect on this report's preparation date of April 26, 2019.

This letter is not an appraisal report hence it must not be removed from the attached 33-page report. If this letter is disjoined from the attached appraisal report, then the value opinions set forth in this letter are invalid because the analyses, opinions, and conclusions cannot be properly understood.

In general, valuation of the subject property involves no atypical issues. All value opinions are affected by all the information, extraordinary assumptions, hypotheses, general limiting conditions, facts, descriptions, and disclosures stated in the attached appraisal report. After careful consideration of all factors pertaining to and influencing value, the data and analysis thereof firmly supports the following final value opinion(s) for the subject property as of April 1, 2019:

\$24,000 Market Value "As Is"

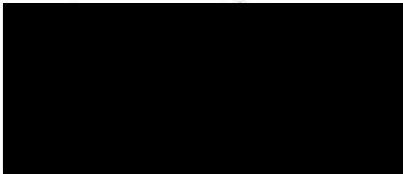
Thank you for your business. Let us know how we may further serve you.



Peter Poulos, MAI
Certified General Real Estate Appraiser
Illinois License 553.001522
License Expiration Date: 9/30/2019



Richard M. Ririe
Associate Real Estate Trainee Appraiser
Illinois License 557.006405
License Expiration Date: 9/30/2019



Evangelos Sikaras
Certified General Real Estate Appraiser
Illinois License 553.002627
License Expiration Date: 9/30/2019

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Photographs of Subject

(photo page 1)



Subject GIS Map



Subject Aerial

Photographs of Subject
(photo page 2)



Fairview Avenue
Northbound



Fairview Avenue
Southbound



Scope of Work

Scope of Work

Client Information & Purpose

Client's Name	Mr. Christopher Marx, AICP
Client's Company Name	Village of Winnetka
Other Intended Users	None
Intended Use Of Report (To aid)	Internal Decision-Making Purposes
Interest Appraised	Fee Simple
Value Opinion(s) Developed	As Is
Standard / Definition Of Value Used To Form The Value Opinion(s)	One or more values are defined in this report. Definitions of value were taken from <i>The Dictionary of Real Estate Appraisal, Sixth Edition</i> published by the Appraisal Institute, copyright 2015

Appraisal Development

Appraisal development is the extent of research and analyses that produce one or more credible opinions of value for one or more specifically identified intended users and an explicitly stated intended use. In this context, credible is defined as "worthy of belief".

Depending upon the intended use, intended users, and agreements between the appraiser and the client, the appraisal development process may include several, but not necessarily all of the following tasks.

- observation of the property appraised
- research for appropriate market data
- data verification
- consideration of influential market area, physical, economic, and governmental factors
- determination of the subject's highest and best use(s), if appropriate
- development of one or more applicable approaches to value
- reconciliation of value indications
- preparation of this report

In most cases, the core valuation process begins with a highest and best use analysis. This is essential because it establishes a framework for the proper selection of comparables. Cited comparables should have the same highest and best use as the property appraised.

Scope of Work

Appraisal Development

If some property modification like new construction is contemplated, a feasibility analysis may be appropriate. In some cases, feasibility may simply be justified by inferred market evidence like low vacancy or rising rents.

According to USPAP, all approaches that are applicable to the interest being appraised and necessary to produce credible results must be developed. The type of highest and best use; extent of feasibility considered; and the relevance of each major approach are listed below.

Highest and Best Use	An Inferred Demand Analysis
Feasibility Analysis <i>(a more detailed study separate from highest & best use)</i>	Separate Feasibility Analysis Not Developed
Cost Approach	Not Applicable And Not Included In Report
Sales Comparison	Applicable And Included In Report
Income Approach	Not Applicable And Not Included In Report

Quoting "*The Appraisal of Real Estate*" Thirteenth Edition published by the Appraisal Institute, page 186 says

"Highest and best use analysis and feasibility analysis are interrelated, but feasibility analysis may involve data and considerations that are not directly related to highest and best use determinations. Such analyses may be more detailed than highest and best use analysis, have a different focus, or require additional research."

Applicable and necessary approaches were selected for development after consideration of available market data, intended use, and intended user(s). An approach considered not applicable was omitted because this methodology is not appropriate for the property interest being appraised, or sufficient data to properly develop the approach was not available. Any approach judged not applicable, yet included in this report, was developed solely at our client's request. Data used to develop an inapplicable but included approach has a low to nil degree of comparability to the subject. Hence, no emphasis was given an approach deemed not applicable but included. Furthermore, no liability or responsibility is assumed for an approach considered not applicable but included at the client's request.

Scope of Work

Key Dates

Effective Value Date <i>(point in time the value applies)</i>	April 1, 2019
Report Preparation Date <i>(date the report was prepared)</i>	April 26, 2019
Date Property Appraised Was Observed By One Or More Appraisers Signing This Report	April 1, 2019

Extraordinary Assumptions & Disclosures

An extraordinary assumption is defined by the Uniform Standards of Professional Appraisal Practice (USPAP) to be “an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser’s opinion or conclusions.” Extraordinary assumptions presume as fact otherwise uncertain information. In other words, this type assumption involves uncertainty about an underlying premise. An example is a survey that displays a lot size. If the lot size is later found to be much smaller, then the value conclusion may be negatively affected.

USPAP Standard Rule 1-2(f) requires the identification of all extraordinary assumptions that are necessary for credible assignment results. This appraisal employs no extraordinary assumptions.

Hypothetical Conditions

USPAP defines a hypothetical condition as “a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for the purpose of analysis.”

Hypothetical conditions assume conditions that are contrary to known fact. An illustration is the current valuation of a proposed home. For the purpose of a rational analysis, it is assumed the home exists on the effective value date, but it is known the home is nonexistent. Another example is a new zoning classification, that a property does not have today, but the new zoning is assumed for the purpose of a logical current valuation. Uncertainty is not involved with a hypothetical condition. An essential premise underlying the valuation is known not to exist on the effective value date.

USPAP Standard Rule 1-2(g) requires the identification of all hypothetical conditions that are necessary for a credible value opinion. This appraisal employs no hypothetical conditions.

Competency

The persons signing this report are licensed to appraise real property in the state the subject is located. They affirm they have the experience, knowledge, and education to value this type property. They have previously appraised similar real estate.

Definition of Market Value

The definition of *market value* is used in all federally regulated transactions that exceed a minimum amount. This definition is mandated by Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989. The exact same definition was published in the Federal Register several times by different federal agencies. (Some printings are: 12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; and 59 Federal Register 29499, June 7, 1994.)

Market value is defined as:

“the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- buyer and seller are both typically motivated;*
- both parties are well informed or well advised and acting in what they consider their own best interests;*
- a reasonable time is allowed for exposure in the open market;*
- payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and*
- the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.”*

Virtually the same definition is also cited in Advisory Opinion 30 of the 2018-2019 version of the Uniform Standards of Professional Appraisal Practice (USPAP), lines 118 to 130.



Subject Property

Identification of the Property

The subject real estate is generally located approximately 160 feet west of Fairview Avenue and 213 feet north of Hawthorne Lane in a vacated public alley, within Winnetka, Cook County, Illinois. The subject is vacant land and has no common address. For the purposes of this analysis, we will refer to the subject property as 315-17 Fairview Avenue, Winnetka, Illinois 60093.

Legal Description

A professional surveyor and / or legal counsel should verify the following legal description before relying upon, or using it as part of any conveyance, or any other document. This legal description was obtained from a survey and is assumed accurate. For the subject property, as it has no official parcel identification number, this legal description should be confirmed by a licensed surveyor prior to any transfer or encumbrance of the property.

...OF...LOT 15 IN BLOCK 3 TOGETHER WITH THE WEST HALF OF VACATED ALLEY LYING EAST OF AND ADJOINING SAID LOT 15 IN DALE'S ADDITION TO WINNETKA; A SUBDIVISION OF THE NORTH 7.5 CHAINS OF THE SOUTHEAST QUARTER OF FRACTIONAL SECTION 21, TOWNSHIP 42 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Sale History

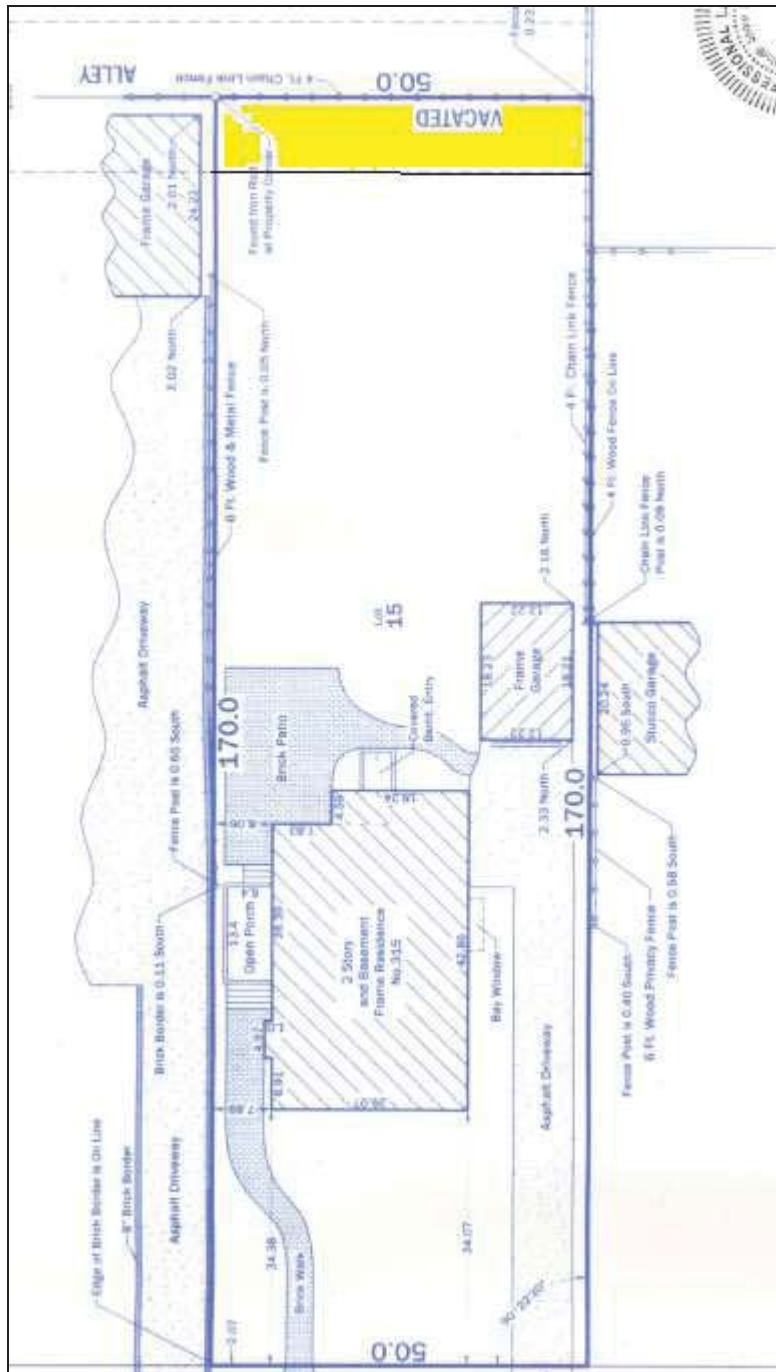
An examination of Cook County real estate tax records reveals no conveyances pertaining to the subject property within the past three years. We know of no recorded or unrecorded sale, purchase option agreement, sale of partial interest, or contract for deed, which have occurred within the last three years. Currently the subject property is owned by the Village of Winnetka.

Subject Site & Improvements

The subject of this appraisal is the 500 square foot site behind the property whose common address is 315 Fairview Avenue in Winnetka, Illinois. The subject real estate is generally located approximately 160 feet west of Fairview Avenue and 213 feet north of Hawthorne Lane in a vacated public alley, within Winnetka, Cook County, Illinois. The subject site measures 10' x 50'. These dimensions have been taken from a plat of survey performed by North Shore Survey, Ltd. The survey is dated July 25, 2016. Per the survey, the subject appears to have a 6' wooden fence bisecting the alleyway. These dimensions appear to agree with those on the Cook County tax parcel map and GIS website. Surrounding uses are a majority residential with the Greeley Elementary School located less than 250' south of the subject along Fairview Avenue.

The site appears level and at grade with surrounding parcels. While this site is not currently served by any public utilities, the surrounding properties are and hence they would be available.

Plat of survey



Real Estate Taxes

The subject property has no parcel identification number. The subject site is publicly owned land and is currently tax exempt. If purchased by the current owner of the adjacent property at 315 Fairview Avenue, it will become part of P.I.N. 05-21-401-010-0000, unless it is assigned its own tax ID number, which is unlikely.

Zoning

According to the following zoning map, the subject property is zoned "R5" Single Family Residence District by the Village of Winnetka.



Exposure & Marketing Time

USPAP Standard rule 1-2(c)(iv) requires an opinion of exposure time, not marketing time, when the purpose of the appraisal is to estimate market value. An estimated exposure time for the subject is 1 to 3 months assuming competitive pricing and prudent marketing efforts. An estimated marketing time for the subject is 1 to 3 months assuming competitive pricing and prudent marketing efforts.

Highest and Best Use of Property

A highest and best use analysis identifies the most probable and profitable competitive use the subject property could be used for. Since economic conditions change, a property's highest and best use changes as well. This analysis is an essential step in the determination of market value because it forms a framework for the proper selection of comparables.

There are four main tests in a highest and best use study: (1) governmental requirements and limitations like zoning and private deed restrictions; (2) physical constraints; (3) financial feasibility, and (4) maximum productivity. If more than one use survives the first three tests, then the use that produces the highest positive reward with the least risk is the highest and best use.

Highest and best use analyses can be categorized into two different levels of detail - inferred and fundamental. This appraisal's level of detail was disclosed in the Scope of Work - Appraisal Development section. A fundamental analysis forecasts demand from broad demographic and economic data like population and income. Existing supply is inventoried. Then the relationship of supply and demand is weighed to determine net demand. An inferred analysis is based on local trends and patterns from which inferences are made. Sales, listings, marketing intervals, and/or price change for other similar land infer there is adequate demand for the subject parcel at a price level congruous with this data. Inferred analyses emphasize historical data while fundamental analyses are based on future projections.

Zoning permits residential uses or related accessory uses. Nearby lands are compatibly zoned. Considering the current zoning classification and surrounding land uses, the most likely development of the subject would be for a single-family residence. However, physical attributes of the property appraised do not allow for development. The subject site does not meet the minimum zoning requirements for lot size and lot depth. Therefore, based on our research, it is our opinion that most likely, the buyer of the subject property would be an adjacent property owner in order to enhance the size & utility of their site. Based upon legalities, physical elements, as well as economic factors, the subject's highest and best of the subject use is assemblage with a neighboring parcel.

Sales Comparison Approach

Introduction

In an appraisal, the real estate being appraised is referred to as the “subject” or “subject property.” Properties possessing characteristics that are physically and locationally similar to the subject are called “comparables” or “comparable sales.” In this approach, comparables are compared to the subject. Differences are noted. Dissimilarities between the subject and the comparables are categorized into elements of comparison. Adjustments, to compensate for dissimilarities, are next applied the sale prices of the comparable sales. Then, a value opinion for the subject is reconciled from the range in adjusted sale prices established by the comparables. Unless stated otherwise, all cited transactions are "arm's length" conveyances. An “arm’s length” transaction is an agreement between unrelated parties with typical motivations in a competitive market.

As discussed, the subject has no frontage, has poor visibility, and does not meet the zoning requirements to be a buildable lot but would enhance a buildable lot. In order to determine the subject’s market value, we have first estimated the market value of the adjacent parcel, “As Though Vacant.” It will be referred to as #315 throughout the report (as illustrated in the Comparable Map included herein) and its owner would be the most likely buyer of the subject property. Then, we will estimate the contributory value of the 500 SF subject, as if assembled with the adjacent parcel (#315).

Parcel #315 can be briefly described as a rectangular, interior parcel constituting 8,000 square feet. Improvements consist of a two-story single-family home. It is zoned R5, Single Family Residential District, with approximately 50 feet of frontage along Fairview Avenue.

Since this vicinity has been developed for several decades, there are many aged and outdated homes being torn down for the purpose of constructing new homes. Therefore, an opinion of the subject's land value was developed after consideration of nearby sales of residential properties that were sold for land value.

Sales Comparison Approach

Sales Location Map



Sales Comparison Approach

(photo page 1)



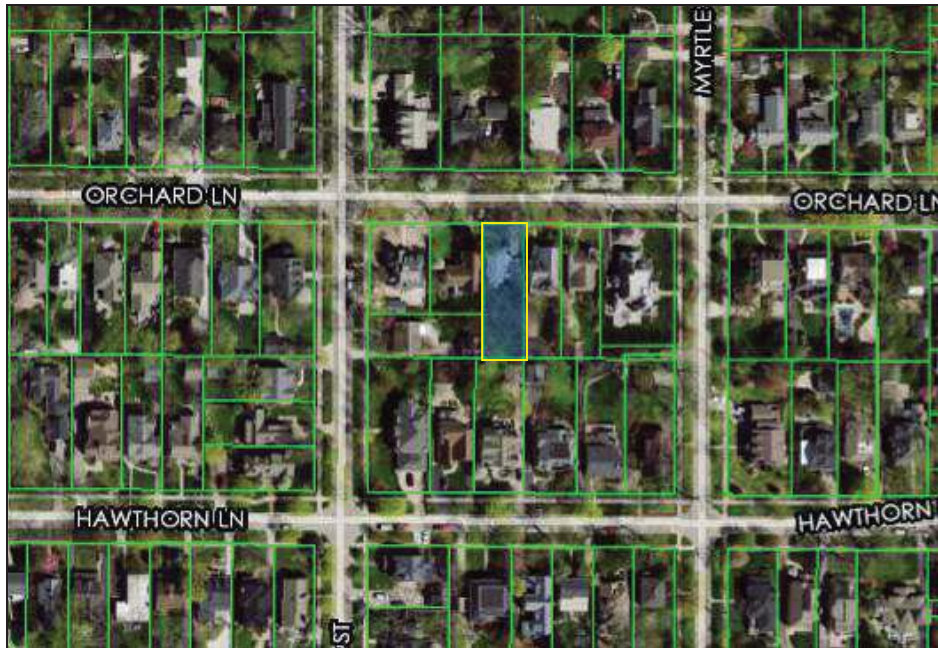
Comparable
Sale #1



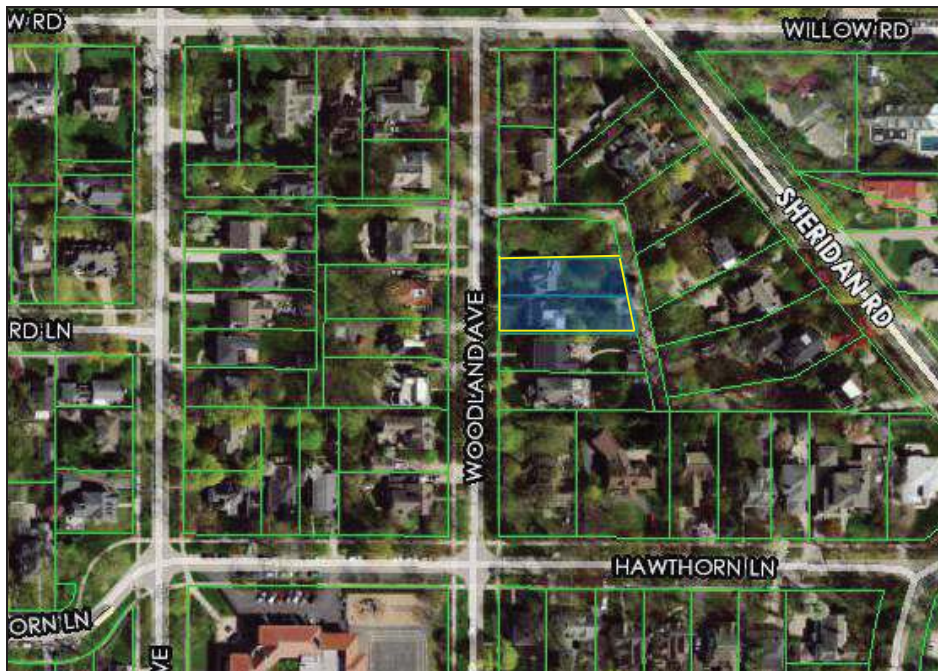
Comparable
Sale #2

Sales Comparison Approach

(photo page 2)



Comparable
Sale #3



Comparable
Sale #4

Sales Comparison Approach

Summary of Comparable Sales

Sale Comp	Location	Sale Date	Zoning	Land Size (SF)	Land Size (AC)	Sale Price	Price / SF
1	391 Hawthron Ln Winnetka, IL	May-18	R4	19,560	0.45	\$1,500,000	\$76.69
2	190 Chestnut St Winnetka, IL	Jul-18	R3	13,090	0.30	\$975,000	\$74.48
3	520 Orchard Ln Winnetka, IL	Apr-18	R5	8,250	0.19	\$655,000	\$79.39
4	329 Woodland Ave Winnetka, IL	Jun-17	R4	15,650	0.36	\$1,125,000	\$71.88
SUB	#315 Winnetka, IL	N/A	R5	8,000	0.18	N/A	N/A

Adjustment Grid

Adjustment Factor	Sale #1	Sale #2	Sale #3	Sale #4
Unadj. Sale Price / SF	\$76.69	\$74.48	\$79.39	\$71.88
Property Rights	0%	0%	0%	0%
Modified \$/SF	\$76.69	\$74.48	\$79.39	\$71.88
Financing	0%	0%	0%	0%
Modified \$/SF	\$76.69	\$74.48	\$79.39	\$71.88
Sale Conditions	0%	0%	0%	0%
Modified \$/SF	\$76.69	\$74.48	\$79.39	\$71.88
After Sale Expenditures	0%	0%	0%	1%
Modified \$/SF	\$76.69	\$74.48	\$79.39	\$72.60
Market Conditions	0%	0%	0%	5%
Modified \$/SF	\$76.69	\$74.48	\$79.39	\$76.23
Location	0%	5%	0%	0%
Physical Attributes				
Land Size	5%	5%	0%	5%
Shape/Utility	0%	0%	0%	0%
Access/Corner Site	0%	0%	0%	0%
Topography	0%	0%	0%	0%
Zoning	0%	0%	0%	0%
Net Adjustment	5%	10%	0%	5%
Final Modified Price /SF	\$80.52	\$81.93	\$79.39	\$80.05

Sales Comparison Approach

All cited comparables conveyed between June 2017 and this report's effective value date. Values generally increased between these two dates. Therefore, comparable 4 is adjusted upward for its aged transaction date. All other Comparables sold in more or less similar market conditions and no adjustments were made. Comparable 4 was improved with a detached, single unit residence that has since been razed; therefore, an appropriate upward adjustment was made to account for demolition costs.

Location Each property was rated to the subject for locational aspects such as value growth potential, access, and general desirability. Those transactions with superior locations were adjusted downward and vice versa. Comparable 2 is considered to have an inferior location when compared to #315 and is therefore adjusted upward. All remaining comparables are considered similar in location to #315 and no adjustments were required.

Physical Attributes A myriad of physical characteristics can affect land value. Some examples are lot size, shape, site orientation, availability of utilities, and soil conditions. Those sales with superior physical qualities warrant downward adjustment and vice versa.

Land Size Property size is an influential variable. Often an inverse relationship exists between price and size. That is, the larger the parcel, the lower the price per unit square foot selling price. Comparables 1, 2 and 4 have significantly larger land size when compared to #315 and were therefore adjusted upwards.

Shape/Utility Property shape can have a significant effect on market value where it pertains to overall development potential and overall site efficiency. Parcel #315 is considered rectangular in shape. All comparables have similar shapes when compared to #315 and no adjustments were required.

Corner/Access Access to a site can enhance or limit its attractiveness to buyers in the market. Corner sites have superior access, visibility, and exposure to interior site, with all other factors being equal. All comparables have interior sites and are considered similar to #315, hence requiring no adjustments.

Topography Topography of land specifically involves the terrain, the three-dimensional quality of the surface and the identification of specific land forms. Properties with flat topography are more desirable as opposed to rolling or sloped topography which can limit use of the entire site. Parcel #315 and all Comparables were generally similar in terms of topography and no adjustments were required.

Sales Comparison Approach

Zoning Zoning may include regulation of the kinds of activities which will be acceptable on particular lots (such as open space, residential, agricultural, commercial or industrial), the densities at which those activities can be performed (from low-density housing such as single family homes to high-density such as high-rise apartment buildings), the height of buildings, the amount of space structures may occupy, the location of a building on the lot (setbacks), the proportions of the types of space on a lot (for example, how much landscaped space and how much paved space), and how much parking must be provided. The zoning classification assigned to a particular property can have a significant effect on value. Parcel #315 is zoned R5, Single Family Residential District. All comparables have similar residential zoning classifications. Therefore, no adjustments were made for zoning.

Analysis & Conclusions

Selected transactions were chosen for analysis because of their proximity to and similar highest and best uses as parcel #315.

Value Indication

This adjusted data varies from \$79.25 to \$81.93 per sq. ft.. Based on the applied adjustments and our analysis of the Comparables. After consideration of all factors pertaining to and influencing land values, the following is selected as the most fitting market value indication for Parcel #315 in its "As Is." condition. Accordingly,

Parcel #315	8,000	Sq. Ft. @	\$80.00	Per Sq. Ft. =	\$640,000
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Indicated Market Value of Parcel #315

"As Is"

\$640,000

Via Sales Comparison, Say

Market Value of Subject Parcel

The subject property is buildable site based on the requirements of the current zoning classification. We have also concluded that the subject would most probably be purchased by the owner of the adjacent parcel (#315) in order to enhance the size & utility of their site. Therefore, in order to determine a reasonable market value for the subject, we have considered the contributory value of the subject to the adjacent site. If the adjacent site is assembled with the subject, since the current site size of the adjacent property meets current zoning & market expectations, the subject's additional 500 square feet would be considered surplus land. Surplus land is created when the site is larger in size than typically expected in the market and the extra land (or surplus land) cannot be sold off separately. This means the "surplus land" does not have a separate highest and best use. Therefore, the larger size is simply extra land that still might have some market value, but it cannot be used for a separate purpose from the rest of the site. The added square footage would enhance redevelopment potential, utility, and marketability for the adjacent site; however, our research of the market, including discussions with market participants, has revealed that surplus land would not add market value equivalent to a typical buildable site. Our research has indicated that a discount of 30% to 50%, say 40%, would be appropriate in the subject's market area for surplus land. Therefore, the market value of the subject property is estimated at $(\$80.00/\text{SF} - 40\%) = \$48.00/\text{SF}$, which is calculated as follows:

Subject Parcel(s)	500	Sq. Ft. @	\$48.00	Per Sq. Ft. =	\$24,000
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*Indicated Contributory Value of Subject Land
"As Is"*

\$24,000

Via Sales Comparison, Say

Certification

The appraisers signing this report make the following certifications to the best of their knowledge and belief.

- The statements of fact contained in this report are true and correct.
- Reported analyses, opinions, and conclusions are limited only by the assumptions and limiting conditions contained within this report, and are the appraisers' personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- The appraisers have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- The appraisers have no bias with respect to the property that is the subject of this report, or to the parties involved with this assignment.
- This engagement is not contingent upon developing or reporting predetermined results.
- Compensation paid to the appraisers is not contingent upon the development or reporting of a predetermined value, or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of the appraisal.
- Reported analyses, opinions, and conclusions were developed, and this report was prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP)
- A statement regarding observation of the subject property by each appraiser is listed below. None of the appraisers is a professional property inspector. Furthermore, none of the appraisers has formal training in the use of tools or instruments as part of a professional property inspection. Observation by one or more of the appraisers was limited to just those physical features and attributes that are not hidden or obscure in any fashion by any object or weather condition. None of the appraisers used any tools or instruments, beyond those typically used by appraisers, to probe, study, investigate, detect, or discover any physical feature or attribute that was not clearly visible on the date the property was observed.

Appraisers	Observations
Richard M. Ririe	No Observation
Peter Poulos, MAI	No Observation
Evangelos Sikaras	Cursory Observation

- No one provided significant real property appraisal assistance to the appraiser(s) signing this certification.

Certification

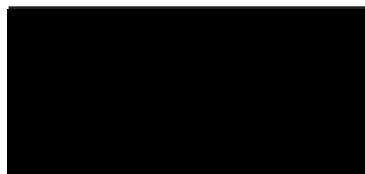
- The appraisers have not performed services, as an appraiser or in any other capacity, regarding the property that is the subject of this report during the three-year period immediately preceding acceptance of this assignment.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- Use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, Peter Poulos, MAI has completed the continuing education program for Designated Members of the Appraisal Institute.
- After careful consideration of all factors pertaining to and influencing value, the data, and analysis thereof firmly supports the following final value opinion(s) for the subject property as of April 1, 2019

\$24,000 “As Is”

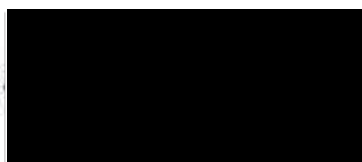
Thank you for your business. Let us know how we may further serve you.



Peter Poulos, MAI
Certified General Real Estate Appraiser
Illinois License 553.001522
License Expiration Date: 9/30/2019



Richard M. Ririe
Associate Real Estate Trainee Appraiser
Illinois License 557.006405
License Expiration Date: 9/30/2019



Evangelos Sikaras
Certified General Real Estate Appraiser
Illinois License 553.002627
License Expiration Date: 9/30/2019

Contingent and Limiting Conditions

1. By this notice, all persons, companies, or corporations using or relying on this report in any manner bind themselves to accept these Contingent and Limiting conditions, and all other contingent and limiting conditions contained elsewhere in this report. Do not use any portion of this report unless you fully accept all Contingent and Limiting conditions contained throughout this document.
2. The "Subject" or "Subject Property" refers to the real property that is the subject of this report. An Appraiser is defined as an individual person who is licensed to prepare real estate appraisal-related services in the State of Illinois and affixes his / her signature to this document.
3. Throughout this report, the singular term "Appraiser" also refers to the plural term "Appraisers." The terms "Appraiser" and "Appraisers" also refer collectively to "Valucentric, LLC," its officers, employees, subcontractors, and affiliates. The masculine terms "he" or "his" also refer to the feminine term "she" or "her."
4. In these Contingent and Limiting Conditions, the "Parties" refers to all of the following collectively: (a) the Appraiser(s), (b) Valucentric, LLC, (c) the client, and (d) all intended users.
5. These Contingent and Limiting Conditions are an integral part of this report along with all certifications, definitions, descriptions, facts, statements, assumptions, disclosures, hypotheses, analyses, and opinions.
6. This document communicates the results of an appraisal assignment. This communication is not an inspection, engineering, construction, legal, or architectural report. It is not an examination or survey of any kind. Expertise in these areas is not implied. The Appraiser is not responsible for any costs incurred to discover, or correct any deficiency in the property.
7. As part of this appraisal, information was gathered and analyzed to form opinion(s) that pertain solely to one or more explicitly identified effective value dates. The effective value date is the only point in time that the value applies. Information about the subject property, neighborhood, comparables, or other topics discussed in this report was obtained from sensible sources. In accordance with the extent of research disclosed in the Scope of Work section, all information cited herein was examined for accuracy, is believed to be reliable, and is assumed reasonably accurate. However, no guaranties or warranties are made for this information. No liability or responsibility is assumed for any inaccuracy which is outside the control of the Appraiser, beyond the scope of work, or outside reasonable due diligence of the Appraiser.
8. Real estate values are affected by many changing factors. Therefore, any value opinion expressed herein is considered credible only on the effective value date. Every day that passes thereafter, the degree of credibility wanes as the subject changes physically, the economy changes, or market conditions change. The Appraiser reserves the right to amend these analyses and/or value opinion(s) contained within this appraisal report if erroneous, or more factual-information is subsequently discovered. No guarantee is made for the accuracy of estimates or opinions furnished by others, and relied upon in this report.
9. In the case of limited partnerships, syndication offerings, or stock offerings in the real estate, the client agrees that in case of lawsuit (brought by the lender, partner, or part owner in any form of ownership, tenant, or any other party), the client will hold Valucentric, LLC, its officers,

contractors, employees and associate appraisers completely harmless. Acceptance of, and/or use of this report by the client, or any third party is prima facie evidence that the user understands and agrees to all these conditions.

10. For appraisals of multiunit residential, only a portion of all dwellings was observed. A typical ratio of observed dwellings roughly approximates 10% of the total number of units, and this ratio declines as the number of dwellings grows. It is assumed the functionality, physical condition, construction quality, and interior finish of unseen units are similar to the functionality, physical condition, construction quality, and interior finish of observed units. If unobserved dwellings significantly differ from those that were viewed in functionality, physical condition, quality, or finish, the Appraiser reserves the right to amend theses analysis and/or value opinion(s).
11. If the appraised property consists of a physical portion of a larger parcel is subject to the following limitations. The value opinion for the property appraised pertains only to that portion defined as the subject property. This value opinion should not be construed as applying with equal validity to other complementary portions of the same parcel. The value opinion for the physical portion appraised + the value of all other complementary physical portions may or may not equal the value of the whole parcel.
12. Unless specifically stated otherwise herein, the Appraiser is unaware of any engineering study made to determine the bearing capacity of the subject land, or nearby lands. Improvements in the vicinity, if any, appear to be structurally sound. It is assumed soil and subsoil conditions are stable and free from features that cause supernormal costs to arise. It is also assumed existing soil conditions of the subject land have proper load bearing qualities to support the existing improvements, or proposed improvements appropriate for the site. No investigations for potential seismic hazards were made. This appraisal assumes there are no conditions of the site, subsoil, or structures, whether latent, patent, or concealed that would render the subject property less valuable. Unless specifically stated otherwise in this document, no earthquake compliance report, engineering report, flood zone analysis, hazardous substance determination, or analysis of these unfavorable attributes was made, or ordered in conjunction with this appraisal report. The client is strongly urged to retain experts in these fields, if so desired.
13. Features of the subject site such as legal description, dimensions, size, etc. were obtained from public record and a plat of survey performed by North Shore Survey, LTD completed July 25, 2016. All information taken therefrom is assumed reasonably correct.
14. Features of the subject improvements including yet not limited to exterior design, floor plans, and construction materials were obtained from as appraiser observation and/or measurement and afore mentioned survey. All information taken therefrom is assumed reasonably correct.
15. Observation of the subject property was limited to the entire site. Unseen spaces are assumed to have physical condition and construction quality similar to that in observed spaces. It is further assumed the subject has no hidden defects. The appraiser(s) did not attempt to study, dig, probe, investigate, detect, remove materials, or discover unfavorable physical features.
16. Real estate tax information for the subject was obtained from a reputable online source, so it is assumed reasonably correct. All information from any credible source is assumed reasonably correct. Moreover, this information is assumed the most recent that is expeditiously available to the public.

17. A recently issued title policy was not furnished to the appraiser(s). If a value-impairment is identified or suggested in a title policy, another professional report, or some other document, this appraisal does not address issues that are significantly atypical for a valuation of this type property unless specifically identified in the Scope of Work and/or Noteworthy Issues section of this report.
18. If this report involves an appraisal that values an interest, which is less than the whole fee simple estate, then the following disclosure applies. The value for any fractional interest appraised + the value of all other complementary fractional interests may or may not equal the value of the entire fee simple estate.
19. If this appraisal values the subject as though construction, repairs, alterations, remodeling, renovation, or rehabilitation will be completed in the future, then it is assumed such work will be completed in a timely fashion, using non-defective materials, and proper workmanship. All previously completed work is assumed completed in substantial conformance with plans, specifications, descriptions, or attachments made or referred to herein. It is also assumed all planned, in-progress, or recently completed construction complies with the zoning ordinance, and all applicable building codes. A prospective value opinion has an effective value date that is beyond or in the future relative to this report's preparation date. If this appraisal includes a prospective valuation, it is understood and agreed the Appraiser is not responsible for an unfavorable value effect caused by unforeseeable events that occur before completion of the project.
20. This valuation may or may not include an observation of the appraised property by an Appraiser. The extent of any observation is disclosed in the Scope of Work section of this report. Any observation by an Appraiser is not a professional property inspection. Viewing of the subject was limited to components that were not concealed, clearly observable, and readily accessible without a ladder on the property observation date. As used herein, readily accessible means within the Appraiser's normal reach without the movement of any man made or natural object. Comments or descriptions about physical condition of the improvements are based solely on a superficial visual observation. These comments are intended to familiarize the reader with the property in a very general fashion.
21. Electric, heating, cooling, plumbing, water supply, sewer or septic, mechanical equipment, and other property systems were not tested. No determination was made regarding the operability, capacity, or remaining physical life of any component in, on, or under the real estate appraised. All building components are assumed adequate and in good working order unless stated otherwise. Private water wells and private septic systems are assumed sufficient to comply with federal, state, or local health safety standards. No liability is assumed for the soundness of structural members since structural elements were not tested or studied to determine their structural integrity. The roof cover for all structures is assumed water tight unless otherwise noted. This document is not an inspection, engineering or architectural report. If the client has any concern regarding structural, mechanical, or protective components of the improvements, or the adequacy or quality of sewer, water or other utilities, the client should hire an expert in the appropriate discipline before relying upon this report. No warranties or guarantees of any kind are expressed or implied regarding the current or future physical condition or operability of any property component.

22. The allocation of value between the subject's land and improvements, if any, represents our judgment only under the existing use of the property. A re-evaluation should be made if the improvements are removed, substantially altered, or the land is utilized for another purpose.
23. The Client and all intended users agree to all the following. (A) This appraisal does not serve as a warranty on the physical condition or operability of the property appraised. (B) All users of this report should take all necessary precautions before making any significant financial commitments to or for the subject. (C) Any estimate for repair or alternations is a non-warranted opinion of the Appraiser.
24. No liability is assumed for matters of legal nature that affect the value of the subject property. Unless a clear statement to the contrary is made in this report, value opinion(s) formed herein are predicated upon the following assumptions. (A) The real property is appraised as though and assumed free from all value impairments including yet not limited to title defects, liens, encumbrances, title claims, boundary discrepancies, encroachments, adverse easements, environmental hazards, pest infestation, leases, and atypical physical deficiencies. (B) All real estate taxes and assessments, of any type, are assumed fully paid. (C) It is assumed ownership of the property appraised is lawful. (D) It is also assumed the subject property is operated under competent and prudent management. (E) The subject property was appraised as though and assumed free of indebtedness. (F) The subject real estate is assumed fully compliant with all applicable federal, state, and local environmental regulations and laws. (G) The subject is assumed fully compliant with all applicable zoning ordinances, building codes, use regulations, and restrictions of all types. (H) All licenses, consents, permits, or other documentation required by any relevant legislative or governmental authority, private entity, or organization have been obtained, or can be easily be obtained or renewed for a nominal fee.
25. Any exhibits in the report are intended to assist the reader in visualizing the subject property and its surroundings. The drawings are not surveys unless specifically identified as such. No responsibility is assumed for cartographic accuracy. Drawings are not intended to be exact in size, scale, or detail.
26. Value opinions involve only real estate, and inconsequential personal property. Unless explicitly stated otherwise, value conclusions do not include personal property, unaffixed equipment, trade fixtures, business-good will, chattel, or franchise items of material worth.
27. Conversion of the subject's income into a market value opinion is based upon typical financing terms that were readily available from a disinterested, third party lender on this report's effective date. Atypical financing terms and conditions do not influence market value but may affect investment value.
28. All information and comments concerning the location, market area, trends, construction quality, construction costs, value loss, physical condition, rents, or any other data for the subject represent estimates and opinions of the Appraiser. Expenses shown in the Income Approach, if used, are only estimates. They are based on past operating history, if available, and are stabilized as generally typical over a reasonable ownership period.
29. This appraisal was prepared by Valuentric, LLC and consists of trade secrets and commercial or financial information, which is privileged, confidential, and exempt from disclosure under 5 U.S.C. 522 (b) (4).

30. The Appraiser is not required to give testimony or produce documents because of having prepared this report unless arrangements are agreed to in advance. If the Appraiser is subpoenaed pursuant to court order or required to produce documents by judicial command, the client agrees to compensate the Appraiser for his appearance time, preparation time, travel time, and document preparation time at the regular hourly rate then in effect plus expenses and attorney fees. In the event the real property appraised is, or becomes the subject of litigation, a condemnation, or other legal proceeding, it is assumed the Appraiser will be given reasonable advanced notice, and reasonable additional time for court preparation.
31. Effective January 26, 1992, the Americans with Disabilities Act (ADA) - a national law, affects all non-residential real estate or the portion of any property, which is non-residential. The Appraiser has not observed the subject property to determine whether the subject conforms to the requirements of the ADA. It is possible a compliance survey, together with a detailed analysis of ADA requirements, could reveal the subject is not fully compliant. If such a determination was made, the subject's value may or may not be adversely affected. Since the Appraiser has no direct evidence, or knowledge pertaining to the subject's compliance or lack of compliance, this appraisal does not consider possible noncompliance or its effect on the subject's value.
32. Valuentric, LLC and the Appraiser have no expertise in the field of insect, termite, or pest infestation. We are not qualified to detect the presence of these or any other unfavorable infestation. The Appraiser has no knowledge of the existence of any infestation on, under, above, or within the subject real estate. No overt evidence of infestation is apparent to the untrained eye. However, we have not specifically inspected or tested the subject property to determine the presence of any infestation. No effort was made to dismantle or probe the structure. No effort was exerted to observe enclosed, encased, or otherwise concealed evidence of infestation. The presence of any infestation would likely diminish the property's value. All value opinions in this communication assume there is no infestation of any type affecting the subject real estate or the Appraiser is not responsible for any infestation or for any expertise required to discover any infestation. Our client is urged to retain an expert in this field, if desired.
33. All opinions are those of the signatory Appraiser based on the information in this report. No responsibility is assumed by the Appraiser for changes in market conditions, or for the inability of the client, or any other party to achieve their desired results based upon the appraised value. Some of the assumptions or projections made herein can vary depending upon evolving events. We realize some assumptions may never occur and unexpected events or circumstances may occur. Therefore, actual results achieved during the projection period may differ from those set forth in this report. Compensation for appraisal services is dependent solely on the delivery of this report, and no other event or occurrence
34. No warranties are made by the Appraiser concerning the property's conformance with any applicable government code or property covenant including but not limited to all laws, ordinances, regulations, agreements, declarations, easements, condominium regulations, restrictions, either recorded or unrecorded. The client is urged to engage the services of a licensed attorney to confirm any legal issue affecting the property appraised. No liability or responsibility is assumed by the Appraiser to determine the cost of replacing or curing any supposedly defective physical component.
35. In the event of an alleged claim due to some defective physical component, the client must notify Valuentric, LLC and allow its representatives and experts to examine and test the alleged defective component before any repairs or modifications are made. If any type of repair or

modification is made without the knowledge of the Appraisers, the Appraiser is released from all liability, real or alleged.

36. The client and all explicitly identified intended users agree to notify in writing Valuentric, LLC, within one year of this report's preparation date, of any claim relating to or arising from this report regardless of any statute of limitations. If Valuentric, LLC does not receive this written notification within the year period defined in the paragraph, then the claimant releases the Appraiser from all claims arising from or related to this report.
37. The client and all explicitly identified intended users acknowledge that any claim relating to this report shall be settled in accordance with the commercial arbitration rules of the American Arbitration Association with the Parties each paying an equal share of all associated costs.
38. Any alleged claim must be filed in the Circuit Court for the County that encompasses most of or all of Deerfield, Illinois 60015 where the Appraiser's business office is located. If a court of law voids any portion of these Contingent and Limiting Conditions, then the remainder remains in full force and effect. The claimants(s) agree not to contest the venue set forth herein and to submit to, and not contest, the exercise of personal jurisdiction over them by the foregoing court. The claimant(s) waive all rights concerning the exercise of personal jurisdiction of them by the foregoing courts and all claims of or concerning forum non-conveniences in the foregoing forum.
39. Superseding all comments to the contrary regardless of date, this report may not be transferred or assigned without the prior written consent of Valuentric, LLC.
40. No part of this report shall be published or disseminated to the public by the use of advertising media, public relations media, news media, sales media, electronic devices, or other media without the prior written consent of Valuentric, LLC. This restriction applies particularly as to analyses, opinions, and conclusions; the identity of the Appraiser; and any reference to the Appraisal Institute or its MAI, SRPA, or SRA designations. Furthermore, no part of this report may be reproduced or incorporated into any information retrieval system without written permission from Valuentric, LLC, the copyright holder.



Addenda

Qualifications of the Appraiser

Evangelos Sikaras

CERTIFIED GENERAL RE APPRAISER

License # 553.002627

EDUCATION

Bachelor of Science Undergraduate Degree in Computer Science with Economics Minor from
Northeastern Illinois University

APPRAISAL EDUCATION

Real Estate Education Company:

- Appraisal Principles
- Appraisal Procedures
- Uniform Standards of Professional Appraisal Practice

Appraisal Institute:

- General Appraiser Income Approach/Part 1
- General Appraiser Income Approach/Part 2

Continuing Education Coursework:

- Introduction to Income Capitalization
- Introduction to Green Buildings for Appraisers
- REO and Foreclosure Properties
- Current Issues in Appraising
- Private Appraisal Assignments
- Fannie Mae Form 1004mc, HVCC, & More
- Even Odder: More Oddball Appraisals
- Appraising & Analyzing Industrial & Buildings for Mortgage Underwriting
- Appraising & Analyzing Retail Shopping Centers for Mortgage Underwriting
- Appraising Apartments: The Basics
- Multiple USPAP Update Courses

APPRAISAL EXPERIENCE

- Vacant Land; Commercial and Residential
- Residential Properties Including Attached and Detached Housing, Multi-Unit Apartment Buildings
- Wide Array of Commercial Properties including Single-Unit and Multi-Tenant Retail, Restaurant Buildings, Grocery Stores, Industrial Warehouses, Manufacturing Plants, Flex Buildings, Office Buildings, Gas Stations, Hotels, Child Care Centers and other Special Use Properties.
- Analyses of Proposed and Unfinished Developments; Detailed Highest and Best Use Analyses of Atypical Properties; FF&E and Going Concern Valuation

AREAS OF ASSIGNMENT

Mainly City Of Chicago, Cook County And Surrounding Counties with a Number of Assignments Scattered Throughout the State Of Illinois.

Qualifications Of The Appraiser

Peter D. Poulos, MAI

EDUCATION

Bachelor of Arts Degree in Economics from the University of Illinois at Chicago

APPRAISAL EDUCATION

Real Estate Education Company:

Uniform Standards of Professional Appraisal Practice (State Code IL-I)
Appraisal Principles (State Code IL-II)
Residential Case Study (State Code IL-III)

Appraisal Institute:

Course (State Code IL-VII) Non-Residential Report Writing
Course 310: Basic Income Capitalization
Course 420: Business Practices and Ethics
Course 510: Advanced Income Capitalization
Course 520: Highest & Best Use Market Analysis
Course 530: Advanced Sales and Cost Approaches
Course 540: Report Writing & Valuation Analysis
Course 550: Advanced Applications
Various course and seminars pertaining to appraisal

PRESENT POSITION

President, Valuentric, LLC, Inc.

An appraisal firm employing several certified and licensed appraisers and support staff.

AFFILIATIONS

Member of the Appraisal Institute (MAI)

Board Member: Illinois Real Estate Appraisal Administration and Disciplinary Board (2014 - 2016)

Past President: Chicago Chapter Appraisal Institute (2017)

Past President: Illinois Coalition of Appraisal Professionals (ICAP) (2013)

APPRAISAL EXPERIENCE

Single family residences, apartment buildings, condominiums, commercial and industrial buildings including: manufacturing plants, industrial warehouses, restaurants, hotels, motels, service stations, grocery and produce stores, shopping centers, and a variety of other commercial, industrial and business establishments.

AREAS OF ASSIGNMENT

City of Chicago, Cook County and surrounding counties including several states throughout the U. S., including Illinois, Indiana, Wisconsin, Ohio, Michigan, Arkansas, Texas, Florida, Iowa, Idaho, New York, and Maryland.

Qualifications of the Appraiser

Richard M. Ririe

EDUCATION

Bachelors of Business Administration, University of Mississippi

APPRAISAL EDUCATION

Appraisal Principles

Appraisal Procedures

USPAP

Supervisor and Trainee, State of Illinois & Federal

PRESENT POSITION

Associate Real Estate Trainee Appraiser, Valucentric, LLC, Inc.

An appraisal firm employing several certified and licensed appraisers and support staff.

AREAS OF ASSIGNMENT

City of Chicago, Cook County, Will County, Lake County, McHenry County, Kankakee County, DuPage County, and Kane County

ACTIVE APPRAISAL LICENSE

Illinois: 557.006405

State License of Appraisers



Copy of State
License –
Peter Poulos



Copy of State
License –
Evangelos Sikaras



Copy of State
License – Richard M.
Ririe

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Deerfield, Illinois 60015
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This report and all its contents is a culmination of intellectual and professional experiences, education, personal investigations, and know-how, which shall at all times remain the property of Valucentric, LLC, its sole owner.

End of Report

ATTACHMENT E

May 5, 2019

Via E-mail transmission to:
cmarx@winnetka.org

Village of Winnetka
Council Members

Re: 315 FAIRVIEW AVENUE, WINNETKA, ILLINOIS 60093

Dear Village of Winnetka Council Members,

I, together with my wife, purchased 315 Fairview Avenue back in 2016. Since then, maintenance of the home has become excruciatingly costly, and we've decided to pursue a re-development of the property rather than putting more money into the constant upkeep of the current improvement. In order to do so, we contacted the Village of Winnetka to initiate the sale of the vacated alley easement in the rear of our property so that we could set our detached garage in that area. As part of the sale process, the Village of Winnetka commissioned an appraisal of the vacated alley easement through Valuentirc.

I am in receipt of the Appraisal written by Valuentric for the vacated alley easement adjacent to my property, 315 Fairview Avenue. This communication responds to the aforementioned appraisal and the analysis contained therein.

I am very knowledgeable about the market value of land in this specific area of Winnetka. In my work as a real estate tax attorney I have focused specifically on New Trier Township. I've reviewed hundreds of residential appraisals for homes located in the area. I'm well-versed in analyzing residential appraisal reports as well as identifying faulty analyses. Furthermore, I am a licensed real estate broker working out of the @Properties Winnetka office. I've been involved on two recent sales each within 3 blocks of 315 Fairview Avenue.

My critique of the appraisal written by Valuentric will focus solely on the analysis utilized by the appraiser, as I'd like to keep this as concise as possible. But please do note it is concerning that this appraisal contains an additional array of errors ranging from incorrect data to wrong comparable photos.

ANALYSIS

The appraiser failed to use the most recent comparables for one of two reasons, either: 1) he did not have access to the Multiple Listing Service, or 2) he deliberately omitted the most recent comparables because they brought down the market value of the excess land. The main principle of the Sales Comparison Approach, which this appraiser relied on exclusively, is **to**

find the most similar comparable properties, that sold most recently, and are located and zoned as close to the Subject as possible.

The Appraisal report by Valucentric has a preparation date of **April 23, 2019**. The sale of 477 Hawthorn Lane closed on **April 16, 2019**. This sale was entirely omitted from the report despite being more similar than any comparable sale utilized by the appraiser. 477 Hawthorn Lane is located 5 houses from 315 Fairview Avenue. You can, quite literally, throw a stone from one house to the other. The lot sizes are identical. Proximity to nearby Greeley Elementary School is identical. If you were to plug 477 Hawthorn Lane in as a comparable property, and analyze it on a price per square foot basis, the result would yield \$65.00/square foot of land (477 Hawthorn Lane sold for \$540,000 and the lot size is 8,300 square feet, so: $\$540,000 \div 8,300 = \$65.00/\text{sq. ft.}$). Please note, this is before any adjustments are made for the physical differences between the improvements situated on these two lots - 477 Hawthorn is a newer and larger home which would result in a downward adjustment in market value per square foot for 315 Fairview Avenue.

The appraiser omitted 477 Hawthorn Lane as a comparable. He also omitted 500 Hawthorn Lane, which closed on November 2, 2018 for \$590,000. **Both of those sales would have been more recent, more similar in size, and more similar in location than the comparables used by the appraiser.** Instead, it seems this appraiser intentionally sought larger lots, farther from 315 Fairview Avenue, all of which had larger improvements situated upon them at the time of purchase, and then on top of this he haphazardly placed a 5% adjustment on them for land square footage. These tactics result in a market value that in no way resembles actual fair market value for land in this area. In the north shore, and particularly Winnetka, larger parcels of land sell for greater values because the homes that are built upon them are exponentially more valuable than those that can be built upon a lot in the 8,000 square foot range. **Three of the four comparables used by the appraiser were greater than 13,000 square feet, and Comparable #1 was 19,560 square feet!** That's more than double the size of 315 Fairview. Calling that a "comparable" is a disservice to this entire process.

Also troubling is the fact that this appraiser cited the sale of 329 Woodland Avenue as a comparable sale. This is troubling for a variety of reasons, most notably because the site was subdivided into 2 lots, each of which now contains a new construction home. Absolutely no adjustment or mention was made of the ability of that parcel to be subdivided within his report. If you look at the aerial GPS photo of Comparable #4 on page 15 of the appraisal, you'll even see the individual parcels identified.

Lastly, the appraiser discounted the price per square foot by 40% instead of the standard 50% utilized by most appraisers for "excess land" which is not buildable and has no street frontage, visibility, and access.

To conclude, I'd like to express my opinion of the Fair Market Value of the vacated alley easement. My analysis, utilizing the most recent and similar comparables, results in a Fair Market Value of \$65.00/square foot. Taking into account the 50% discount, which is standard for "excess land", results in \$32.50/square foot. Thus, $\$32.50 \times 500$ square feet of excess land = \$16,250.

To supplement this analysis, I have also commissioned an appraisal to be performed by Robert Kang of KPS, Inc. Mr. Kang is a highly respected appraiser who is based out of, and focuses on, the north shore. His analysis is routinely used by the Cook County Assessor in determining property values for residences throughout the north shore. I will have his appraisal in hand by Tuesday, May 7th, 2019 and will immediately forward it to Chris Marx's attention. **If Mr. Kang's value is any greater than the value I have offered, I will agree to pay that amount.** Mr. Kang has also agreed to testify as to his value determination if the Village Council would so choose.

Lastly, I've also included the appraisal that was commissioned by the Village of Winnetka in 2015, when my neighbors at 319 Fairview Avenue went through this very same process. That appraisal was completed by Real Valuation Services, also very highly regarded. Please note the Fair Market Value in that appraisal resulted in a valuation of \$16,500 for their identical parcel of excess land. Considering that land values have remained stagnant, at best, in this area since 2015, I think my offer of \$16,250 is more than fair for this parcel of excess land.

Valucentric Appraisal of 315 Fairview:	\$24,000
My Analysis (using most recent and similar comparables):	\$16,250
Real Valuation Services Appraisal of 319 Fairview (2015):	\$16,500
KPS Appraisal of 315 Fairview:	TBD

I genuinely appreciate your time and consideration and hope that we can come to a sensible agreement for the sale of this excess land.

Very truly yours,

Jack Kruszewski

KPS, INC.
REAL ESTATE APPRAISAL SERVICES



THE VACATED ALLEY BEHIND (EAST OF)

**315 FAIRVIEW AVENUE
WINNETKA, ILLINOIS**

**PERMANENT INDEX NUMBER(S)
IT WILL BECOME PART OF 05-21-401-010**

**AS OF
DATE OF REPORT: MAY 7, 2019
DATE OF INSPECTION: MAY 3, 2019
EFFECTIVE DATE OF VALUE: MAY 3, 2019**

**PREPARED FOR
MR. JACK KRUSZEWSKI
315 FAIRVIEW AVENUE
WINNETKA, IL 60093**

KPS, INC.
REAL ESTATE APPRAISAL SERVICES

May 7, 2019

Mr. Jack Kruszewski
315 Fairview Avenue
Winnetka, IL 60093

**RE: The Vacated Alley Behind
315 Fairview Avenue
Winnetka, Illinois**

Dear Mr. Kruszewski:

As you recently requested, we have prepared an appraisal report of our appraisal valuing the property commonly known as 315 Fairview Avenue, in Winnetka, Illinois (Census Tract 8004.00). The property consists of the rectangular shaped, 500 square foot interior site of land that is zoned R5, Single-Family Residential District in Winnetka, Illinois. There is currently no Permanent Index Number for this land.

If purchased by the current owner of 315 Fairview Avenue, it will become part of #05-21-401-010-0000.

This valuation contains analyses, opinions, and conclusions along with market data and reasoning appropriate for the scope of work detailed later herein. It was prepared solely for the intended use and intended user(s) explicitly identified in the attached report. Unauthorized users do so at their own risk. The appraisal is communicated in the attached Summary report, and conforms to the version of the Uniform Standards of Professional Appraisal Practice (USPAP) in effect on this report's preparation date.

This letter is not an appraisal report hence it must not be removed from the attached report. If this letter is disjoined from the attached appraisal report, then the value opinions set forth in this letter are invalid because the analyses, opinions, and conclusions cannot be properly understood.

The property is appraised as is, assuming no leases, liens, or encumbrances other than normal covenants and typical restrictions of record, and subject to the definitions of value, assumptions and limiting conditions, and certifications in the attached summary appraisal report. The property was inspected on May 3, 2019. The effective date of the opinion of market value is May 3, 2019.

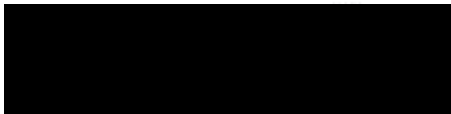
(Continued on next page.)

One approach to value have been utilized in the following appraisal report (the Sales Comparison Approach). The depth of discussion contained in this report is specific to the needs of the client and for their sole intended use in establishing an equitable ad valorem tax assessment. The appraiser is not responsible for unauthorized use of this report.

In general, valuation of the subject property involves no atypical issues. All value opinions are affected by all the information, extraordinary assumptions, hypotheses, general limiting conditions, facts, descriptions, and disclosures stated in the attached appraisal report. After careful consideration of all factors pertaining to and influencing value, the data and analysis thereof firmly supports the following final value opinion(s) for the subject property is:

Value Premise	Effective Date	Value Conclusion
As-Is Value	May 3, 2019	\$16,000

Respectfully submitted,



Robert S. Kang
Certified Illinois License 553.001163
Illinois General Real Estate Appraiser
Expiration Date: 09/30/2019

VIEW OF LAND



VIEW OF LAND



SALIENT INFORMATION

Assignment	To provide our opinion of the market value of the property as described in this report in order to establish a and no other purpose.
Location	The Vacated Alley Behind 315 Fairview Avenue Winnetka, Illinois
Permanent Index Number(s)	If purchased by the current owner of 315 Fairview Avenue, it will become part of #05-21-401-010-0000.
County/ Township	Cook / New Trier
Estate Valued	100% of the Fee Simple Estate.
Flood Plain	Zone “X”, in an area of minimal flooding (See Flood Map).
Property Type	The property consists of the rectangular shaped, 500 square foot interior site of land. There is currently no Permanent Index Number for this land.
Zoning	R5, Single-Family Residential District
Effective Value Date	May 3, 2019
Inspection Date	May 3, 2019
Highest and Best Use	As Vacant: For assemblage with a neighboring parcel to make a larger parcel for a residential development (in accordance with its zoning and its use variance in place).
Value Indications	Sales Comparison: \$16,000
Final Value Conclusion(s)	\$16,000

SCOPE OF WORK

In order to determine the type and extent of research and analyses necessary to develop credible assignment results the appraisers:

- Gathered and analyzed information about the assignment elements necessary to properly address appraisal problem to be solved, and to specifically identify:

The client and any other intended users;
The intended use of the appraiser's opinions and conclusions;
The type and definition of value;
The effective date of the appraiser's opinions and conclusions;
The subject of the assignment and its relevant characteristics; and
Any additional assignment conditions, extraordinary assumptions and hypothetical conditions.

- Communicated with the client to clarify the relevant information necessary for assignment as listed above as well as specific assignment conditions, assumptions, extraordinary assumptions, hypothetical conditions, supplemental standards, jurisdictional exceptions, and other specific needs that affect the scope of work.
- Reached an agreement with the client regarding the appropriate scope of work for the assignment given the intended use.

Property Identification

Descriptive information about the subject property is based on a physical inspection of the land and improvements, public records, building plans (if available) and conversations with property representatives.

The information used by an appraiser to identify the relevant property characteristics is from sources the appraiser reasonably believes are reliable and typically includes some or all of the following to the extent they are available:

- A property inspection;
- Documents, such as:

A legal description
Address
Assessor's map reference or property identification number PIN
A copy of a plat of survey
A tax map (plat)
A property sketch, and/or
Photographs

- This appraisal report is subject to receipt and review of a current certified Plat of Survey.

SCOPE OF WORK – Continued

Property Inspection

An inspection was made by KPS, Inc., personnel of the interior and the exterior of the subject property on May 3, 2019. Photographs also were taken on that date. The inspection is made on a walk-through basis, it is not intended to, nor is the appraiser qualified to address structural integrity and code compliance. We assume all building operating equipment to be in normal operating condition. Operating individual pieces of equipment to test their status exceeded the scope of this investigation. We appraised only the real property consisting of land, land improvements, building, and fixed building service equipment. Excluded from the appraisal are personal property, supplies, inventories, company records, and any current or intangible assets that may exist.

Type and Extent of Data Researched

In developing the real property appraisal, the appraiser collected and analyzed all information necessary for credible assignment results. Market data was obtained from one or more of the following sources: real estate professionals, public records and public records services; management agents and property owners; CoStar/COMPS® Inc.; Midwest Real Estate Data (MRED) Multiple Listing Service (MLS); as well as properties that we have appraised. Information gathered included: comparable land and improved sales; rents; operating expenses; construction cost; accrued depreciation; and capitalization and/or yield rates.

We considered historical information and trends, current supply and demand factors affecting such trends, and anticipated events such as competition from developments under construction. To the extent that information could be obtained during the normal course of business we analyzed all agreements of sale, options, and listings of the subject property current as of the effective date of the appraisal; and analyzed all sales of the subject property that occurred within the three years prior to the effective date of the appraisal.

We confirmed statements of fact through public records, with a party to the transaction or with other sources deemed reliable, and cross-referenced the data sources for accuracy. The market data used in this report are the best indicators for the subject property. We retained additional data considered, but not reported, in our work files. It is recognized that not all reported sales and rental data will be completely correct because of inconsistencies in reporting practices, but a diligent effort was made to confirm the sales data to a reasonable degree of accuracy via interview, observation or cross checking with secondary sources. This scope of work does not require confirmation of each and every sale detail. In this analysis, several comparable sales are presented to minimize the impact on the analysis by any one piece of incorrect data. Information supplied by others which was considered in this valuation came from sources believed to be reliable, and we assume no further responsibility for its accuracy. We reserve the right to amend the valuation herein reported as required by consideration of additional or more reliable data that may become available.

Within the context of the assignment's intended use the appraiser performed the following specific analyses:

- Analyze the effect of land use regulations, economic supply and demand, the physical adaptability of the real estate, and local/ competitive market area trends
- Analyze the relevant legal, physical, and economic factors necessary to develop an opinion of the highest and best use of the real estate
- Analyze the effect on value, if any, of anticipated public or private improvements, located on or off the site to the extent they are reflected in market actions.

SCOPE OF WORK – Continued

- Develop an opinion of the market value of the real property using the cost, income capitalization and sales comparison approaches, recognizing the value of the improvements based on their actual contribution to the land.
- Consider the quality and quantity of data available and analyzed within the approaches used; and reconcile the applicability or suitability of the approaches used to arrive at a final value opinion of value expressed as either a final range of value or a single point estimate.
- Prepare an appraisal report in accordance with the reporting requirements set forth Prepare an appraisal report in accordance with the reporting requirements set forth under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation.

The estimate of value contained herein is subject to the condition that all necessary licenses, permits and approvals have been secured and that the existing building has been constructed in accordance with local zoning ordinances, building codes, and all other applicable regulations. We cannot guarantee the results of the prospective financial analyses contained herein, nor is any warranty intended or implied; however, based on the subject's location and competitive position in the market at this time, and emphasizing the need for aggressive and knowledgeable management and marketing, the estimates are considered reasonable. The extent of the work and report are intended to be appropriate in relation to the significance of the appraisal problem. The appraisal is subject to the assumptions and limiting conditions and the certifications presented in this appraisal report.

PURPOSE OF THE APPRAISAL/INTENDED USE/USER

The purpose of this appraisal is to provide our opinion of the Market Value of the real estate described in this report and no other purpose. This appraisal is intended to be used by the client Mr. Jack Kruszewski and the Village of Winnetka. The intended use of this appraisal report is to assist in determining the fair market value of the 10' x 50' piece of a vacated alley at the rear of Mr. Kruszewski's property, whose address is 315 Fairview Avenue in Winnetka. This real estate appraisal includes no items of personal property, as none are typically conveyed with vacant land. Acceptance of, and/or use of this appraisal report constitutes acceptance of the Assumptions and Limiting Conditions contained in the addenda section of this report. No other use or users are intended. Our client did not specifically advise us of any other intended users of this appraisal at the time of assignment. Parties who receive a copy of this appraisal report because of disclosure requirements applicable to our client do not become intended users of this report unless specifically identified by our client at the time of assignment. Other readers may not use, or rely on any portion of this report without the expressed written consent of KPS, Inc. Unauthorized users of this report do so at their own risk. No liability is assumed, expressed, or implied by KPS, Inc., or the appraisers, for unauthorized use of this report.

HYPOTHETICAL CONDITIONS

A hypothetical condition is that which is contrary to what exists, but is supposed for the purpose of the analysis. The date of the report indicates the perspective from which the appraiser is examining the market and the effective date of the appraisal establishes the context for the value estimate. Retrospective appraisals in which the effective value date is prior to the date of the report may be required for property, estate, or inheritance tax matters; condemnation proceedings; suits to recover damages; and similar situations. The property was inspected on May 3, 2019. The opinion of value contained herein is premised on conditions prevailing as of May 3, 2019, the effective date of the appraisal. This appraisal report was prepared after the date of inspection.

EXTRAORDINARY ASSUMPTIONS & DISCLOSURES

An extraordinary assumption is defined by the Uniform Standards of Professional Appraisal Practice (USPAP) to be “an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser’s opinion or conclusions”. Extraordinary assumptions presume as fact otherwise uncertain information. In other words, this type assumption involves uncertainty about an underlying premise. An example is a survey that displays a lot size. If the lot size is later found to be much smaller, then the value conclusion may be negatively affected.

USPAP Standard Rule 1-2(f) requires the identification of all extraordinary assumptions that are necessary for credible assignment results. This appraisal employs the following extraordinary assumptions.

- Features of the subject site such as legal description, dimensions, size, etc. were obtained from publicly available sources. All information taken therefrom is assumed reasonably correct.
- Details of the improvements thereon including yet not limited to floor plans, construction materials, dimensions, etc. were obtained from personal observation and/or measurement. Everything is assumed reasonably correct.
- Observation of the subject property was limited to the entire site, none of the roof (not visible from the ground), most exterior walls (as visible from the ground), most common areas like halls, porches, or stairs, and most of the interior. It is further assumed the subject has no hidden defects. The appraiser(s) did not attempt to study, dig, probe, investigate, detect, remove materials, or discover unfavorable physical features.
- Real estate tax assessment for the subject was obtained from a reputable online source, so it is assumed reasonably correct. All information from any credible source is assumed reasonably correct. Moreover, this information is assumed the most recent that is expeditiously available to the public.
- A public water system and public sewer main are connected to the subject structure, or available near the subject's lot lines. This appraisal assumes these systems possess sufficient capacity to serve the intended use of the subject improvements, if any. This appraisal also assumes the water is potable and non-contaminated. If these systems were inadequate to serve the subject's intended use, then the subject's value and marketability would be adversely affected.
- Assumptions and presumptions discussed in the Noteworthy Issues section of this report, if any, are incorporated by way of reference into these Extraordinary Assumptions & Disclosures.
- A recently issued title policy was not furnished to the appraiser(s). If a value-impairment is identified or suggested in a title policy, another professional report, or some other document, this appraisal does not address issues that are significantly atypical for a valuation of this type property unless specifically identified in the Scope of Work and/or Noteworthy Issues section of this report.

The above extraordinary assumptions as well as other assumptions anywhere herein are integral premises upon which the conclusions in this document are based. If any of these assumptions are later found to be materially untrue or inaccurate, then this report’s assignment results may or may not be affected.

LEGAL DESCRIPTION

A legal description was not provided to us. A professional surveyor and / or legal counsel should verify the legal description before relying upon, or using it as part of any conveyance, or any other document.

DEFINITION OF MARKET VALUE

The following definition of *market value* was taken from Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989. (Source: 12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994.)

Federal agencies publishing this definition include the

- Office of the Comptroller of the Currency (OCC) 12 CFR 34, subpart C
- Federal Reserve Board (FRB) 12 CFR 225, Subpart G
- Federal Deposit Insurance Corporation (FDIC) 12 CFR 323
- Office of Thrift Supervision (OTS) 12 CFR 564
- National Credit Union Administration (NCUA) 12 CFR 722

This definition, published jointly by the OCC, OTS, FRS, and FDIC, is referenced in Appendix D of the “*Interagency Appraisal and Evaluation Guidelines*” dated December 2, 2010. A very similar definition is also cited in Advisory Opinion 30 of the 2012-2013 version of the Uniform Standards of Professional Appraisal Practice (USPAP), lines 124 to 138.

*“**Market value** means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:*

- 1. buyer and seller are both typically motivated;*
- 2. both parties are well informed or well advised and acting in what they consider their own best interests;*
- 3. a reasonable time is allowed for exposure in the open market;*
- 4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and*
- 5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.”*

This definition is used by many well-known entities. Fannie Mae, Freddie Mac, the VA, and the FHA, which are governmental agencies or governmentally sponsored agencies, require usage of this definition as well.

PROHIBITED INFLUENCES

The appraisal assignment was not based upon a requested minimum valuation, specific valuation or approval of a loan. Employment of the appraiser was not conditioned upon the appraiser producing a specific value or value within a given range. Neither employment nor compensation is based upon approval of any related loan application.

DEFINITION OF APPRAISED ESTATES

One or more of the following underlined legal estates or interests are valued in this report. Definitions of these estates are quoted from *The Dictionary of Real Estate Appraisal*, Fifth Edition; published by the Appraisal Institute, copyright 2010.

- Fee Simple Estate *"Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."*
- Leased Fee Estate *A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship."*
- Leasehold Estate *"The tenant's possessory interest created by a lease"*

Conceptually, market value of the leased fee estate is the worth of the property to the landlord (the lessor) as encumbered by terms set forth in a lease or leases. A leasehold estate is the tenant's (the lessee's) interest in a property.

The above definition for fee simple estate is the classic legal meaning. A lease is an encumbrance. If a property is unencumbered, this could be interpreted to mean the property is not encumbered by lease. If there are no leases for a multi-tenant facility, then the building has no income. Under this interpretation, the value of the fee simple (V_{FS}) would be less than the value of the leased fee (V_{LF}). Accordingly, the $V_{FS} < V_{LF}$ because costs must be incurred to find tenants and negotiate leases. Another interpretation for fee simple estate is a value-oriented definition used by many real estate appraisers. For valuation purposes, market value of the fee simple estate is the worth of the property assuming it is already leased at market rent to a level of stabilized occupancy. Under this interpretation, the $V_{FS} > V_{LF}$ because costs to find tenants and negotiate leases were already paid.

An extremely important concept in the valuation of leases is the relationship between market rent or income (I_{FS}) and contract rent, the rent stated in a lease (I_{LF}). If the contract rent is below market rent ($I_{LF} < I_{FS}$), the tenant enjoys an advantageous position called a positive leasehold interest. Then, the value of the leased fee is usually less than the value of the fee simple ($V_{LF} < V_{FS}$). If contract rent exceeds market rent ($I_{LF} > I_{FS}$), then the landlord has an advantage while the tenant has an unfavorable position called a negative leasehold interest. Then, the value of the leased fee is usually greater than the value of the fee simple ($V_{LF} > V_{FS}$).

For valuation purposes in this report, market value of the fee simple estate is defined as the worth of the property assuming it is already leased at normal market terms including market rent to a level of stabilized occupancy. Market value of the leased fee estate is the worth of the property to the landlord as encumbered by terms set forth in one or more leases. Lastly, a leasehold estate is the tenant's interest in a property as defined in a lease.

SELF CONTAINMENT

This appraisal report is not intended to be a self-contained document, but contains sufficient information necessary to enable the reader to understand the appraiser's opinion. Any third-party studies referred to, such as pest hazardous materials, or structural reports have been verified by the appraiser to the extent the assumptions and conclusions are used.

PERSONAL PROPERTY & INTANGIBLES

Personal property is movable and **not** permanently affixed to the real estate. Examples of personal property are freestanding ranges, refrigerators, tables, desks, chairs, beds, linen, etc. An intangible is a nonphysical asset like franchises, trademarks, patents, goodwill, and mineral rights. Personal and intangible property included in this appraisal's value opinion, if any, is considered typical for this type real estate, yet insignificant to the value opinion. Therefore, non-realty is not itemized or valued herein. Moreover, this report's final value conclusion(s) **excludes** unaffixed equipment, detached trade fixtures, and chattel unless specifically stated to the contrary.

HISTORY OF THE SUBJECT

Public records and/or a private data-reporting service were used to search for prior sales of the subject real estate. During the three-year period preceding this report's effective value date, there are no known conveyances. No sale or option agreements are now pending. The recorded owner is as follows:

Subject's Current Ownership	
<i>Owner</i>	<i>Information Source</i>
Jack Kruszewski	Public Records

Client
Mr. Jack Kruszewski

APPRAISAL REPORT OPTION

This appraisal report is prepared in accordance with USPAP Standards Rule 2-2(a), which sets forth the requirements for real property appraisal reports. The discussions of the data, reasoning, and analyses used to arrive at the conclusion of value are intended to be appropriate in relation to the significance of the appraisal problem and to be sufficient to enable the client and other intended users, as identified, to properly understand the appraisal. The depth of discussion contained in this report is specific to the needs of the client in its intended use. No other use or users are intended.

COMPETENCY

The persons signing this report are licensed to appraise real property in the state the subject is located. They affirm they have the experience, knowledge, and education to value this type property. They have previously appraised similar real estate.

PROFESSIONAL STANDARDS

All leading professional appraisal organizations, the U.S. Congress, all state legislatures, and numerous legal jurisdictions recognize the Uniform Standards of Professional Appraisal Practice (USPAP), promulgated by the Appraisal Foundation. Revised biennially to keep it contemporary, these standards set forth ethical practices and proper procedures for a competent appraisal. This appraisal fully complies with all relevant portions of the USPAP version in effect on the date this report was prepared.

EXPOSURE & MARKETING TIME

Terminology abounds in the real estate appraisal profession. Two related but different concepts that are often confused are Exposure Time and Marketing Time. USPAP specifically addresses the confusion.

Term	Definition	Explanation
Exposure Time (Statement 6)	<i>“The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal”.</i>	Backward looking, ends on the effective value date. Based on factual, past events
Marketing Time (Advisory Opinion 7)	<i>“An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value during the period immediately after the effective date of the appraisal”.</i>	Forward looking, starts on the effective value date. A forecast based on expectancies of future occurrences.

The definition of market value requires that a reasonable time is allowed for exposure in the open market. The Uniform Standards of Professional Appraisal Practice (USPAP) requires the appraiser to develop an opinion of a reasonable exposure time linked to the value opinion. This is defined as the estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. This is different from marketing time, which is amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal.

Exposure time and marketing period could be the same, given a stable market environment with no change anticipated in market conditions. However, in many instances this is not the case. If the market is improving, the marketing period would most likely be less than the exposure period. If the market conditions were anticipated to worsen, however, the opposite may be true. The value opinion for the subject contained in this report is premised on an exposure period of 10-18 months before the hypothetical consummation of a sale on the effective date of valuation. Additionally, if properly priced and marketed, the property would be expected to sell within a marketing period of 10-18 months.

NOTEWORTHY ISSUES

No atypical factors significantly affect value. The real estate appraised is generally typical for this type property in this locale.

REGIONAL MAP



METROPOLITAN CHICAGO RESIDENTIAL MARKET OVERVIEW

New Construction

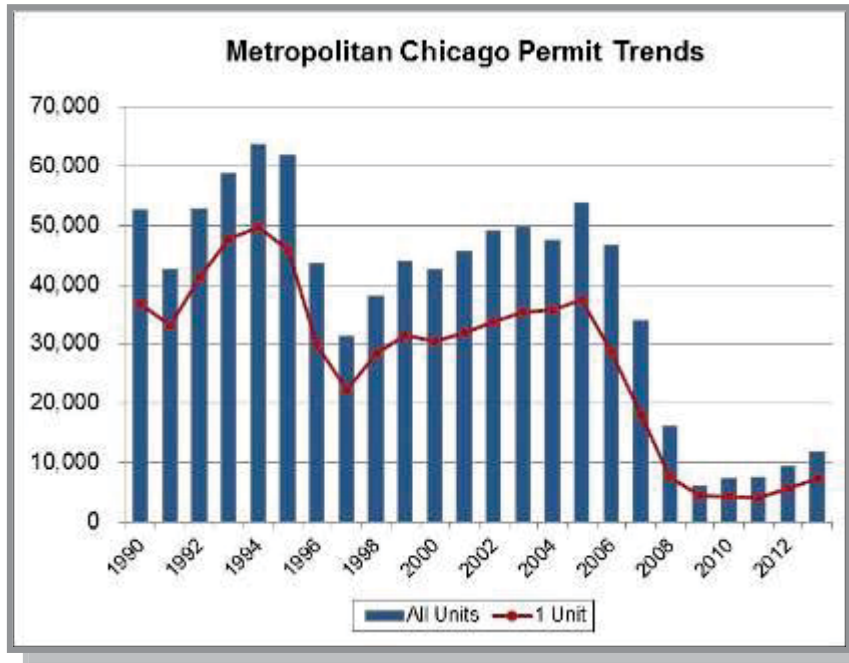
Housing market data from the U.S. Census Bureau and Northern Illinois Center for Governmental Studies (NIUCGS) indicates that permit activity fell dramatically in 2008 through 2011. Although conditions began to improve by 2012, based on preliminary data for 2013, residential construction permits issued were still down 65% from 2007, 51% from the 10-year average, and 78% below the recent 2005 peak.

METROPOLITAN CHICAGO RESIDENTIAL BUILDING PERMIT TRENDS 1995-2018

YEAR	1 Unit	2 Units	3 - 4 Units	5+ Units	All Units	% Chg.
1995	36,789	1,294	1,616	12,985	52,684	
1996	33,251	964	1,491	6,869	42,575	-19%
1997	41,439	1,370	1,795	8,138	52,742	23.9%
1998	47,716	1,348	2,350	7,277	58,691	11.3%
1999	49,763	1,200	2,813	9,880	63,656	8.5%
2000	45,927	2,084	3,086	10,827	61,924	-2.7%
2001	29,793	1,030	2,929	9,890	43,642	-29.5%
2002	22,398	668	1,568	6,614	31,248	-28.4%
2003	28,480	782	1,571	7,267	38,100	21.9%
2004	31,513	808	1,497	10,247	44,065	15.7%
2005	30,527	596	1,669	9,698	42,490	-3.6%
2006	31,872	594	1,732	11,437	45,635	7.4%
2007	33,857	798	1,778	12,765	49,198	7.8%
2008	35,480	946	2,020	11,234	49,680	1.0%
2009	35,810	748	2,259	8,724	47,541	-4.3%
2010	37,470	940	2,891	12,607	53,908	13.4%
2011	28,632	734	2,079	15,277	46,722	-13.3%
2012	18,095	568	1,261	14,009	33,933	-27.4%
2013	7,637	164	646	7,611	16,058	-52.7%
2014	4,383	102	167	1,445	6,097	-62.0%
2015	4,244	100	176	2,747	7,267	19.2%
2016	4,145	96	193	3,159	7,593	4.5%
2017	5,658	164	287	3,248	9,357	23.2%
P2018	7,351	232	304	3,896	11,783	25.9%
Annual Average						
10-year	15,343	385	1,026	7,272	24,026	
5-year	5,156	139	225	2,899	8,419	
3-year	5,718	164	261	3,434	9,578	

SOURCE: U.S. Census Bureau and NIUCGS

Builders have offered incentives to attract buyers, and in some cases have lowered prices to reduce excess inventory. Expansions of existing projects have been delayed and some planned projects have been cancelled. Product lines are being redesigned to offer smaller, lower priced units to compete in the mid-priced segment.



Land Value Trends in the Recession's Aftermath

The declining performance of commercial properties due to increasing vacancy rates and declining rents has created an environment for falling land prices. The Federal Reserve Board (FRB) is in the process of developing land price indexes for 23 metropolitan areas in the U.S. using a dataset of about 180,000 land transactions obtained from the CoStar Group, Inc. Their research shows a dramatic increase in both commercial and residential land prices over several years prior to their peak in 2006-07 and a steep decline since then. The fluctuations observed in land prices were much more extreme than those in indexes for improved commercial real estate and house prices such as the Moody's *REAL Commercial Property Price Index (CPPI)* and the *Case-Shiller Index*, which reflect both land and structures.

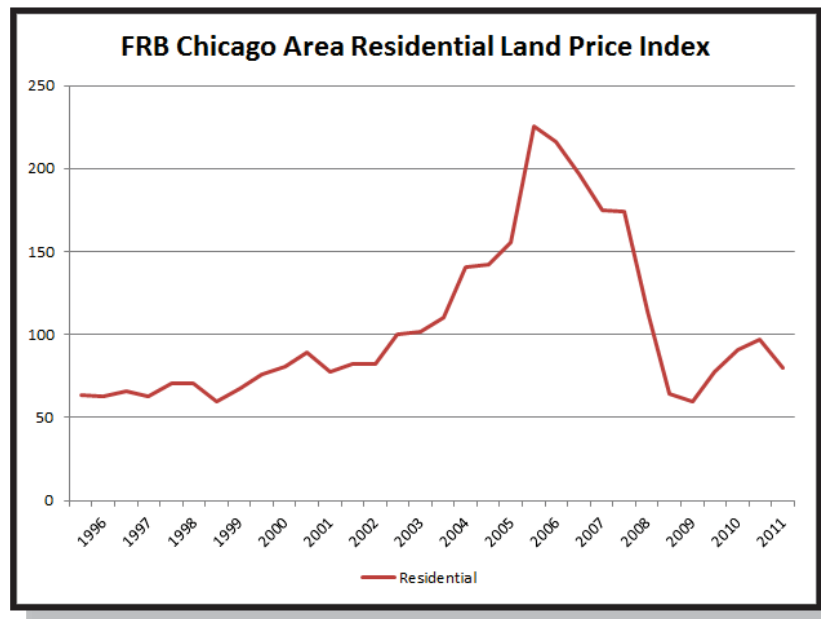
The results show that land prices trended up at a moderate pace from 1995 until about 2002, and then accelerated sharply. From the second half of 2002 to the second half of 2006, our composite index of residential and commercial land prices for the 23 MSAs jumped nearly 135 percent, with even larger increases in the MSAs along the East Coast and in the Far West. However, prices tumbled over the next few years. As of mid-2011, the composite index had fallen more than 50 percent from its peak. Separate indexes for commercial and residential land prices display the same broad pattern, with especially large swings for the residential index. These moves outstrip the variation since 2002 in well-known national indexes of home prices and commercial real estate prices. Because those indexes price a bundle of land and structures, this comparison implies that land prices have been more volatile than prices of structures over this period.¹

¹ From a draft paper: *Swings in Commercial and Residential Land Prices in the United States*, Joseph B. Nichols, Stephen D. Oliner, and Michael R. Mulhall, February 2012, Federal Reserve Board (FRB): Washington, D.C. Note the data used in computing price changes for commercial/ industrial land in the Chicago area was provided courtesy of Mr. Nichols. The FRB is reportedly in the process of developing the index values for release on their web site at a future date.

RESIDENTIAL MARKET OVERVIEW - Continued

The authors note that: “Intuitively, land prices should be more volatile than the prices of structures because the latter are tied to construction costs, while land prices have no such observable anchor.”

With land development all but infeasible, landholders are forced either to sell at a significant discount, or to hold land until the market recovers. Thus in addition to the decline in overall property prices due to high vacancy rates and declining rents, adjustments made to comparable land sales for market conditions must also reflect discounting for the lengthening holding period caused by the depressed realty market and the associated increase in holding costs (real estate taxes, insurance and maintenance) as well as for the opportunity costs of capital. The FRB research offers a basis for making such adjustments in the Chicago area. The following shows the trend in residential land sales prices for the region since 1995.



Source: Based on unpublished data provided by Joseph B. Nichols of the Federal Reserve Board

Period	Residential Index	% Change in Land Prices
Jan-Jun 2005	155.4883	
Jul-Dec 2005	225.3986	45%
Jan-Jun 2006	215.8903	-4%
Jul-Dec 2006	196.9343	-9%
Jan-Jun 2007	174.7349	-11%
Jul-Dec 2007	174.4730	0%
Jan-Jun 2008	114.4995	-34%
Jul-Dec 2008	64.4610	-44%
Jan-Jun 2009	59.5407	-8%
Jul-Dec 2009	77.8645	31%
Jan-Jun 2010	90.4385	16%
Jul-Dec 2010	96.8313	7%
Jan-Jun 2011	80.0195	-17%

RESIDENTIAL MARKET OVERVIEW - Continued

Although fluctuating from period to period, the data above indicate that residential land prices peaked locally in the second half of 2005 and declined steeply through the end of 2009 before beginning to bounce back. Note that multifamily properties for 5 or more units are considered to be a commercial property type and are not reflected in this data.

LAND DEVELOPMENT IRRs (DISCOUNT RATES) INCLUDING DEVELOPER'S PROFIT

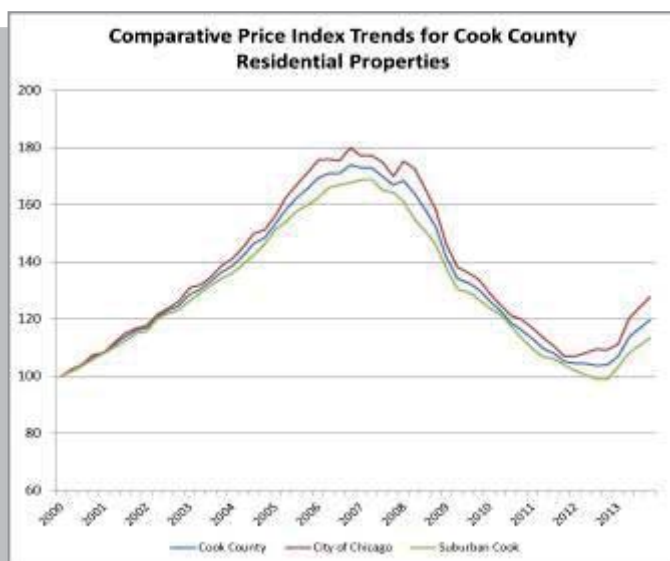
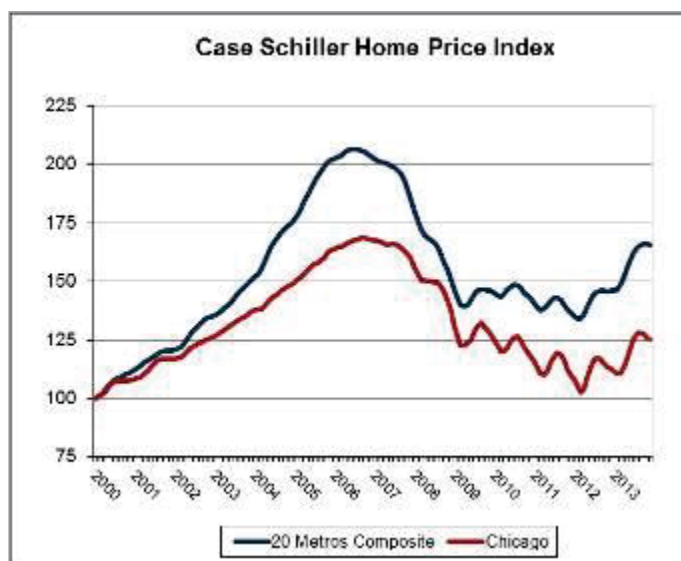
Free & Clear Discount Rate	Fourth Quarter 2018
RANGE	10.00% - 25.00%
AVERAGE	18.39%
CHANGE	-59
Source: PricewaterhouseCoopers	

Existing Housing

The Illinois Association of REALTORS (IAR) attributes a slowing down in home sales to a combination of factors including the recession, economic uncertainty, tighter lending standards, increased consumer prices, reduced consumer confidence and extreme weather. In the Chicago Primary Metropolitan Statistical Area (PMSA), at 111,427 units, total home sales (including single-family and condominiums) in 2013 were up 23% from the 90,608 sales recorded in 2012. The median price of single-family homes sold in the Chicago PMSA increased by 10.9% from \$160,000 in 2012 to \$177,500, as more foreclosure properties, which had acted as a drag on the market, are being removed.

At 4th quarter interest rate for 30-year, fixed-rate mortgages averaged a still low 4.48% in the North Central Region, according to the Federal Home Loan Mortgage Corporation; although this represents an increase from 3.32% a year ago.

The S&P/Case-Shiller U.S. National Home Price Values index indicates that single family housing values improving over the last two years with values approaching the 2010 level while the market was sliding downward and the 2002 level in the early stages of the market expansion in the last decade.



RESIDENTIAL MARKET OVERVIEW - Continued

In 2012, The Institute for Housing Studies at DePaul University developed a repeat sales index to track price changes of residential properties in Cook County. The IHS Cook County House Price Index is compiled on a quarterly basis and tracks price changes separately for the key property types found in the county: single family homes, condominium units, smaller multifamily rental buildings with between two and four units, and larger multifamily buildings with more than five units. Data through the end of 2013 for single family residences shows a pattern similar to the Case-Shiller for Chicago and Cook County.

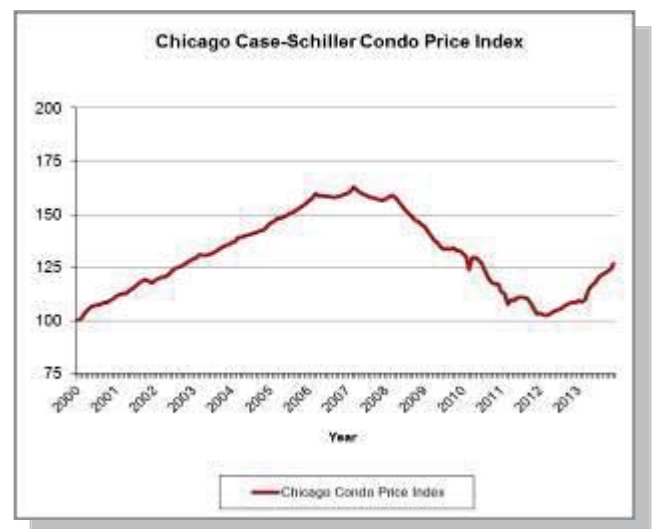
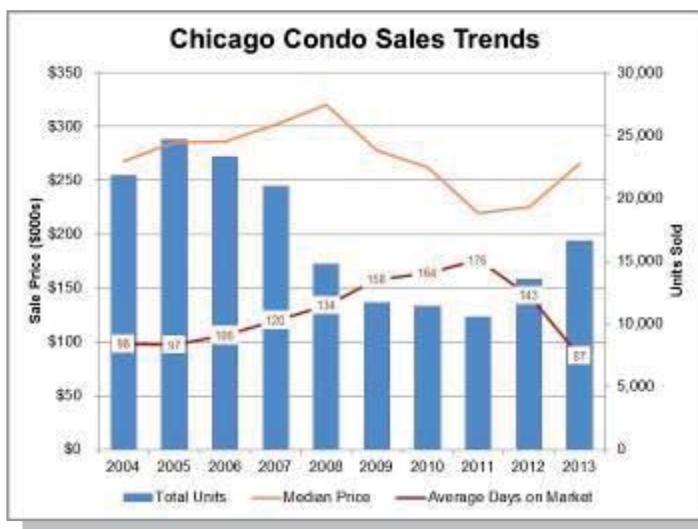
City of Chicago Condominium Sales Trends

Since 2008, the median price for an existing attached home in the City of Chicago has fallen by 17% and remains below the 2004 level based on MLS data. Volume declined in 2008-11 and the average marketing time had been increasing until last year. In 2013; however, marketing time was less than half of what it was at its 2011 peak. The median sale price was up 18% in 2013 versus 2012, reaching its highest level since 2007, and the total units sold was up almost 22% over the prior year.

CHICAGO CITY ATTACHED HOUSING SALE PRICE TRENDS

Year	Total Units	Average Days on Market	Median Price	Average Price	Total Dollar Volume
2004	21,830	98	\$268,000	\$318,958	\$6,962,862,557
2005	24,693	97	285,000	330,259	8,155,088,091
2006	23,347	106	286,000	335,561	7,834,331,084
2007	20,972	120	302,000	357,684	7,501,351,211
2008	14,759	134	320,000	386,931	5,710,712,587
2009	11,685	158	277,500	323,187	3,776,435,281
2010	11,389	164	262,000	326,763	3,721,507,775
2011	10,524	176	220,000	283,268	2,981,110,972
2012	13,544	143	225,000	293,512	3,975,321,158
2013	16,601	87	265,000	323,736	5,374,339,313

Source: MRED MLS



RESIDENTIAL MARKET OVERVIEW - Continued

As illustrated above median prices increased generally until mid-2008 followed by a sharp drop. There is a general decline in the number of condominium transactions in the city of Chicago since 2005. In 2012 there was a reversal of all indicators with the number of sales increasing to the highest level in five years, marketing time dropping significantly and median prices moving upward.

As with single family homes, the S&P/Case-Shiller Seasonally Adjusted Condominium Values index for Chicago indicates that Chicago area condominium values have improved to 2002 levels after charting an upward course for the last two years.

Apartment Market

Apartment conditions in Chicago are forecast to continue to improve in 2018. The boom in condominium construction and conversion has passed, and many recently completed projects are being repositioned as rentals. The shadow market is more pronounced in the downtown which has had the majority of new multiunit deliveries in recent years. Vacancy rates are falling outside of the central city. Investors remain attracted to deals with solid fundamentals. With traffic congestion luring renters closer to employment and transportation corridors, demand will be strongest for well-located properties. Renter demand is projected to stay relatively healthy in the northern neighborhoods of the city. The following shows the vacancy and rental trends the Chicago region based on data from Red Capital Group and also from Hendricks/ Berkadia.

CHICAGO AREA APARTMENT MARKET STATISTICS 2018

Submarket	Effective Rent			Physical Vacancy		
	3Q17	3Q18	Change	3Q17	3Q18	Change (bps)
Aurora/Naperville	\$1,077	\$1,080	0.3%	3.4%	2.9%	-50
Belmont-Montrose	1,216	1,215	0.0%	2.7%	2.3%	-40
City West	1,027	1,055	2.8%	8.1%	7.0%	-110
Downers Grove	947	957	1.0%	4.4%	3.4%	-100
East Lake County	977	1,000	2.4%	3.4%	2.4%	-100
Glen Ellyn/Wheaton	953	975	2.3%	4.5%	4.2%	-30
Glendale Heights	1,117	1,138	1.9%	3.0%	2.6%	-40
Glenview/Evanston	1,045	1,074	2.8%	2.6%	2.7%	10
Gold Coast	1,695	1,774	4.7%	4.0%	4.3%	30
Joliet	793	806	1.6%	4.3%	3.5%	-80
Kane County	984	1,005	2.2%	4.5%	3.5%	-100
Lincoln Park	1,228	1,264	2.9%	1.5%	1.3%	-20
McHenry County	915	927	1.3%	3.3%	2.6%	-70
O'Hare	884	905	2.4%	2.9%	2.7%	-20
Oak Park	944	959	1.7%	4.4%	3.4%	-100
Palatine	1,113	1,134	1.9%	6.3%	4.9%	-140
Rogers Park/Uptown	805	821	2.1%	3.9%	3.8%	-10
Schaumburg/Hoffman	990	1,026	3.6%	4.1%	3.7%	-40
SE Cook County	903	918	1.6%	4.6%	4.5%	-10
South Shore	829	844	1.9%	4.2%	3.6%	-60
SW Cook County	809	834	3.2%	3.9%	3.6%	-30
The Loop	1,589	1,681	5.8%	5.2%	7.0%	180
West Lake County	919	919	Unchd	4.0%	3.5%	-50
Wheeling	1,042	1,058	1.6%	3.0%	2.4%	-60
Woodridge/Lisle	957	997	4.1%	3.3%	4.2%	90
Metro	\$1,043	\$1,070	2.6%	4.0%	3.7%	-30

Source: Red Capital Group

CHICAGO AREA APARTMENT TRENDS 2013

Submarket	Vacancy		Average Rent Increase		Average Rent	
	2018	2017	2018	2014	2018	2017
Aurora/Naperville	4.9%	6.0%	6.3%	3.2%	\$1,238	\$1,165
Belmont-Montrose	4.1%	3.8%	1.8%	3.3%	\$1,686	\$1,657
City West	5.3%	3.3%	2.9%	3.2%	\$2,074	\$2,016
DeKalb County	2.4%	1.4%	2.5%	2.4%	\$824	\$804
Downers Grove	3.3%	5.4%	3.6%	0.8%	\$1,057	\$1,020
Glen Ellyn/Wheaton	4.8%	6.0%	4.8%	1.3%	\$1,164	\$1,110
Glendale Heights- Lombard	3.9%	4.3%	2.1%	0.1%	\$1,153	\$1,129
Glenview/Evanston	4.1%	4.1%	1.0%	1.4%	\$1,848	\$1,830
Gold Coast-River North	4.2%	4.7%	5.1%	2.0%	\$2,218	\$2,110
Joliet	5.2%	6.7%	5.0%	2.0%	\$1,086	\$1,035
Kane County	5.1%	5.9%	6.3%	2.1%	\$1,135	\$1,068
Kendall County	7.3%	6.4%	-4.4%	2.9%	\$1,109	\$1,160
Lincoln Park-Old Town	1.6%	2.5%	3.2%	7.2%	\$1,773	\$1,718
McHenry County	3.2%	4.6%	1.0%	0.9%	\$1,030	\$1,020
O'Hare	2.8%	3.7%	4.2%	1.3%	\$997	\$957
Oak Park	4.5%	6.0%	9.2%	4.7%	\$1,324	\$1,213
Palatine	5.4%	6.1%	1.8%	-1.2%	\$1,183	\$1,162
Rogers Park/Uptown	1.1%	2.7%	-0.1%	0.1%	\$895	\$896
Schaumburg/Hoffman	4.3%	7.4%	6.8%	2.6%	\$1,185	\$1,109
South Shore	4.8%	6.3%	3.9%	4.4%	\$1,362	\$1,311
SE Cook County	7.5%	9.5%	0.2%	0.7%	\$854	\$852
SW Cook County	5.5%	5.2%	1.8%	1.7%	\$923	\$907
The Loop	4.7%	5.1%	3.8%	4.8%	\$1,936	\$1,865
Wheeling	5.0%	5.8%	4.6%	5.4%	\$1,244	\$1,190
Woodridge/Lisle	4.3%	4.6%	4.2%	1.6%	\$1,136	\$1,090
Market Total	4.8%	5.4%	3.8%	2.5%	\$1,349	\$1,299

Source Hendricks, Berkadia

The Red Capital Group uses data from REIS, while the Hendricks/ Berkadia data sample from other sources which may be more biased toward larger investment grade properties accounting for the variation in statistics.

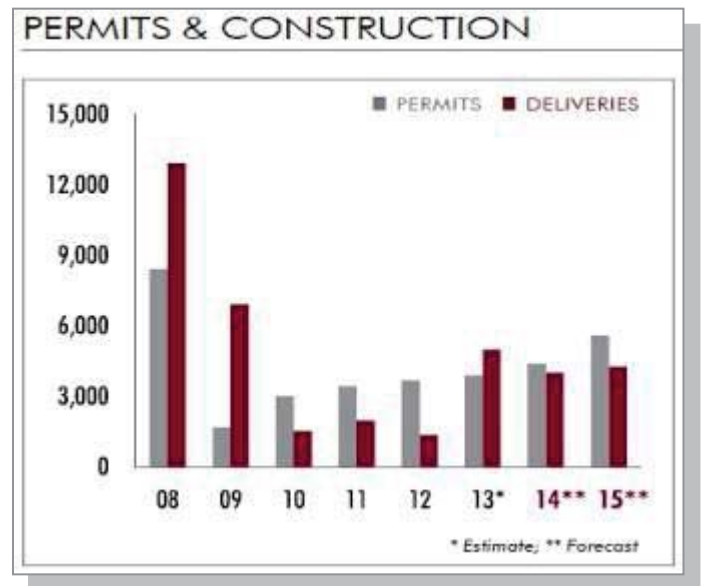
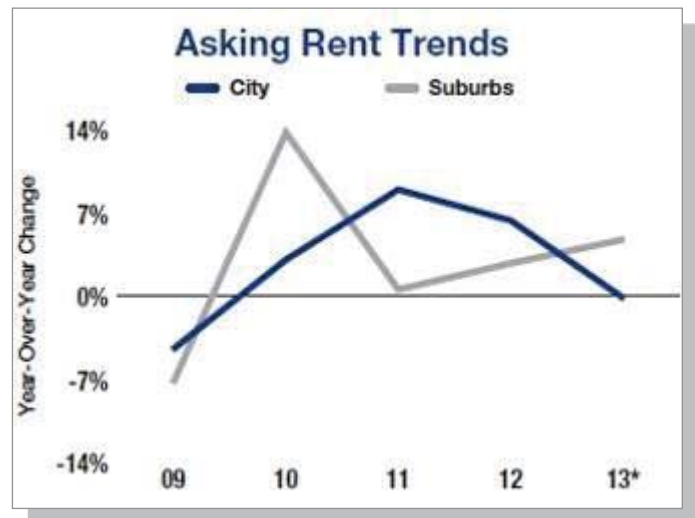
Absorption and Vacancy

During the late 1990s, the Chicago area vacancy rate consistently registered in the 3% range. The combined effects of the economic slowdown and historically low interest rates caused vacancies to spike above 6.0% in 2002. While high by local historical standards, the U.S. Department of Commerce views a 6% vacancy rate the threshold for a tight market in which demand exceeds supply. Increase employment and rental household formations are generating positive net absorption, a decline in vacancy, and a rise in rents across the market. The overall market vacancy rate currently stands in the low 4% range according to most sources.

RESIDENTIAL MARKET OVERVIEW - Continued

Lease Rates

Rent growth for the year averaged 3.5%, bettering the 3.0% increase achieved in the prior year. Nevertheless, Marcus & Millichap reports that rents in the central city for upper-end properties are down 3.3% due to the recent influx of new units onto the market. Suburban rents are about 25% below city rents.



Construction

Developers have been concentrating on rentals rather than on condominiums in recent years. Completion of more than 1,673 apartment units was reported in the city for 2013, with some 6,300 more expected by 2018. Some 10,000 more are in the planning stages. The influx of units is producing downward pressure on rents. Development remains more subdued in the suburbs, with some 1,490 units added in the last year. Some 2,100 more are scheduled in 2014. The planning pipeline reportedly totals about 5,000.

RESIDENTIAL MARKET OVERVIEW - Continued

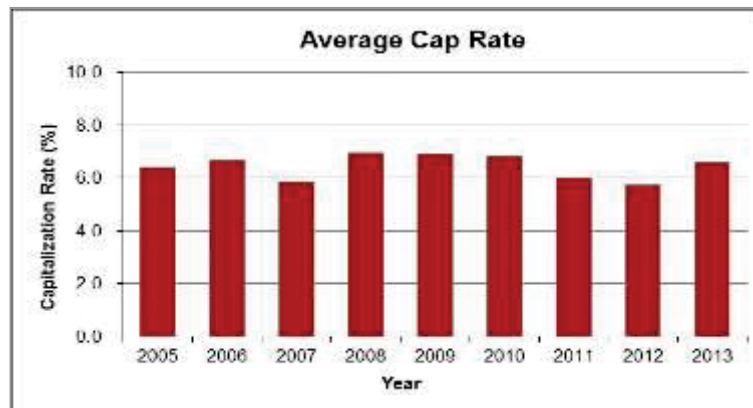
Sales Trends

Based on data from CoStar the dollar volume of multifamily transactions has been fairly stable in the 1.9 billion range over each of the last three years. The number of units transferred in 2013 was up over 28% from 2012 and the median price per unit also rose 8% while the average fell. The brokerage Marcus & Millichap reports that the median price of a class A asset in the city was more than \$336,000, while in the suburbs it was \$129,000. Institutional investors remain active and demand reportedly exceeds supply so that multiple bids on the same property are not uncommon. Local investors remain interested in smaller properties in high-tenant-demand neighborhoods on the north side as tenants in small walkups in the city do not tend to match the profile of residents in newer Class A towers. The price disconnect between buyers and sellers continues to impede transaction activity for lower tier assets.

APARTMENT BUILDING SALES TRENDS

	2011	2012	2013	2014	2015	2016	2017	2018
Total Sales	712	407	351	432	428	447	512	668
Total \$ Volume (\$000)	2,498,864	2,039,864	957,178	637,388	940,373	1,866,764	1,971,391	1,936,857
Total Units	28,927	19,709	12,125	10,900	8,542	17,021	14,616	18,737
Average Price Per Unit	\$86,494	\$101,779	\$82,982	\$71,592	\$100,174	\$100,291	\$126,110	\$102,559
Median Price Per Unit	\$84,083	\$79,270	\$78,375	\$62,273	\$58,490	\$51,667	\$55,556	\$60,000
Avg. Number of Units	41	51	37	27	24	44	34	34
Average Cap Rate	6.7	5.9	6.9	6.9	6.8	6.0	5.8	6.6
Average GRM	8.55	7.83	9.46	10.14	8.73	6.32	6.89	7.5

CoStarCOMPS Inc. data



RESIDENTIAL MARKET OVERVIEW - Continued

Investment Parameters

Investors have responded positively to lower vacancy and improving cash flows and are adding to portfolios to take advantage of the recovery. Cap rates are reportedly in the mid-4% to mid-5% range in the city and in the mid-5% to 6% range elsewhere. Lesser assets start at 7%. Owners of vintage Class B city properties, are finding interest from small, private investors. Class B properties in Lincoln Park are most favored. Observers expect more interest in Class C/D properties as well as the top-tier properties clear the market.

The 1st Quarter *Real Estate Investor Survey* by PricewaterhouseCoopers and the Winter 2017 *Real Estate Report* by RERC, indicate the following overall capitalization rates and yield rates for apartment buildings at the national and local levels:

APARTMENT MARKET		
First Quarter 20145	NATIONAL	CHICAGO
	2018 1st	4th QTR '17
KEY INDICATORS	QUARTER	(RERC)
DISCOUNT RATE (IRR) ^a		
Range	6.00%–14.00%	
Average	8.17%	7.5%
OVERALL CAP RATE (OAR) ^a		
Range	3.50%–10.00%	
Average	5.79%	6.0%
RESIDUAL CAP RATE		
Range	4.25%–9.50%	
Average	6.23%	6.7%
MARKET RENT CHANGE RATE ^b		
Range	0.00%– 8.00%	
Average	2.73%	-
EXPENSE CHANGE RATE ^b		
Range	1.00%–3.50%	
Average	2.70%	-
AVERAGE MARKETING TIME (in months)		
Range	0.00-12.00	
Average	5.0	-
^a . Rate on unleveraged, all-cash transactions		
^b . Initial rate of change		
<i>Sources: National Data– PricewaterhouseCoopers; Chicago Data– RERC</i>		

Permanent Financing

Interest rates remain low in the mid-4% range to mid-5% range for 5- to 10-year deals for the best quality assets and borrowers at loan-to-value (LTV) ratios ranging from 75 percent to 80 percent in limited instances. Premiums of 30 to 75 basis points (bps) are reported for smaller assets. The following table summarizes prevailing mortgage terms by property type as reported by RealtyRates.com survey respondents for Class A and B properties nationwide.

RESIDENTIAL MARKET OVERVIEW - Continued

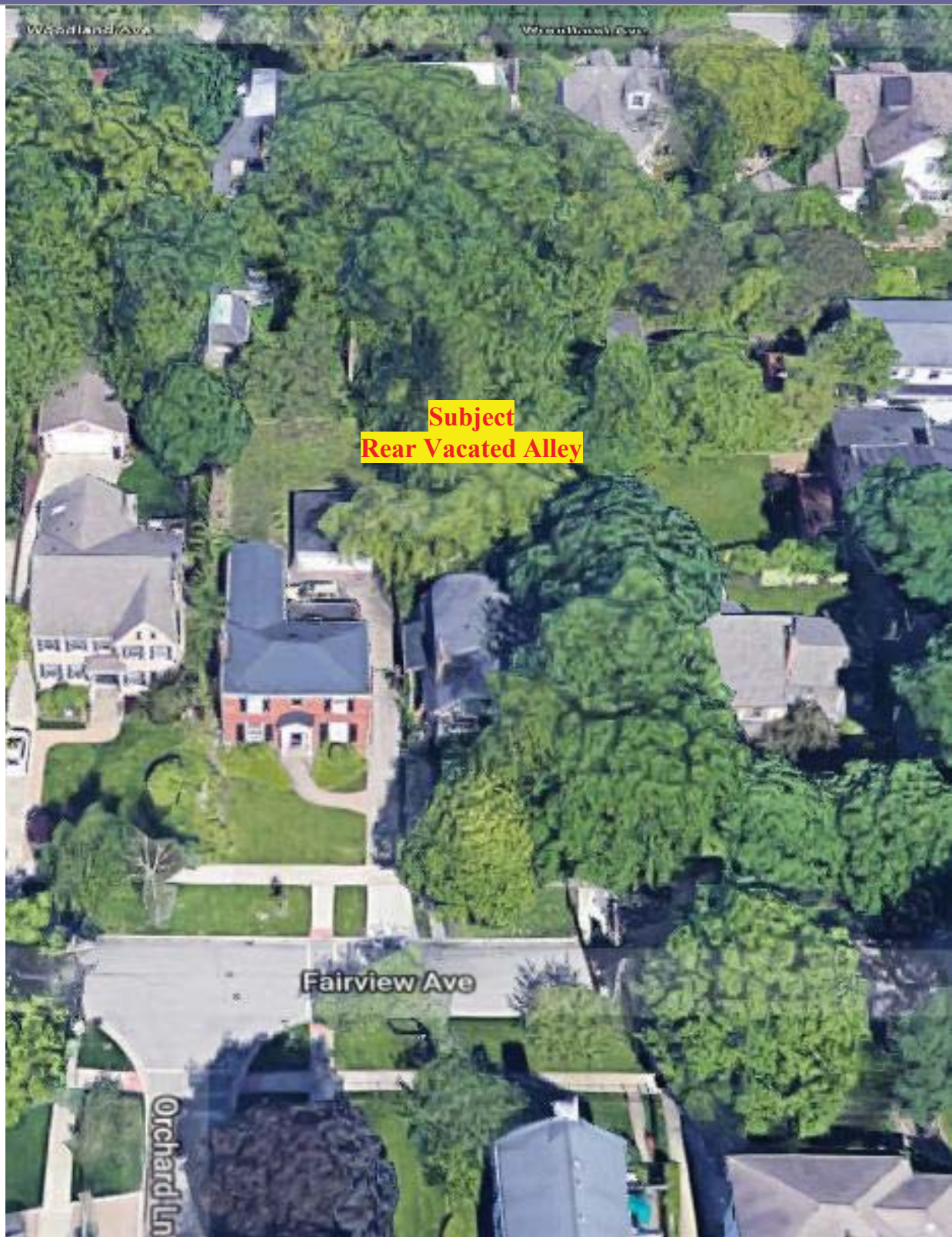
	Minimum	Maximum	Average
Interest Rates (%)	3.42	8.60	5.29
Spread over 10-yr Treasury (%)	0.70	5.88	2.57
Debt Coverage Ratio	1.10	1.96	1.43
Loan-to-value Ratio	50%	90%	73%
Amortization (Yrs.)	15	40	26
Term (Yrs.)	3	40	20.50
Reserves (\$/Unit)	155	390	362

Conclusion

The Chicago rental market had benefitted from several years of below-average construction and improving demand, especially from younger householder in the central city. The effects of the recession have largely receded. Shadow vacancy from the unsold and continuing high unemployment remains an issue and new construction could lead to higher vacancy rate and dampen rent growth in some areas. In the recent past, price appreciation was largely due to capitalization rate compression driven by the potential for condominium conversion. Until recently, apartment investment activity in Chicago had been diminishing due to tight credit and a mismatch in buyer and seller value opinions. Brokerages continue to forecast project decreasing vacancy and improving rents further buttressing the recent gains in this sector. Overall trends in the market are summarized below:

Vacancy Rate:	Decreasing
Lease Rate:	Increasing
Absorption:	Increasing
Construction:	Increasing

AERIAL VIEW



AREA INFORMATION

Location. Winnetka is located 18 miles northwest from Chicago's Loop.

Housing. Winnetka's housing includes Colonial, Tudor, Georgian and Victorian to contemporary homes and cottages. The majority are 50 to 100 years old. The average sale price for single-family homes in 2018 was \$1,260,453. The average sale price in 2018 for attached housing was \$309,625.

Schools. Elementary school children attend Carleton W. Washburne School in district 36 and Marie Murphy School in district 37. High schoolers attend New Trier High School.

Transportation. The Edens Expressway (I-94) is just west of the village. Drive time to the Loop is 30 minutes. Metra trains stop at three different stations in Winnetka for a 27-minute express trip to the Loop. O'Hare Airport is a 30-min. drive, and Midway is 45 min. away. Bus service is available.

PROXIMITY FEATURES

Expected Changes in Economic Base	None
Protection From Adverse Conditions	Average
Demand for Real Estate Like Subject	Slow but Adequate
Potential Additional Supply Like Subject	Minimal Potential
Building Age Range <i>{excluding extremes}</i>	5 to 50 Years
Oversupply of Property Like Subject	Some longer marketing times are evident.
General Appearance of Properties	Average
Location	Urban
Land Use Change	Not Likely
Police & Fire Protection	Average
Expressway Access	Under a mile
Employment Centers	Under a mile
Property Compatibility/Appeal to Market	Average

NEARBY LAND USES

Single-Family	20%
Multifamily	15%
Condominiums	30%
Retail	20%
Office	10%
Industrial	5%
-----	-----
Total	100%

NEIGHBORHOOD MAP



NEIGHBORHOOD DESCRIPTION

The subject property is located on the east side of Fairview Avenue, just west of Sheridan Road and north of Winnetka Avenue o in Winnetka, Illinois.

Improvements in the area consist of primarily single-family residential dwellings on the side streets with some small commercial improvements on the through streets. The immediate area of the subject is improved with similar single-family homes. The age of improvements in the area ranges from new to over 100 years.

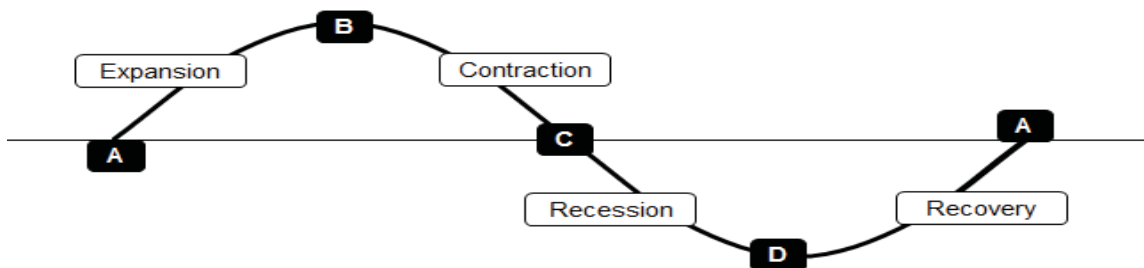
Neighborhood shopping and public transportation are available in downtown Winnetka. The Edens Expressway (I-94) is located just west of the subject and is accessible off Willow Road.

Market Conditions

Currently, the real estate market is recovering from a down cycle. There are fewer sales and signs of oversupply are noticeable. In the last several years the residential market has become stagnant with increased marketing times and the number of sales has decreased considerably. All developments are reporting longer marketing times and some developers report no sales. It appears that the condominium market suffers the most. Some developers are reporting some absorption of units while other developers are renting unsold units. The single-family home market is also reporting a steep decline in sales volume. Additionally, it is also more difficult to obtain financing because lenders have stricter requirements and guidelines. This has created downward price pressures on all types of real estate. According to information from the Illinois Association of Realtors, home sales in the Chicago area have dropped 3% from 2016 as compared to 2018. New home sales in the metropolitan area dropped by 2% from 2017 to a total of 6,439 homes according to a survey by Tracy Cross and Associates. This is the third year in a row of sales decline. The median price dropped by 5.5% in 2016. A survey by Case-Shiller indicates that Chicago area home prices are down by 6.4% from January, 2015 to January, 2019. This index reached its peak in September, 2014 and as of June, 2019 was down by 6%. The current index results in price levels equivalent to October, 2017.

Trend Analysis

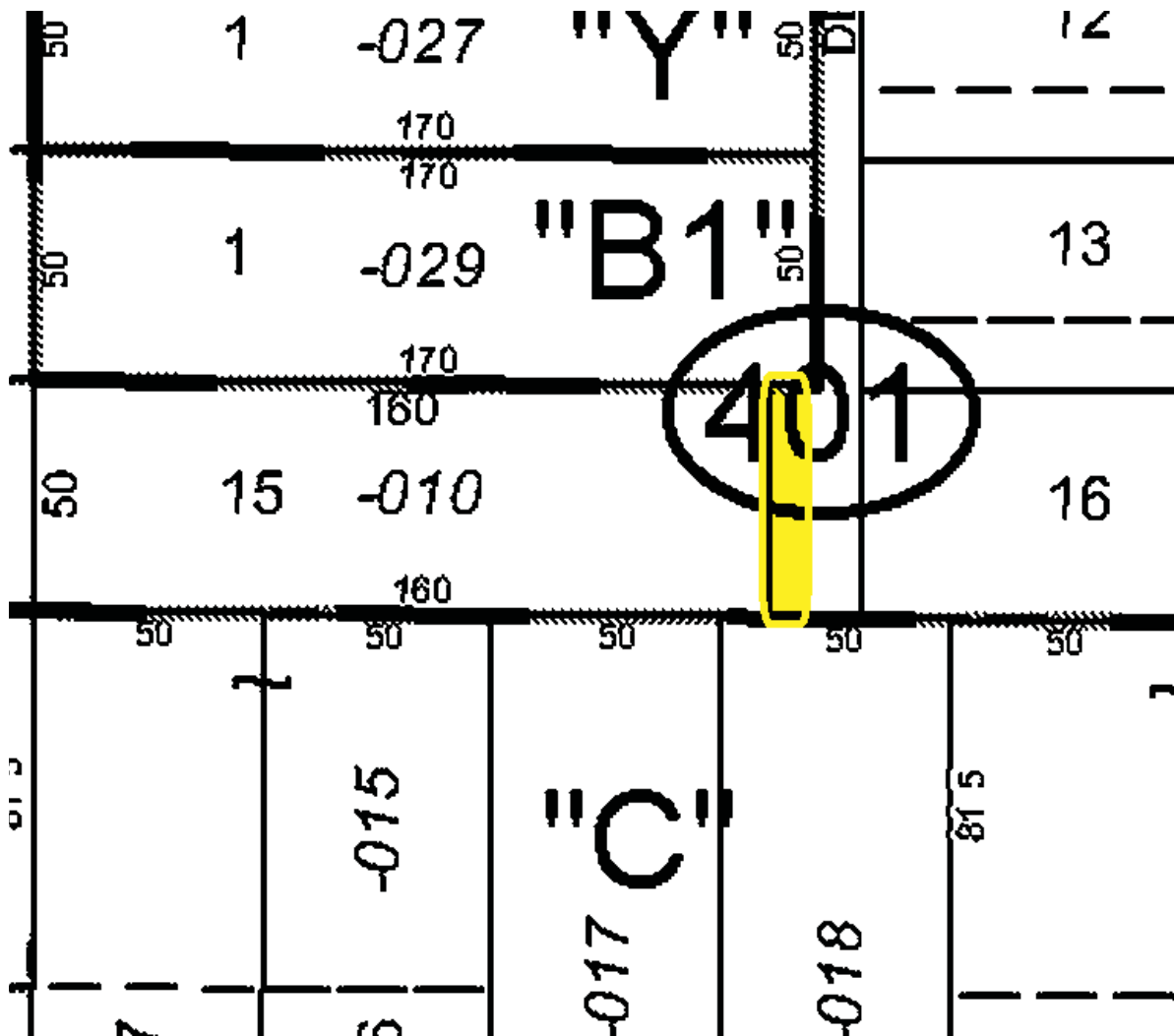
Real estate generally has four market cycles. "Understanding where the market is and forecasting the extent of duration of the cycle are important in projecting the pattern of future income."² These cycles are depicted as follows (see below).



NEIGHBORHOOD DESCRIPTION - continued

<u>SEGMENT</u>	<u>NAME</u>	<u>CHARACTERISTICS</u>
AB	Expansion	Growing demand, rental rates climbing above replacement cost, decreasing vacancy, concessions not prevalent, high profit potential stimulating much new construction
BC	Contraction	Stable to weakening demand, stable to weakening vacancy, small concessions beginning to occur, rents stable to mildly weakening, profit potential shrinking so new construction slowing
CD	Recession	Stagnant to declining demand, vacancy growing, rental rates falling, significant concessions prevalent, new construction virtually halted
DA	Recovery	Demand strengthening, vacancy shrinking, rental rates starting to climb, concessions shrinking, new construction beginning to occur
Appraiser(s) opinion of the approximate current point in the market cycle		Point DA
Next major point		Point AB
Time until next major point		2 to 4 years
<u>CONCLUSION</u>		Currently the national as well as the local economy is in the midst of recovering from a severe recession that affected all sectors including the real estate market. Although we are recovering, there is currently a lack of available financing for most ventures or financing is difficult to obtain. Considering the current state of the economy and real estate market, real estate values are expected to remain, at best, flat in the near future and slightly increase in the near future.

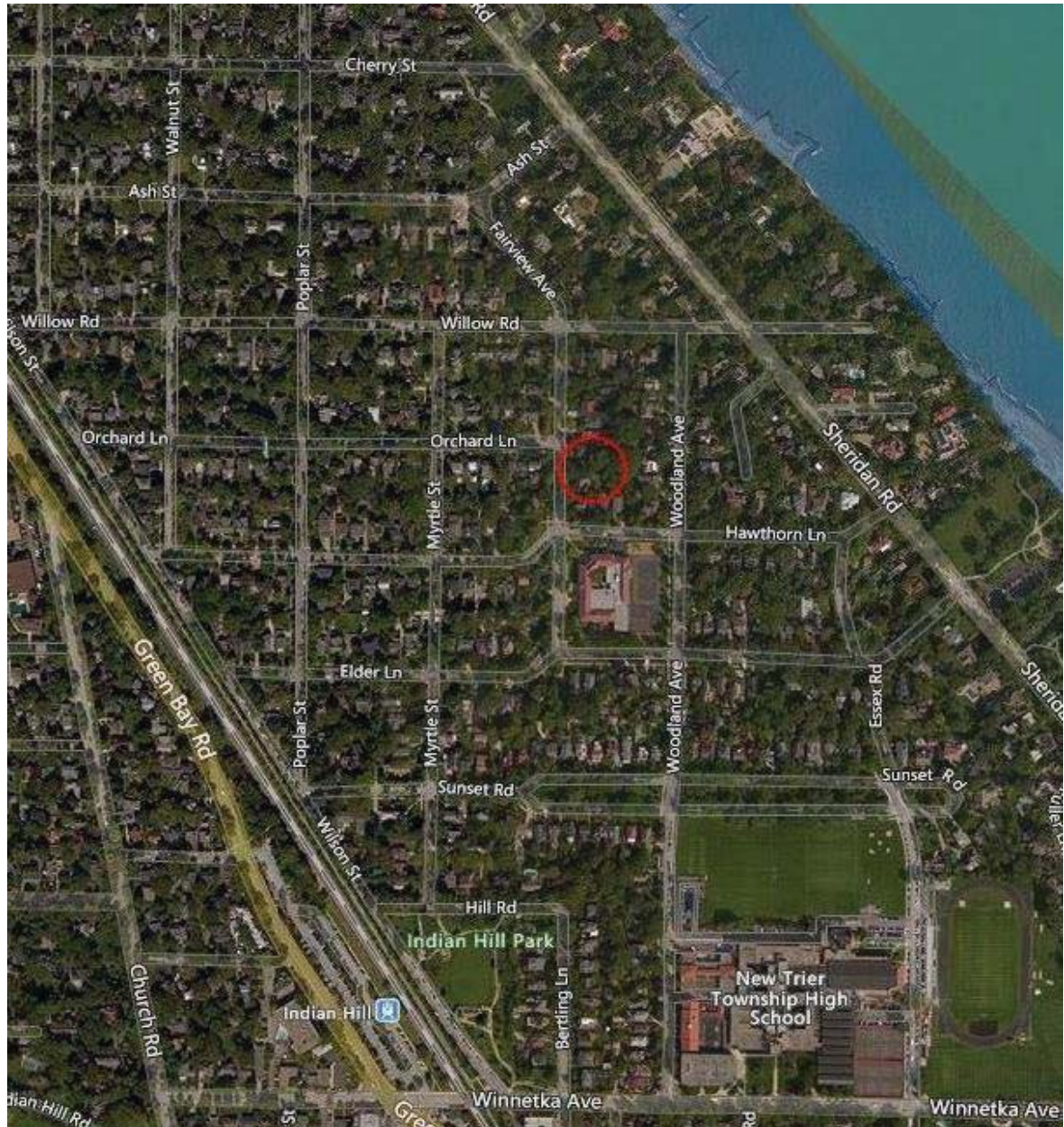
SIDWELL MAP



FLOOD MAP

InterFlood by a la mode

Prepared for: KPS, Inc.
315 Fairview Ave
Winnetka, IL 60093-4210



MAP DATA

FEMA Special Flood Hazard Area: **No**
Map Number: **17031C0251J**
Zone: **X**
Map Date: **August 19, 2008**
FIPS: **17031**

MAP LEGEND

	Areas inundated by 500-year flooding		Protected Areas
	Areas inundated by 100-year flooding		Floodway
	Velocity Hazard		Subject Area

Powered by CoreLogic

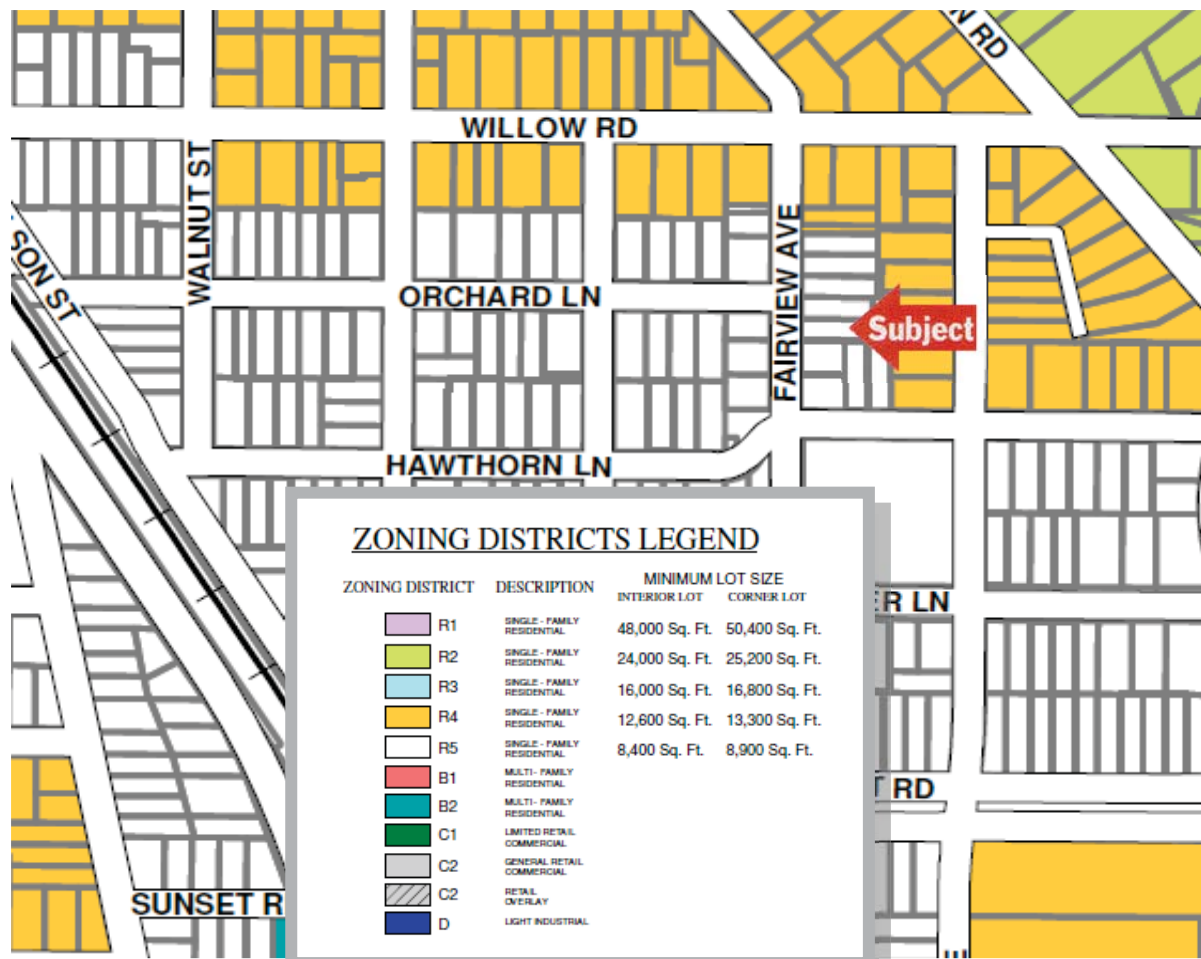
ZONING ANALYSIS

According to the Winnetka zoning map, the subject is zoned: R5, Single-Family Residential District. The R5, Single-Family Residential District is intended to provide a semi-urban environment of single-family homes on relatively large lots. This district creates for lot sizes adequate to accommodate individual wells and sewage disposal systems. Schools, recreation and social facilities, religious facilities and public facilities which serve the residents living in the district are allowed. All commercial activities are prohibited, except for selected recreation and sanitary uses.

CONCLUSION

There are variations to the above and the zoning ordinance should be checked for precise details.

We have analyzed the zoning requirements in relation to the subject property, and considered the compliance of the existing use. It is a permitted use. We know of no deed restrictions, private or public, that further limit the subject property's use. The research required to determine whether or not such restrictions exist is beyond the scope of this appraisal assignment. Based on our review of public information, the subject property appears to be a legal use.



HIGHEST AND BEST USE

Introduction

A highest and best use analysis identifies the most probable and profitable competitive use the subject property could be used for. Since economic conditions change, a property's highest and best use changes as well. This analysis is an essential step in the determination of market value because it forms a framework for the proper selection of comparables.

The “*Dictionary of Real Estate Appraisal*”, fourth edition, copyright 2002 by the Appraisal Institute defines this term on page 135 as:

"The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and results in the highest value. The four criteria the highest and best use must meet are legally permissible, physically possible, financially feasible, and maximum productivity."

In appraisal practice, there are potentially two types of highest and best use. The first is highest and best use of land as though vacant. If a building already exists, the second variety is highest and best use as though now improved. The latter considers whether the existing building should be retained as is, demolished, remodeled, renovated, repaired, enlarged, or converted to an alternate use. Both types require separate analyses. Current usage may or may not be different from the property's long term, highest and best use.

The concept of Highest and Best Use is based upon four major criteria, which are summarized below:

- | | |
|--------------------------------|---|
| 1. <i>Legally Permissible</i> | The use must be legal or probable. That is, the use must conform to existing zoning restrictions, or there must be a reasonable likelihood a rezoning or variance may be granted. Private deed restrictions must not be violated. |
| 2. <i>Physically Possible</i> | Physical attributes of the land that must be considered include size, access, shape, orientation, soil conditions, potential hazards, topography, and utilities. Physical attributes of the building that must be analyzed include design, size, efficiency, mechanical systems, floor plan, construction materials, quality, and physical condition. |
| 3. <i>Financially Feasible</i> | Land may be developed with different uses. Only those uses, which produce a positive net return over time with acceptable risk, are deemed financially viable. This use must not depress surrounding property values. |
| 4. <i>Maximum Productivity</i> | Of all uses that survive the first three tests, there is only one use, which produces the greatest return with the least risk. This single use represents the property's Highest and Best Use. Supply and demand are constantly fluctuating, so it is common for a property's highest and best use to change. |

Highest and best use analyses can be categorized into two different levels of detail - inferred and fundamental. This appraisal's level of detail was disclosed in the Scope of Work - Appraisal Development section. A fundamental analysis forecasts demand from broad demographic and economic data like population and income. Existing supply is inventoried. Then the relationship of supply and demand is weighed to determine net demand.

An inferred analysis is based on local trends and patterns from which inferences are made. Sales, listings, marketing intervals, and/or price change for other similar land infer there is adequate demand for the subject parcel at a price level congruous with this data. Inferred analyses emphasize historical data while fundamental analyses are based on future projections.

HIGHEST AND BEST USE

As Vacant Land

If subject parcel were vacant, how would it be used? This question is answered by applying the four tests of highest and best use.

Legally Possible

Legal restrictions fall into two main categories - private and public. Private restrictions are agreements imposed by previous owners. Examples include access easements, use limitations, and leases. Public constraints include zoning, right-of-way easements, historic districts, and utility easements.

Unless specifically stated otherwise, there are no known atypical public or public restrictions. Zoning permits a variety of mixed commercial/residential uses including the subject's current use.

Physically Possible

Physical attributes commonly considered include size, shape, access, flood potential, topography, and availability of utilities. Characteristics that may be significantly detrimental but the appraiser(s) are not trained to detect or determine are environmental hazards and soil conditions.

There are no known environmental concerns or adverse soil conditions. The land is not located in a FEMA special flood hazard. Sewer and water connections are proximate and access is convenient. The size and accessibility of the site would allow for development of any one of the permitted uses. Given its size, location and use variance, an industrial development that capitalizes on these attributes would be the most likely use of the subject site.

Financially Feasible

Uses that are impossible or improbable physically and legally are first eliminated. Those uses that remain are then tested to determine whether they produce sufficient net income to fully pay for all operating expenses and provide adequate compensation for all invested capital.

Demand for most property types allowed under the current zoning classification is strong. The determination of financial feasibility is dependent primarily upon demand. Overall price levels are sufficient to support new construction in the overall market. We have not completed a detailed analysis of commercial and residential demand; however, it is clear that the market is not distressed (in this area) at this time and speculative development is financially feasible at this time.

Maximum
Productivity

Maximum productivity is considered only if more than more use survives the first three tests. This concept holds land will be developed with the use that returns the most reward over time. However, the numerical return should not be the sole determinant. The numerical reward must be weighted within the context of risk. When a use is expected to produce a very attractive return but its successful fruition is very unlikely, the use is often eliminated from further consideration.

Based upon the three criteria previously discussed, we believe that the most prudent use of the subject site “as vacant” would be for non-speculative residential development in conformance with its zoning ordinance; however, this needs to take into consideration the current economic climate and high demand, resulting in short absorption times.

Conclusion
As Though
Vacant

With all factors considered, we are of the opinion that the highest and best use of the subject site “as vacant” would be for assemblage with a neighboring parcel to make a larger parcel for a residential development (in accordance with its zoning and its use variance in place).

APPROACHES TO VALUE

For real estate consisting of land and building(s), there are three primary valuation methods - the cost approach, sales comparison approach, and income approach. Unless stated otherwise, only those considered applicable and necessary to produce credible results are developed in this report.

The Cost Approach considers the current cost of reproducing or replacing a property, less accrued depreciation in the property. The total value of a property is the sum of the market value of the land assumed vacant and the depreciated reproduction or replacement cost new (RCN) of the improvements. The cost approach is based on the premise that an informed buyer would not pay more for a particular property than the cost of purchasing land and constructing improvements with similar utility. This approach is particularly useful when the property represents the highest and best use of the land and the amount of accrued depreciation is measurable from the market. The approach is more limited, however, when improvements are considerably older or do not represent the highest and best use of the land as though vacant. The reliability of estimates for accrued depreciation due to physical deterioration, functional obsolescence and external obsolescence is reduced, which makes the approach less useful.

The Income Capitalization Approach is based on an estimate of the subject property's anticipated future benefits. Net operating income (NOI) is capitalized to arrive at an indication of value from an investment standpoint as the present value of the property's potential net income. The income capitalization approach is based on the premise that an informed buyer would not pay more for a property than the anticipated present worth of the future benefits derived from the ownership. The reliability of this approach depends on adequacy of the market data for property income, expenses and capitalization rates. The income capitalization approach is generally most useful in valuing a property that would normally be purchased by an investor.

The Sales Comparison Approach produces an estimate of value by comparing the subject to sales and/or listings of properties similar to the subject. It shows the value established by informed buyers and sellers in the market through actual transactions. The sales comparison approach is based on the premise that the informed buyer would not pay more for a particular property than the cost of purchasing a similar property with the same utility as the subject. The comparable sales are adjusted for differences relative to the subject for property rights conveyed, market financing terms, the conditions of sale, changing conditions (time), location, and other characteristics. This approach is very reliable when there is an active market that provides sales data with sufficient bases for comparison. A limitation of this approach is that the motives of purchasers and sellers vary depending on their need for cash, their tax position and their personal tastes. The availability of financing and a host of other factors also must be taken into consideration. The necessary adjustments for differences in quality, location, size and market appeal are a function of appraisal experience and judgment.

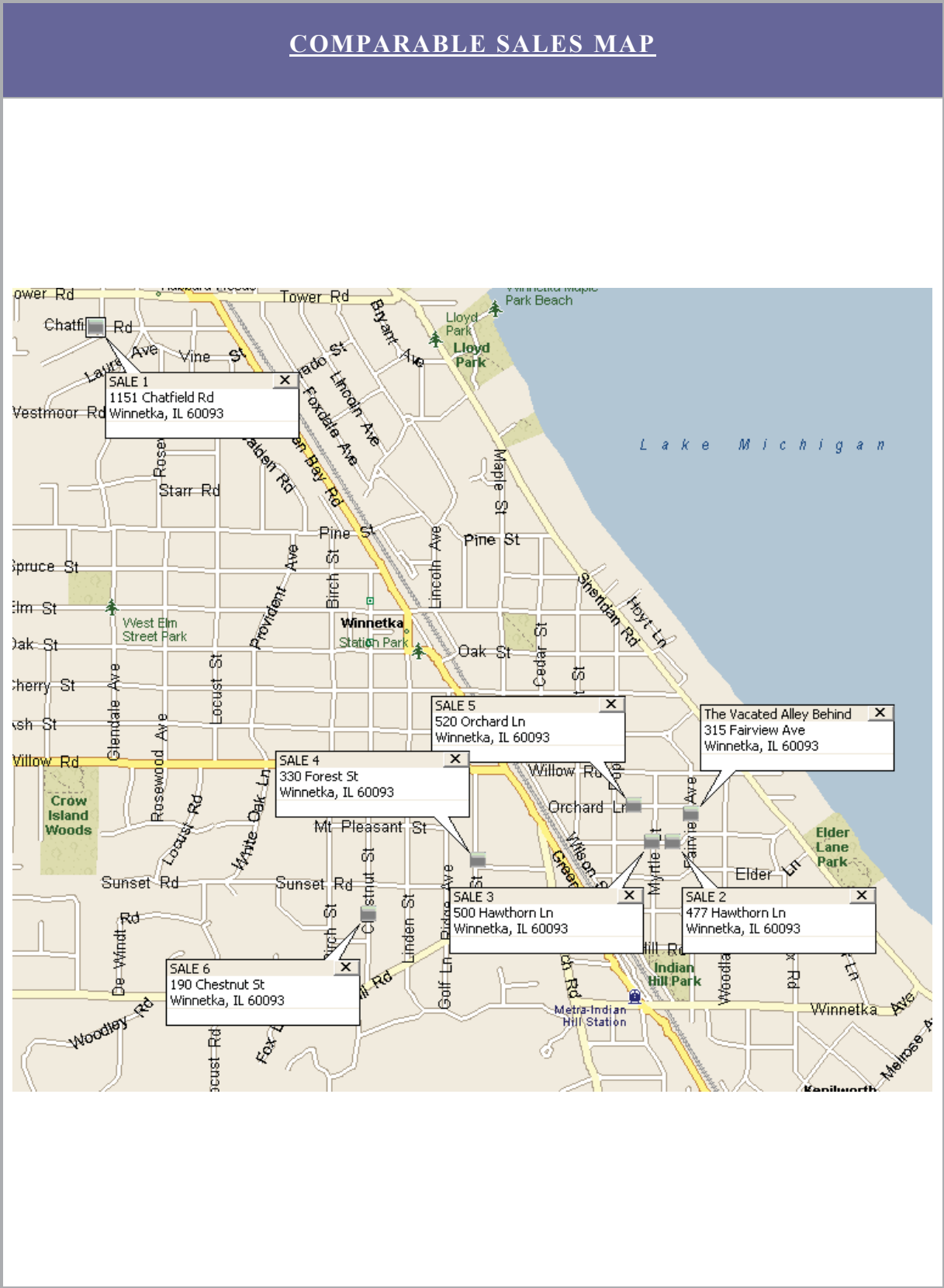
SALES COMPARISON APPROACH TO VALUE

In an appraisal, the real estate being appraised is referred to as the “subject” or “subject property”. Properties possessing characteristics that are physically and locationally similar to the subject are called “comparables” or “comparable sales”. In this approach, comparables are compared to the subject. Differences are noted. Dissimilarities between the subject and the comparables are categorized into elements of comparison. Adjustments, to compensate for dissimilarities, are next applied the sale prices of the comparable sales. Then, a value opinion for the subject is reconciled from the range in adjusted sale prices established by the comparables. Unless stated otherwise, all cited transactions are "arm's length" conveyances. An “arm’s length” transaction is an agreement between unrelated parties with typical motivations in a competitive market. In the case of the subject property, the typical basic unit of comparison is price per square foot of building area.

The following contain a summary of the improved properties that we compared to the subject property and the adjustment process.

SUMMARY OF COMPARABLE SALES

Sale/ Location	Lot Size (SF)	Zoning	Sale Date	Sale Price PSF. of Site Area
Comp. Sale 1/ 1151 Chatfield Road Winnetka, Illinois	7,500	R4	May-18	\$48.00
Comp. Sale 2/ 500 Hawthorn Lane Winnetka, Illinois	8,260	R5	Nov-18	\$71.43
Comp. Sale 3/ 477 Hawthorn Lane Winnetka, Illinois	8,250	R5	Apr-19	\$65.45
Comp. Sale 4/ 330 Forest Street Winnetka, Illinois	9,900	R5	Apr-18	\$64.14
Comp. Sale 5/ 520 Orchard Lane Winnetka, Illinois	8,250	R5	Apr-18	\$79.39
Comp. Sale 5/ 190 Chestnut Avenue Winnetka, Illinois	13,090	R3	Apr-18	\$74.48
Subject/ The Vacated Alley Behind 315 Fairview Avenue Winnetka, Illinois	500	R5	N/A	N/A



ANALYSIS OF MARKET DATA

All of these sales are in Winnetka, like the subject, in the New Trier Township High School District 203. Per the economies of scale, smaller sites tend to develop higher prices per square foot of land area, and this is supported by these sales, as the smallest sites developed the highest prices per square foot. This does not mean that the subject should develop a price per square foot substantially above this range, however, as this really only applies to buildable lots. The subject is small, landlocked parcel that has no measurable value, unless it is part of an assemblage with the adjacent site.

The subject's value, on a price per square foot basis, is best represented by Sales 2, 3 and 5, which have the same zoning classification and are located couple blocks from the subject. The subject's price per square foot is, therefore, estimated at \$70.00 per square foot, prior to the deduction for it not being a buildable site, and its lack of street frontage, visibility and access.

Typically, the value of parcel of land that is not buildable is anywhere from 50% to about 67% of the value of a similar parcel of land that is buildable. If the only factor limiting a parcel from being buildable were its size, the deduction would be about 33% of the value. However, the subject also lacks street frontage, visibility, and access. Therefore, it is my opinion that the subject's price per square foot should be discounted by 55%. Based upon the aforementioned, we are of the opinion that the subject has a value of \$31.50 PSF yielding say,

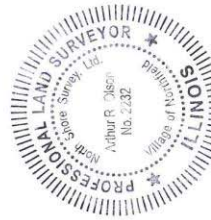
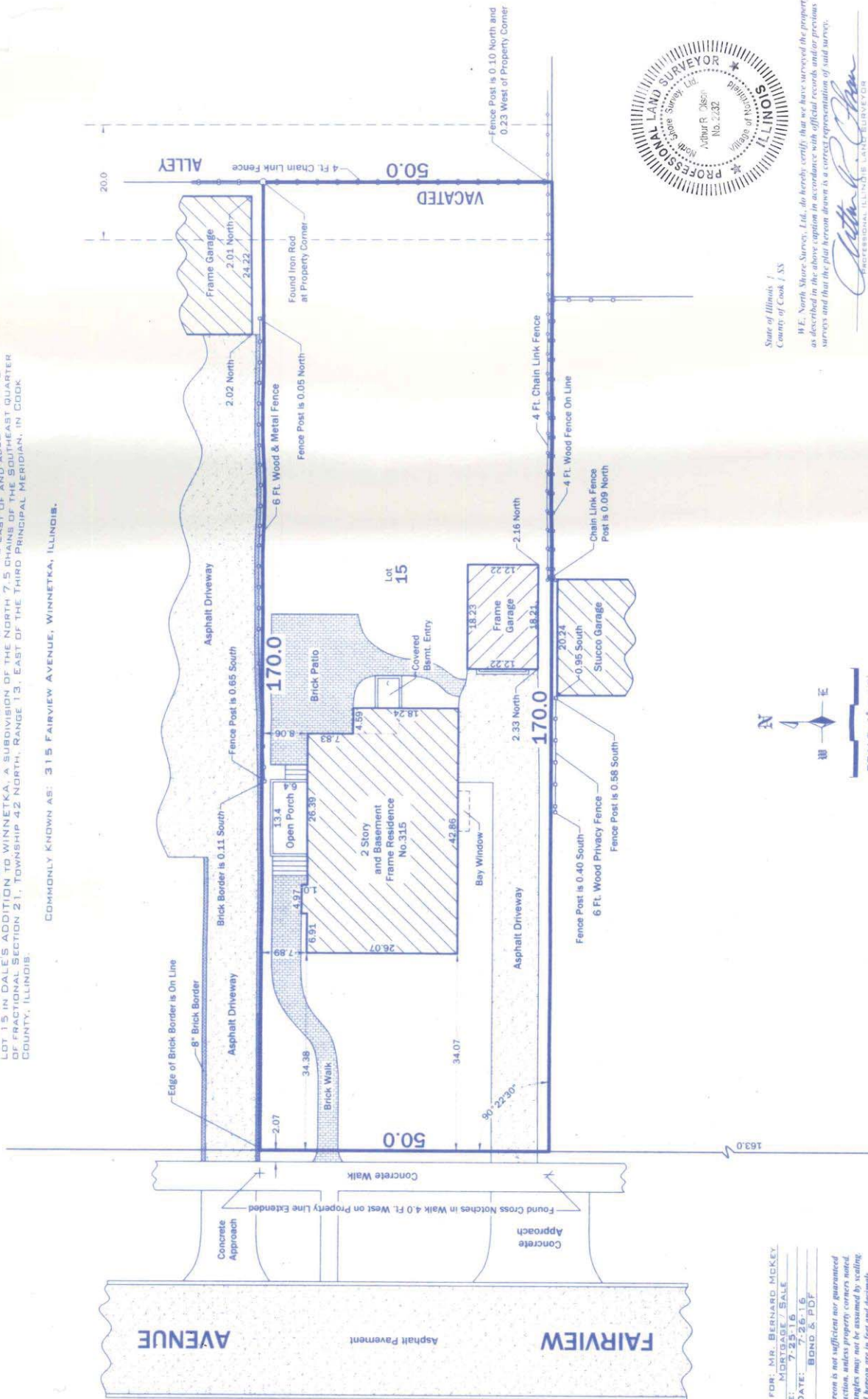
Lot Area (SF)	500± SF @ \$31.50 PSF =	\$15,750
<i>Indicated Market Value "As Is" Via Sales Comparison, Say:</i>		\$16,000

ADDENDA

PLAT OF SURVEY

...OF...LOT 15 IN BLOCK 3 TOGETHER WITH THE WEST HALF OF VACATED ALLEY LYING EAST OF AND ADJOINING SAID LOT 15 IN DALE'S ADDITION TO WINNETKA, A SUBDIVISION OF THE NORTH 7.5 CHAINS OF RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

COMMONLY KNOWN AS: 315 FAIRVIEW AVENUE, WINNETKA, ILLINOIS.



State of Illinois
County of Cook

WE, North Shore Survey, Ltd., do hereby certify that we have surveyed the property as described in the above caption in accordance with official records and/or previous surveys and that the plat hereon drawn is a correct representation of said survey.

Arthur R. Olson
PROFESSIONAL ILLINOIS LAND SURVEYOR

FOR: MR. BERNARD MCKEY
RE: MORTGAGE / SALE
DATE: 7-25-16
BOND & PDF
Surveyor is not sufficient nor guaranteed
injection, unless property corners noted.
if angles may not be assumed by scaling
and hereon are in feet and decimals.

QUALIFICATIONS OF ROBERT S. KANG

CERTIFIED GENERAL REAL ESTATE APPRAISER #553.001163

EDUCATION

University of Illinois, Champaign/Urbana, IL
B.S. in Business Administration, May, 1993

APPRAISAL BACKGROUND

Independent Fee Appraiser with experience appraising a wide variety of commercial and industrial properties, which focus on commercial real estate in the greater Chicago Metropolitan area and northern Illinois.

APPRAISAL INSTITUTE COURSE WORK

Course: Standards of Professional Practice Part A
Course: Standards of Professional Practice Part B
Course: Real Estate Appraisal Principles
Course: Residential Case Studies
Course: Basic Income Capitalization
Course: Advanced Income Capitalization

APPRAISAL ASSIGNMENTS

Fee Simple	Tax Assessments
Leased Fee	Economic Analysis
Value In Use	

TYPES OF PROPERTIES APPRAISED

Industrial Buildings	Apartment Buildings
Warehouses	Mixed-Use Facilities
Cold Storage Facilities	Shopping Centers
Vacant Land	Restaurants
Office Buildings	Banks
Motels	Truck Terminals

CONTINGENT AND LIMITING CONDITIONS

1. By this notice, all persons, companies, or corporations using or relying on this report in any manner bind themselves to accept these contingent and limiting conditions, and all other contingent and limiting conditions contained elsewhere in this report. Do not use any portion of this report unless you fully accept all contingent and limiting conditions contained throughout this document.
2. Throughout this report, the singular term "Appraiser" also refers to the plural term "Appraisers". The terms "Appraiser" and "Appraisers" refer collectively to "KPS, Inc.", its officers, employees, subcontractors, and affiliates. The masculine terms "he" or "his" also refer to the feminine term "she" or "her".
3. These conditions are an integral part of this appraisal report, and are a preface to any certification, definition, description, fact, or analysis. Moreover, these conditions are intended to establish as a matter of record that the purpose of this report is to provide one or more value opinions for the subject property. All value opinions are prepared solely for the explicitly identified client and other explicitly identified intended users.
4. The liability of the Appraiser is limited solely to the client. There is no accountability, obligation, or liability to any other third party. Other intended users may read but not rely on this report. The Appraiser's maximum liability relating to services rendered under this engagement (regardless of form of action, whether in contract, negligence or otherwise) is limited to the fee paid to KPS, Inc. for that portion of their services, or work product giving rise to liability. In no event shall the Appraisers be liable for consequential, special, incidental or punitive loss, damages or expense (including without limitation, lost profits, opportunity costs, etc.) even if advised of their possible existence. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all contingent and limiting conditions, assumptions, and disclosures. Use of this report by third parties shall be solely at the risk of the third party.
5. As part of this appraisal, information was gathered and analyzed to form value opinion(s) that pertain solely to one or more explicitly identified effective value dates. The effective value date is the only point in time that the value applies. Information about the subject property, neighborhood, comparables, or other topics discussed in this report was obtained from sensible sources. In accordance with the extent of research disclosed in the Scope of Work section, all information cited herein was examined for accuracy, is believed to be reliable, and is assumed reasonably accurate. However, no guaranties or warranties are made for this information. No liability or responsibility is assumed for any inaccuracy which is outside the control of the Appraiser, beyond the scope of work, or outside reasonable due diligence of the Appraiser.
6. Real estate values are affected by many changing factors. Therefore, any value opinion expressed herein is considered credible only on the effective value date. Every day that passes thereafter, the degree of credibility wanes as the subject changes physically, the economy changes, or market conditions change. The Appraiser reserves the right to amend these analyses and/or value opinion(s) contained within this appraisal report if erroneous, or more factual-information is subsequently discovered. No guarantee is made for the accuracy of estimates or opinions furnished by others, and relied upon in this report.
7. Real estate values are affected by many changing factors. Therefore, any value opinion expressed herein is considered credible only on the effective value date. Every day that passes thereafter, the degree of credibility wanes as the subject changes physically, the economy changes, or market conditions change. The Appraiser reserves the right to amend these analyses and/or value opinion(s) contained within this appraisal report if erroneous, or more factual-information is subsequently discovered. No guarantee is made for the accuracy of estimates or opinions furnished by others, and relied upon in this report.

8. This appraisal is not an engineering, construction, legal, or architectural study. It is not an examination or survey of any kind. Expertise in these areas is not implied. The Appraiser is in no way responsible for any costs incurred to discover, or correct any deficiency in the property. In the case of limited partnerships, syndication offerings, or stock offerings in the real estate, the client agrees that in case of lawsuit (brought by the lender, partner, or part owner in any form of ownership, tenant, or any other party), the client will hold KPS, Inc., its officers, contractors, employees and associate appraisers completely harmless. Acceptance of, and/or use of this report by the client, or any third party is prima facie evidence that the user understands, and agrees to all these conditions.
9. Unless specifically stated otherwise herein, the Appraiser is unaware of any engineering study made to determine the bearing capacity of the subject land, or nearby lands. Improvements in the vicinity, if any, appear to be structurally sound. It is assumed soil and subsoil conditions are stable and free from features that cause supernormal costs to arise. It is also assumed existing soil conditions of the subject land have proper load bearing qualities to support the existing improvements, or proposed improvements appropriate for the site. No investigations for potential seismic hazards were made. This appraisal assumes there are no conditions of the site, subsoil, or structures, whether latent, patent, or concealed that would render the subject property less valuable. Unless specifically stated otherwise in this document, no earthquake compliance report, engineering report, flood zone analysis, hazardous substance determination, or analysis of these unfavorable attributes was made, or ordered in conjunction with this appraisal report. The client is strongly urged to retain experts in these fields, if so desired.
10. If this appraisal values the subject as though construction, repairs, alterations, remodeling, renovation, or rehabilitation will be completed in the future, it is assumed such work will be completed in a timely fashion, using non-defective materials, and proper workmanship. All previously completed work is assumed to substantially conform to plans, specifications, descriptions, or attachments made or referred to herein. It is also assumed all planned, in-progress, or recently completed construction complies with the zoning ordinance, and all applicable building codes. A prospective value opinion has an effective value date that is beyond or in the future relative to the report preparation date. If this appraisal includes a prospective valuation, it is understood and agreed the Appraiser is not responsible for an unfavorable value effect caused by unforeseeable events that occur before completion of the project.
11. If this appraisal values an interest that is less than the whole fee simple estate, then the following disclosure applies. The value for any fractional interest appraised plus the value of all other complementary fractional interests may or may not equal the value of the entire fee simple estate.
12. This valuation may or may not include an observation of the appraised property by a signatory to this report. The extent of any observation is disclosed in the Scope of Work section of this report. Any observation by a signatory is not, and should not be misconstrued as a professional property inspection. Comments or descriptions about physical condition of the improvements, if any, are based solely on a superficial visual observation. Electric, heating, cooling, plumbing, water supply, sewer or septic, mechanical equipment, and other systems were not tested. No determination was made regarding the operability, capacity, or remaining physical life of any component in, on, or under the real estate appraised. All building components are assumed adequate and in good working order unless stated otherwise. Private water wells and private septic systems are assumed sufficient to comply with federal, state, or local health safety standards. No liability is assumed for the soundness of structural members since structural elements were not tested or studied to determine their structural integrity. The roof cover for all structures is assumed water tight unless otherwise noted. Comments regarding physical condition are included to familiarize the reader with the property. This document is not an engineering or architectural report. If the client has any concern regarding structural, mechanical or protective components of the improvements, or the adequacy or quality of sewer, water or other utilities, the client should hire experts in an appropriate discipline before relying upon this report. No representations are made herein as to these matters unless explicitly stated otherwise in this report.

13. No liability is assumed for matters of legal nature that affect the value of the subject property. Unless a clear statement to the contrary is made in this report, value opinion(s) formed herein are predicated upon the following assumptions. (A) The real property is appraised as though, and assumed free from all value impairments including yet not limited to title defects, liens, encumbrances, title claims, boundary discrepancies, encroachments, adverse easements, environmental hazards, pest infestation, leases, and atypical physical deficiencies. (B) All real estate taxes and assessments, of any type, are assumed fully paid. (C) The property being appraised is assumed to be owned under responsible and lawful ownership. (D) It is assumed the subject property is operated under competent and informed management. (E) The subject property was appraised as though, and assumed free of indebtedness. (F) The subject real estate is assumed fully compliant with all applicable federal, state, and local environmental regulations and laws. (G) The subject is assumed fully compliant with all applicable zoning ordinances, building codes, use regulations, and restrictions of all types. (H) All licenses, consents, permits, or other documentation required by any relevant legislative or governmental authority, private entity, or organization have been obtained, or can be easily be obtained or renewed for a nominal fee.
14. An appraised property that is a physical portion of a larger parcel or tract is subject to the following limitations. The value opinion for the property appraised pertains only to that portion defined as the subject. This value opinion should not be construed as applying with equal validity to other complementary portions of the same parcel or tract. The value opinion for the physical portion appraised plus the value of all other complementary physical portions may or may not equal the value of the whole parcel or tract.
15. The allocation of value between the subject's land and improvements, if any, represents our judgment only under the existing use of the property. A re-evaluation should be made if the improvements are removed, substantially altered, or the land is utilized for another purpose.
16. The Appraiser assumes a prospective purchaser of the subject is aware of the following. (A) This appraisal of the subject property does not serve as a warranty on the physical condition of the property. (B) It is the responsibility of the purchaser to carefully examine the property, and to take all necessary precautions before signing a purchase contract. (C) Any estimate for repairs is a non-warranted opinion of the Appraiser.
17. Any exhibits in the report are intended to assist the reader in visualizing the subject property and its surroundings. The drawings are not surveys unless specifically identified as such. No responsibility is assumed for cartographic accuracy. Drawings are not intended to be exact in size, scale, or detail.
18. Value opinions involve only real estate, and inconsequential personal property. Unless explicitly stated otherwise, value conclusions do not include personal property, unaffixed equipment, trade fixtures, business-good will, chattel, or franchise items of material worth.
19. Conversion of the subject's income into a market value opinion is based upon typical financing terms that were readily available from a disinterested, third party lender on this report's effective date. Atypical financing terms and conditions do not influence market value, but may affect investment value.
20. All information and comments concerning the location, market area, trends, construction quality, construction costs, value loss, physical condition, rents, or any other data for the subject represent estimates and opinions of the Appraiser. Expenses shown in the Income Approach, if used, are only estimates. They are based on past operating history, if available, and are stabilized as generally typical over a reasonable ownership period.

21. This appraisal consists of trade secrets and commercial or financial information, which is privileged, confidential, and exempt from disclosure under 5 U.S.C. 522 (b) (4). Please notify us of any request for reproduction of this appraisal report.
22. The Appraiser is not required to give testimony or produce documents because of having prepared this report unless arrangements are agreed to in advance. If the Appraiser is subpoenaed pursuant to court order or required to produce documents by judicial command, the client agrees to compensate the Appraiser for his appearance time, preparation time, travel time, and document preparation time at the regular hourly rate then in effect plus expenses and attorney fees. In the event the real property appraised is, or becomes the subject of litigation, a condemnation, or other legal proceeding, it is assumed the Appraiser will be given reasonable advanced notice, and reasonable additional time for court preparation.
23. Effective January 26, 1992, the Americans with Disabilities Act (ADA) - a national law, affects all non-residential real estate or the portion of any property, which is non-residential. The Appraiser has not observed the subject property to determine whether the subject conforms to the requirements of the ADA. It is possible a compliance survey, together with a detailed analysis of ADA requirements, could reveal the subject is not fully compliant. If such a determination was made, the subject's value may or may not be adversely affected. Since the Appraiser has no direct evidence, or knowledge pertaining to the subject's compliance or lack of compliance, this appraisal does not consider possible noncompliance or its effect on the subject's value.
24. KPS, Inc. and the Appraiser have no expertise in the field of insect, termite, or pest infestation. We are not qualified to detect the presence of these or any other unfavorable infestation. The Appraiser has no knowledge of the existence of any infestation on, under, above, or within the subject real estate. No overt evidence of infestation is apparent to the untrained eye. However, we have not specifically inspected or tested the subject property to determine the presence of any infestation. No effort was made to dismantle or probe the structure. No effort was exerted to observe enclosed, encased, or otherwise concealed evidence of infestation. The presence of any infestation would likely diminish the property's value. All value opinions in this communication assume there is no infestation of any type affecting the subject real estate. No responsibility is assumed by the Appraiser for any infestation or for any expertise required to discover any infestation. Our client is urged to retain an expert in this field, if desired. Contingent and Limiting Conditions
25. All opinions are those of the signatory Appraiser based on the information in this report. No responsibility is assumed by the Appraiser for changes in market conditions, or for the inability of the client, or any other party to achieve their desired results based upon the appraised value. Some of the assumptions or projections made herein can vary depending upon evolving events. We realize some assumptions may never occur and unexpected events or circumstances may occur. Therefore, actual results achieved during the projection period may vary from those set forth in this report. Compensation for appraisal services is dependent solely on the delivery of this report, and no other event or occurrence.
26. No part of this report shall be published or disseminated to the public by the use of advertising media, public relations media, news media, sales media, electronic devices, or other media without the prior written consent of KPS, Inc. This restriction applies particularly as to analyses, opinions, and conclusions; the identity of the Appraiser; and any reference to the Appraisal Institute or its MAI, SRPA, or SRA designations. Furthermore, no part of this report may be reproduced or incorporated into any information retrieval system without written permission.

CERTIFICATION

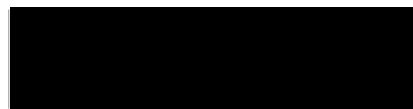
The appraisers signing this report make the following certifications to the best of their knowledge and belief.

- The statements of fact contained in this report are true and correct. Reported analyses, opinions, and conclusions are limited only by the assumptions and limiting conditions contained within this report, and are the appraisers' personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- The appraisers have no present or prospective interest in the property that is the subject of this report, or personal interest with the parties involved. The appraisers have no bias with respect to the property that is the subject of this report, or to the parties involved with this assignment.
- This engagement is not contingent upon developing or reporting predetermined results. Compensation paid to the appraisers is not contingent upon the development or reporting of a predetermined value, or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of the appraisal.
- Reported analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Foundation.
- A statement regarding observation of the subject property by the appraisers is listed below. This viewing, if any, did not attempt to probe, study, investigate, detect, or discover unfavorable physical features.
- Names of individuals providing significant real property appraisal assistance to the persons signing this certification: If names are listed, the extent of the assistance is detailed in the Scope of Work section.
- Based upon the information contained herein, and upon judgment, education, and experience as real estate appraisers, it is our opinion that the following market value is (values are) applicable the subject property.
- A previous service has not been provided within three years prior to this assignment.
- We have completed all the requirements under the State of Illinois and or the Appraisal Institute.

In our opinion, the Market Value of the subject property, expressly subject to the Assumptions and Limiting Conditions contained in this report is \$16,000.

Respectfully submitted,

INSPECTED	
YES	NO



Robert S. Kang
Certified General Real Estate Appraiser
Illinois License 553.001163
License Expiration Date: 09/30/2019

<u> X </u>	<u> </u>
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Agenda Item Executive Summary

Title:

Ordinance No. M-11-2019: 12 Indian Hill Road Annexation and Map Amendment (Public Hearing & Introduction)

Presenter:

David Schoon, Director of Community Development

Agenda Date:

08/06/2019

☒

Ordinance

☐

Resolution

☐

Bid Authorization/Award

☐

Policy Direction

☐

Informational Only

Consent:☐

YES

☒

NO

Item History:

None

Executive Summary:

On August 6, the Village Council will hold a public hearing and consider Ordinance No. M-11-2019, in response to a petition submitted by Michael and Chloe Ciaglia (the "Applicants"), as the owners of 12 Indian Hill Road (the "Subject Property"). The Applicants are requesting annexation of that portion of the Subject Property currently located in unincorporated Cook County into the corporate limits of the Village of Winnetka.

The requested annexation also requires a map amendment to rezone that portion of the Subject Property to be annexed into Winnetka to the R-2 Single Family Residential District.

A legal notice was published in the Winnetka Current on July 18, 2019 and a mailed notice was sent to property owners within 250 feet of the Subject Property. As of the date of this memo, staff has not received any written comments from the public regarding this petition.

Attached is a staff report containing more details regarding the request.

Recommendation:

After holding the public hearing, the Council may consider introduction of Ordinance No. M-11-2019. The Ordinance would approve the annexation for that portion of 12 Indian Hill Road currently located in unincorporated Cook County and approve the zoning map amendment to rezone that same portion of 12 Indian Hill Road to the R-2 Single Family Residential District.

Attachments:

Staff Report

Attachment A: Ordinance No. M-11-2019

Attachment B: Petition for Annexation



MEMORANDUM VILLAGE OF WINNETKA

COMMUNITY DEVELOPMENT DEPARTMENT

TO: VILLAGE COUNCIL
FROM: DAVID SCHOON, DIRECTOR
DATE: JULY 31, 2019
SUBJECT: ORDINANCE NO. M-11-2019: ANNEXATION AND REZONING OF 12 INDIAN HILL ROAD

INTRODUCTION

On August 6, 2019, the Village Council is scheduled to hold a public hearing and consider introduction of Ordinance No. M-12-2019, an ordinance approving the annexation and rezoning of that portion of 12 Indian Hill Road (the "Subject Property") currently located in unincorporated Cook County into the Village of Winnetka (Attachment A). The Village has received a petition from Michael and Chloe Ciaglia (the "Applicants"), as the owners of the Subject Property, to annex that portion of the Subject Property currently located in unincorporated Cook County into Winnetka (represented in Figure 2 on the following page). A portion of the Subject Property is currently in Winnetka; the other portion is in unincorporated Cook County.

A mailed notice was sent to property owners within 250 feet of the Subject Property in compliance with the Village Code. The hearing was properly noticed on July 18, 2019 in the *Winnetka Current*. As of the date of this memo, staff has not received any written comment from the public regarding this petition.

PROPERTY DESCRIPTION

The Subject Property, which is approximately 0.91 acres in size, is located at the northwest corner of Indian Hill Road and Golf Lane, and is currently a vacant lot. The approximate southern two-thirds (26,436 square feet) of the Subject Property is currently located in unincorporated Cook County. Figures 1 and 2 on the following page identify the Subject Property. The portion of the property currently within the corporate limits of the Village of Winnetka is zoned R-2 Single Family Residential, and it is bordered by R-2 Single Family Residential to the north and northwest and R-1 Single Family Residential to the southwest (represented in Figure 4 later in this report). The property east of the Subject Property is also partially located in unincorporated Cook County, the portion of that lot within the corporate limits of the Village is also zoned R-2 Single Family Residential.

The Comprehensive Plan designates the Subject Property as appropriate for single family residential development. The zoning of the property is consistent with the Comprehensive Plan.

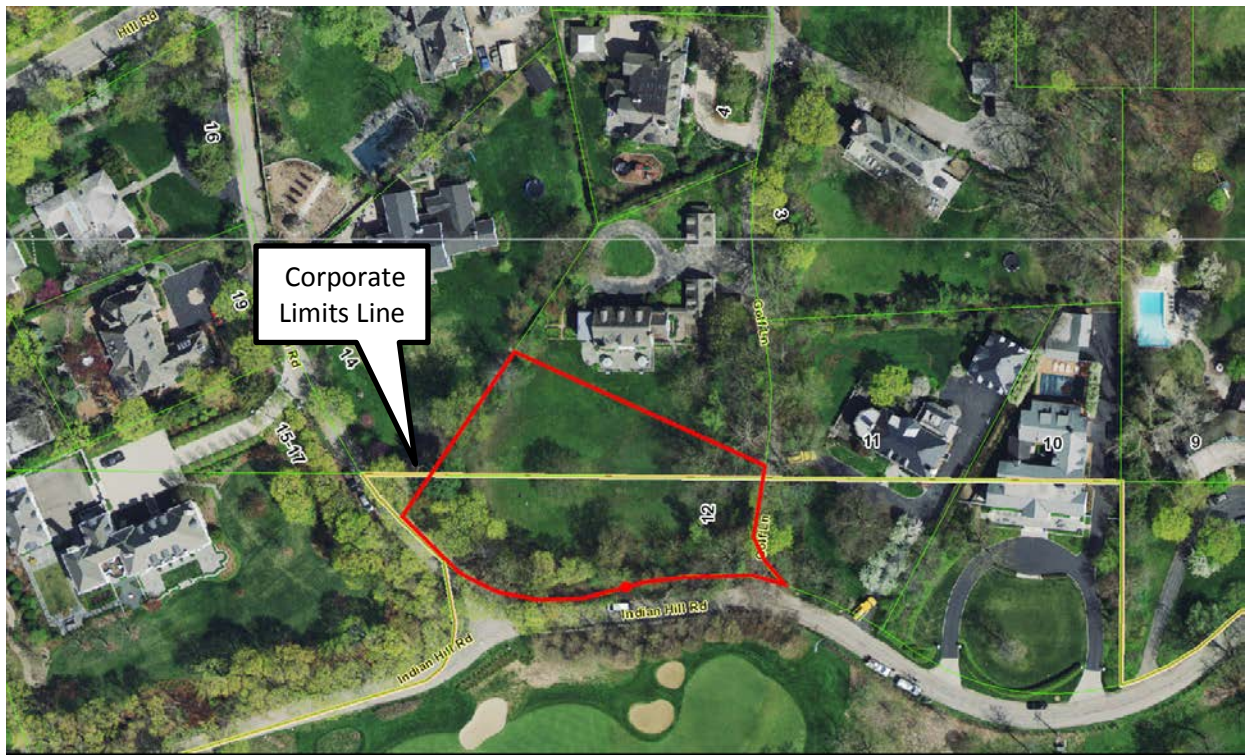


Figure 1 – Subject Property Aerial Map

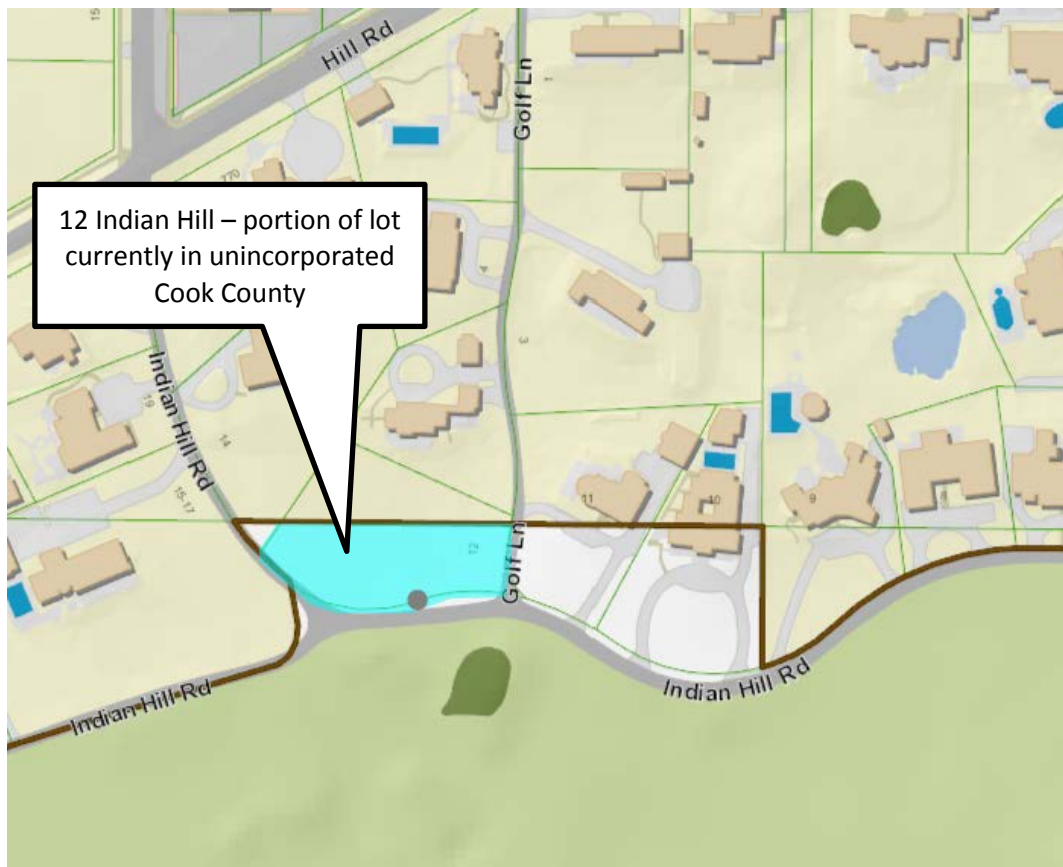


Figure 2 – Subject Property



Figure 3 – Corporate Limits Line

CURRENT REQUEST

The Applicants have submitted the petition for annexation with the intent of constructing a new single family residence on the Subject Property. Annexation of the approximate southern two-thirds of the Subject Property is required to assure that the entire parcel is subject to the Village's land development regulations.

The requested annexation also requires a map amendment to rezone that portion of the Subject Property to be annexed into Winnetka to the R-2 Single Family Residential District. This zoning classification is consistent with the other lots in the area (represented in Figure 4 below).

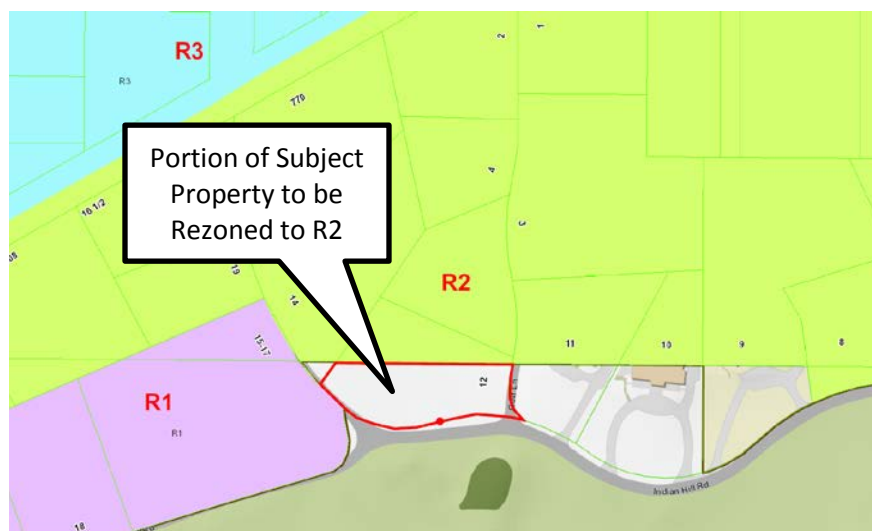


Figure 4 – Zoning Map

RECOMMENDATION

After holding the public hearing, the Village Council may consider introduction of Ordinance M-11-2019. The Ordinance would approve the annexation for that portion of 12 Indian Hill Road currently located in unincorporated Cook County into the Village of Winnetka and approve the zoning map amendment to rezone that same portion of 12 Indian Hill Road to the R-2 Single Family Residential District.

ATTACHMENTS

Attachment A: Ordinance No. M-11-2019, an Ordinance Annexing and Rezoning 12 Indian Hill Road

Attachment B: Petition for Annexation

ATTACHMENT A

ORDINANCE NO. M-11-2019

AN ORDINANCE ANNEXING THE PROPERTY AT 12 INDIAN HILL ROAD TO THE VILLAGE OF WINNETKA AND ZONING THE PROPERTY IN R-2 SINGLE FAMILY RESIDENTIAL ZONING DISTRICT

WHEREAS, Michael Ciaglia and Chloe Ciaglia (collectively, ***“Petitioners”***) are the legal and record title owners of a tract of land located at 12 Indian Hill Road, a portion of which is located in unincorporated Cook County, Illinois (***“Subject Property”***), and legally described on the plat of annexation attached to this Ordinance and, by this reference, incorporated into this Ordinance as **Exhibit A** (***“Plat of Annexation”***); and

WHEREAS, the Petitioners desire and propose to have the Subject Property annexed to the Village in accordance with the provisions of Section 7-1-24 of the Illinois Municipal Code, 65 ILCS 5/7-1-24 (***“Annexation”***); and

WHEREAS, the Petitioners filed with the Village a petition requesting the Annexation of the Subject Property signed by the Petitioners, who are the sole owners of the Subject Property; and

WHEREAS, all petitions and other documents necessary to accomplish the Annexation have been executed; and

WHEREAS, all notices required by Section 7-1-1 of the Illinois Municipal Code, 65 ILCS 5/7-1-1 have been provided; and

WHEREAS, the Village is authorized to annex the Subject Property under Section 7-1-24 of the Illinois Municipal Code; and

WHEREAS, pursuant to Section 7-1-47 of the Illinois Municipal Code, 65 ILCS 5/7-1-47, properties annexed into the Village are classified within the R-1 Single Family Residential District; and

WHEREAS, the Applicants submitted an application to amend the Official Zoning Map of the Village of Winnetka (***“Zoning Map”***) to classify the Subject Property within the R-2 Single Family Residential District (***“R-2 District”***) of the Village (***“Proposed Zoning Classification”***); and

WHEREAS, pursuant to Section 17.72.040 of the Winnetka Village Code (***“Village Code”***) and the Village’s home rule power, the Village gave notice of a public hearing by the Village Council to consider the Proposed Zoning Classification by publication in the *Winnetka Current* on July 18, 2019 and by mail to owners of real property located within 250 feet of the Subject Properties, which public hearing was held by the Village Council on July 15, 2019; and

WHEREAS, the Village Council heard evidence regarding the Proposed Zoning Classification and has found and determined that the Proposed Zoning Classification of the

Subject Property satisfies all of the findings required by Section 17.72.040 of the Village Code; and

WHEREAS, the Village Council of the Village of Winnetka ("**Village Council**") has found and determined that it is in the best interests of the Village to approve the Annexation and Proposed Zoning Classification as set forth in, and subject to the provisions of, this Ordinance;

NOW, THEREFORE, the Council of the Village of Winnetka do ordain as follows:

SECTION 1. RECITALS. The foregoing recitals are hereby incorporated into this Ordinance as findings of the Village Council.

SECTION 2. ANNEXATION. The Subject Property is hereby annexed to the Village of Winnetka.

SECTION 3. APPROVAL OF PROPOSED ZONING CLASSIFICATION. Pursuant to the Village's home rule power and Section 17.72.040 of the Village Code, the Village Council hereby: (a) approves the Proposed Zoning Classification of the Subject Property, and (b) amends the Zoning Map to classify the Subject Property within the R-2 District.

SECTION 4. RECORDATION AND REPORTING. The Village Clerk is hereby authorized and directed, promptly after the effective date of this Ordinance, to record in the Office of the Cook County Recorder of Deeds and file with the Office of the Cook County Clerk a certified copy of this Ordinance, including the Plat of Annexation, and the affidavits of service of notice required by law. The Village Administrator is hereby authorized and directed to notify the Election Authorities, as defined in Section 7-1-1 of the Illinois Municipal Code, 65 ILCS 5/7-1-1, and the United States Post Office branches serving the Subject Property of the Annexation granted by Section 2 of this Ordinance by registered or certified mail within 30 days after the effective date of this Ordinance.

SECTION 5. EFFECTIVE DATE. This Ordinance shall be in full force and effect only after passage, approval, and publication of this Ordinance in pamphlet form in the manner provided by law.

[SIGNATURE PAGE FOLLOWS]

PASSED this ____ day of _____, 2019, pursuant to the following roll call vote:

AYES: _____

NAYS: _____

ABSENT: _____

APPROVED this ____ day of _____, 2019.

Signed:

Village President

Countersigned:

Village Clerk

Published by authority of the
President and Board of Trustees
of the Village of Winnetka,
Illinois, this ____ day of _____,
2019.

Introduced: August 6, 2019

Passed and Approved: _____, 2019

EXHIBIT A

PLAT OF ANNEXATION

(SEE ATTACHED EXHIBIT A)

THAT PART OF LOT 1 IN OSGOOD'S RESUBDIVISION OF A PART OF LOT 10 IN INDIAN HILL SUBDIVISION NUMBER 2, BEING A SUBDIVISION OF PARTS OF SECTIONS 20 AND 29, TOWNSHIP 42 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING SOUTH OF THE NORTH LINE OF SECTION 29, TOWNSHIP 42 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

OWNERS CERTIFICATE

State of Illinois }
County of Cook } ss.

This is to certify that the undersigned are the legal owners of the land described on the annexed plat, and that they have caused the same to be surveyed and annexed as indicated thereon, for the uses and purposes therein set forth, and do hereby acknowledge and adopt the same under the style and title thereon indicated.

Dated this _____ day of _____, A.D., 2019.

Michael Ciaqlia	Chloe Ciaqlia
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NOTARY CERTIFICATE

State of Illinois }
County of Cook } ss.

I, _____ a Notary Public in and for said County, in the state aforesaid do hereby certify that Michael Ciaglia and Chloë Ciaglia, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such owners, appeared before me this day in person and acknowledged that they signed and delivered the annexed plat as their own free and voluntary act for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this _____ day of _____, A.D., 2019.

State of Illinois }
County of Cook } ss.

Approved by the President and Board of Trustees of the Village of Winnetka, Illinois, this _____ day of _____, A.D., 2019.

By: _____ Attest: _____
Village President, Winnetka, Illinois Clerk

FOR DETAILS OF THIS ORDINANCE NO. _____ SEE _____

EXISTING P.I.N. 05-29-203-022-0000
SEND TAX BILL TO:
Michael Ciaglia and Chloe Ciaglia
656 Sheridan Road, Winnetka, Illinois 60093

SUBMITTED BY AND RETURN PLAT TO:

All dimensions hereon shown, unless it is otherwise noted, are given in feet and decimal parts thereof.

	B.H. SUHR & COMPANY, INC.	
R. R. HANSEN MEMBER: I.P.L.S.A. N.S.P.S.	SURVEYORS ESTABLISHED 1911 450 SKOKIE BLVD. SUITE 105, NORTHBROOK, ILLINOIS, 60062 TEL. (847) 864-6315 / FAX (847) 864-9341 E-MAIL: SURVEYOR@BHSUHR.COM	Professional Design Firm License No. 184.008027--0008
LOCATION <u>12 INDIAN HILL ROAD (LOT1)</u> ORDER No. <u>19-111-ANNEX</u>	SURVEY DATE, <u>JULY 3</u> 20 <u>19</u> ORDERED BY: <u>JOAN M.FERRARO & ASSOCIATES, LTD.</u>	
AA	© 2019 B. H. Suhr & Company, Inc. All rights reserved.	

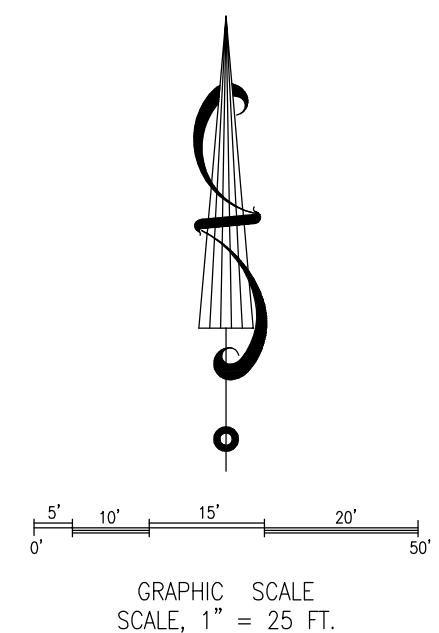
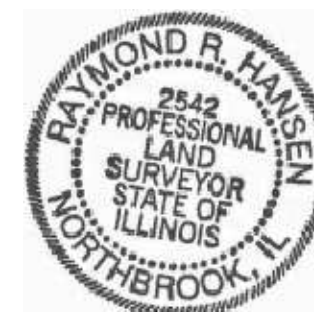
EVANSTON, JULY 3 2019

State of Illinois }
County of Cook } ss.

I, Raymond Hansen, an Illinois Professional Land Surveyor, do hereby certify that I have prepared the plat hereon drawn from previous plats and records for Annexation purposes as shown on the plat hereon drawn.

Dated at Northbrook, Illinois, this 3rd day of July, 2019.

By: [Signature]
Illinois Professional Land Surveyor No. 035-002542
License Expiration Date 11/30/20



ATTACHMENT B

**PETITION FOR ANNEXATION
TO THE VILLAGE OF WINNETKA**

To: **The President and Board of Trustees**
Of the Village of Winnetka, Cook County, Illinois

THE UNDERSIGNED PETITIONERS RESPECTFULLY STATE UNDER OATH:

1. Petitioners MICHAEL CIAGLIA AND CHLOE CIAGLIA are the sole owners of the following parcel of property ("Subject Property"):

THAT PART OF LOT 1 IN OSGOOD'S RESUBDIVISION OF A PART OF LOT 10 IN INDIAN HILL SUBDIVISION NUMBER 2, BEING A SUBDIVISION OF PARTS OF SECTIONS 20 AND 29, TOWNSHIP 42 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING SOUTH OF THE NORTH LINE OF SECTION 29, TOWNSHIP 42 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

IN THE RECORDER'S OFFICE OF COOK COUNTY, ILLINOIS.

PIN: 05-29-203-022-0000

2. The Subject Property is owned by the Petitioners, is currently vacant land, with a common street address of 12 Indian Hill Road, Winnetka, IL.

3. The Subject Property is located in unincorporated Cook County.

4. The northern property line of the Subject Property is 270.10 feet long, and is fully contiguous to the corporate limits of the Village of Winnetka.

5. Petitioners own all of Lot 1 including but not limited to the Subject Property and the land immediately north of the Subject Property and currently located within the corporate limits of the Village of Winnetka.

6. Petitioners desire to annex the Subject Property into the corporate limits of the Village of Winnetka for the intended purpose of constructing a single family home on Lot 1 on both the Subject Property and that portion of Lot 1 currently located within the corporate limits of the Village of Winnetka.

7. Petitioners are the only voters who reside on the Subject Property.

6. The foregoing statements are true to the best of Petitioner's knowledge, information and belief.

FOR ALL OF THE FOREGOING REASONS, PETITIONERS RESPECTFULLY REQUEST that the Subject Property be annexed to the Village of Winnetka, pursuant to section 7-1-8 of the Illinois Municipal Code, 65 ILCS 5/7-1-8, for the reasons set forth in this Petition.

DATED this 5 day of July, 2019.

I, the undersigned Michael Ciaglia and Chloe Ciaglia, state on oath that we are the sole owner(s) of record of the above-described Subject Property, which is commonly known as 12 Indian Hill Road, Winnetka, IL, that we are the only registered electors at that address, that we have read the foregoing Petition and that the statements made herein are true to the best of our knowledge and information.

MICHAEL CIAGLIA

[Redacted Signature]

CHLOE CIAGLIA

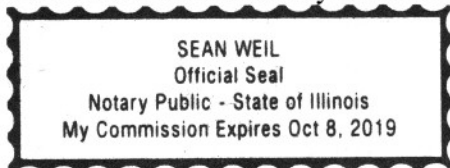
[Redacted Signature]

STATE OF ILLINOIS)

COUNTY OF COOK)

Signed and sworn to before me by Michael Ciaglia, on the 5 day of July, 2019.

[Seal]

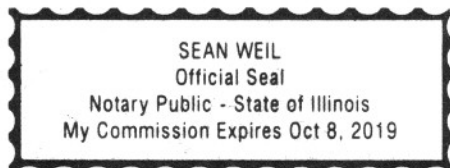


Notary Public

[Redacted Signature]

Signed and sworn to before me by Chloe Ciaglia, on the 5 day of July, 2019.

[Seal]



Notary Public

[Redacted Signature]



Agenda Item Executive Summary

Title: Reject Bids: Boal Parkway Pump Station Project

Presenter: James J. Bernahl, Assistant Director of Public Works & Engineering

Agenda Date: 08/06/19

Consent: ☒ YES ☐ NO

- ☐ Ordinance
- ☐ Resolution
- ☒ Bid Authorization/Award
- ☐ Policy Direction
- ☐ Informational Only

Item History:

2019 Budgeted Item

Executive Summary:

As part of the Village's commitment to improving stormwater management, plans and specifications were developed for the Boal Parkway Pump Station Project. This project consisted of the installation of a new storm water pump station, improvements to existing storm sewer outlets, addition of improved cross connections of existing storm sewers, and the addition of a new electrical feed to the pump station.

Three bids were received and reviewed for completeness and accuracy. They are summarized below; and the bid tabulation is attached.

Bidder	Bid Amount
Bolder Contractors, Inc.	\$ 728,818
Dimeo Bros, Inc.	\$ 794,845
Kee Construction	\$ 1,003,584

The Engineer's Estimate for this project was \$416,614. This estimate was developed using unit costs for similar pump station projects in size and complexity designed and let for bidding by the Engineering Consultant, HR Green, including a 5% contingency.

The apparent low overall bid was submitted by Bolder Contractors, Inc, and was 42.8% over our estimate. Staff spoke with Bolder Contractors to try to understand the disparity between bid pricing and the engineer's estimate. The main reason for the disparity relates to the timing of the bids. By mid-year, many contractors are fully engaged with work that had been bid earlier in the season. This was exacerbated by a relatively heavy load of projects that were bid this year, and terrible spring weather that has left many of the early-season projects behind schedule. Under these conditions, contractors may be interested in taking on extra work, but pricing will be far less aggressive, and bid competition will be lessened.

Executive Summary (continued):

The contractor also indicated he was concerned with the location of the proposed pump station and that they felt the work area was confined; and expressed concern about the location of an in-ground pool near the pump station location. These concerns were reviewed by HR Green and were determined not to be a reasonable impact on the work activities.

The contractor also carried higher than normal costs in liquidated damages for unforeseen delays in obtaining parts for the pump station and meeting the completion date. HR Green reviewed these items as well and compared these costs to recently let construction projects and determined this not to be reasonable.

A copy of the analysis letter prepared by HR Green is included with this agenda item; HR Green provided additional examples of similar projects of scope and complexity. HR Green has also proposed some recommendations to the plans and specifications to address the concerns raised by the contractor.

While the low bid price received for this project reflects current market conditions, staff does not believe that this price represents a good value for the Village at this time. Staff therefore recommends rejecting the bids received pursuant to RFB #019-012 and rebidding the project in December 2019 when market conditions will likely be more advantageous.

Recommendation:

Consider authorizing the Village Manager to reject bids received pursuant to RFB #019-012: 2019 Boal Parkway Pump Station Project.

Attachments:

- Copy of Bid Tab
- Copy of HR Green Estimate of Cost
- Letter from HR Green

BID OPENING DATE: 7/12/2019

Agenda Packet P. 265

ENGINEER'S OPINION OF PROBABLE CONSTRUCTION COSTS

Project #: **91160037**
 Project: **Boal Parkway Pump Station**
 Location: **Village of Winnetka, Illinois**

By IMC
 Checked JO

Date 3/2/2018
 Date REV. 7/8/19



BID ITEM	UNITS	UNIT COST	QUANTITY	COST
STORM SEWER				
1.01 STORM SEWER REMOVAL	LF	\$ 25.00	15	\$ 375.00
1.02 STORM SEWERS, CLASS B, TYPE 1, 12"	LF	\$ 70.00	10	\$ 700.00
1.03 STORM SEWERS, CLASS B, TYPE 1, 24"	LF	\$ 140.00	5	\$ 700.00
1.04 FLARED END SECTION - 12" W/ GRATE	EACH	\$ 1,000.00	1	\$ 1,000.00
1.05 STORM SEWER CONNECTION	EACH	\$ 2,500.00	1	\$ 2,500.00
1.06 MANHOLE TYPE A, 4' DIA. T1 F&L	EACH	\$ 3,000.00	3	\$ 9,000.00
1.07 TRENCH BACKFILL	CU. YD.	\$ 50.00	12	\$ 600.00
1.08 OUTLET BACKFLOW PREVENTION - 12" (TIDEFLEX TF-1)	EACH	\$ 3,500.00	1	\$ 3,500.00
1.09 OUTLET BACKFLOW PREVENTION - 24" (TIDEFLEX TF-1)	EACH	\$ 11,500.00	1	\$ 11,500.00
1.10 FLAP GATE 12"	EACH	\$ 750.00	1	\$ 750.00
FORCE MAIN				
1.11 FORCE MAIN - 10" DIP	LF	\$ 150.00	75	\$ 11,250.00
PUMP STATION				
1.12 PUMP STATION AND ACCESSORIES	EACH	\$ 64,250.00	1	\$ 64,250.00
1.13 VALVE VAULT AND ACCESSORIES	EACH	\$ 38,500.00	1	\$ 38,500.00
1.14 ELECTRICAL/CONTROLS/INSTRUMENTATION	EACH	\$ 120,000.00	1	\$ 120,000.00
1.15 AGGREGATE BASE COURSE - 12"	SQ. YD.	\$ 30.00	27	\$ 819.02
1.16 EXCAVATION	CY	\$ 45.00	382	\$ 17,171.67
1.17 BACKFILL	CY	\$ 5.00	316	\$ 1,580.73
1.18 SHORING	SF	\$ 20.00	1,680	\$ 33,600.00
1.19 DEWATERING	LS	\$ 32,900.00	1	\$ 32,900.00
RESTORATION				
1.20 CLASS B PATCH, TYPE II, 9 INCH	SQ. YD.	\$ 225.00	10	\$ 2,250.00
1.21 SUBBASE GARNULAR MATERIAL, TYPE B 6"	SQ. YD.	\$ 15.00	10	\$ 150.00
1.22 AGGREGATE BASE COURSE - TYPE B 4"	SQ. YD.	\$ 15.00	15	\$ 225.00
1.23 PORTLAND CEMENT CONCRETE DRIVEWAY REMOVAL AND REPLACEMENT 6"	SQ. YD.	\$ 80.00	28	\$ 2,240.00
1.24 HOT-MIX ASPHALT DRIVEWAY REMOVAL AND REPLACEMENT 4"	SQ. YD.	\$ 60.00	108	\$ 6,480.00
1.25 TEMPORARY EROSION CTRL BLNKT, SC-75-BN	SQ. YD.	\$ 1.90	532	\$ 1,011.56
1.26 SEEDING - CLASS 1A	ACRE	\$ 2,500.00	0.01	\$ 25.00
1.27 SEEDING, LO PRO DRY MESIC SAVANNA OPEN WOODS WITH FLOWERS	ACRE	\$ 3,500.00	0.10	\$ 350.00
1.28 TOPSOIL FURNISH AND PLACE, 4"	SQ. YD.	\$ 8.50	532	\$ 4,525.40
1.29 NITROGEN FERTILIZER NUTRIENT	POUND	\$ 3.00	10	\$ 29.70
1.30 PHOSPHORUS FERTILIZER NUTRIENT	POUND	\$ 3.00	10	\$ 29.70
1.31 POTASSIUM FERTILIZER NUTRIENT	POUND	\$ 3.00	10	\$ 29.70
1.32 PORTLAND CEMENT CONCRETE SIDEWALK 4 INCH	SQ. FT.	\$ 10.00	135	\$ 1,350.00
1.33 SIDEWALK REMOVAL	SQ. FT.	\$ 4.00	135	\$ 540.00
1.34 CONCRETE CURB AND GUTTER REMOVAL	LF	\$ 9.00	10	\$ 90.00
1.35 COMBINATION CONCRETE CURB AND GUTTER, TYPE B-6.12 (DOWELLED)	LF	\$ 30.00	10	\$ 300.00
1.36 WASHOUT BASIN	LS	\$ 500.00	1	\$ 500.00
1.37 BOLLARDS	EACH	\$ 250.00	5	\$ 1,250.00
MOBILIZATION / MISCELLANEOUS ITEMS				
1.38 MOBILIZATION	LS	\$ 15,000.00	1	\$ 15,000.00
1.39 SEDIMENT CONTROL, STABILIZED CONSTRUCTION ENTRANCE	SQ. YD.	\$ 25.00	30	\$ 750.00
1.40 TRAFFIC CONTROL	LS	\$ 2,500.00	1	\$ 2,500.00
1.41 TREE TRUNK PROTECTION	EACH	\$ 75.00	8	\$ 600.00
1.42 PERIMETER EROSION BARRIER	LF	\$ 2.50	320	\$ 800.00
1.43 TREE REMOVAL (6 TO 15 UNITS DIAMETER)	UNITS	\$ 15.00	16	\$ 240.00
1.44 TREE REMOVAL (OVER 15 UNITS DIAMETER)	UNITS	\$ 20.00	18	\$ 360.00
1.45 VEGETATIVE SCREENING	EACH	\$ 2,000.00	1	\$ 2,000.00
1.46 CONSTRUCTION LAYOUT	LS	\$ 1,500.00	1	\$ 1,500.00
SUB TOTAL:				\$ 395,822.48
CONTINGENCY (5%)	5%	\$ 19,791.12	1	\$ 19,791.12
CONSTRUCTION TOTAL:				\$ 415,613.60
TOTAL COST				\$ 415,613.60

Project Assumptions/Notes/Comments:

HRG is not a construction cost estimator or construction contractor, nor should HRG'S rendering an opinion of probable construction costs be considered equivalent to the nature and extent of service a construction cost estimator or construction contractor would provide. HRG'S opinion will be based solely upon his or her own experience with construction. This requires HRG to make a number of assumptions as to actual conditions that will be encountered on site; the specific decisions of other design professionals engaged; the means and methods of construction the contractor will employ; the cost and extent of labor, equipment and materials the contractor will employ; contractor's techniques in determining prices and market conditions at the time, and other factors over which HRG has no control. Given the assumptions which must be made, HRG cannot guarantee the accuracy of his or her opinions of cost, and in recognition of that fact, the CLIENT waives any claim against HRG relative to the accuracy of HRG'S opinion of probable construction cost.

ITEMS NOT INCLUDED:
 RECORD DRAWINGS
 CONSTRUCTION OBSERVATION



July 29, 2019

Mr. James Bernahl, P.E., CFM
Assistant Director of Public Works and Engineering
Village of Winnetka
1390 Willow Road
Winnetka, IL 60093

RE: Village of Winnetka – Boal Parkway Pump Station Project Bidding
HR Green Job No.: 91160037

Dear Mr. Bernahl:

The Village of Winnetka received three (3) bid proposals for the construction of the Boal Parkway Pump Station project at the bid opening on July 12, 2019. The three (3) bids ranged in price from a low bid of \$728,818.00 submitted by Bolder Contractors, Inc. to a high bid of \$1,003,584.00 submitted by Kee Construction. See the attached bid tabulation for further information. The Engineer's Opinion of Probable Construction Cost (EOPCCC) was estimated at \$414,815.42. **Based on HR Green's analysis of the bids as provide below, we recommend that the Village reject the bids and re-bid in late winter 2019 or early Spring 2020 and also consider increasing the construction budget.**

We have analyzed the bid documents and based on our experience with pump stations of similar sizes in the area, we believe the bids for this project to be above industry standards. The most recent project we use as reference is the Schiller Park – Delta & Manheim Lift Station in Schiller Park, IL which was also designed by HR Green, Inc. The project was completed in Spring 2018. The low bid for the project was \$499,999.99 and the EOPCC was \$530,000.00. The bid award letter, list of bidders and a breakdown of the costs for the Schiller Park project is attached for reference. The Schiller Park lift station job is very similar to the Boal Parkway (including pump size, electrical controls and structure size); however, it also included a decommissioning of an existing lift station, backup generator and associated electrical and controls equipment which the Boal Parkway job does not have. As you will see, the Schiller Park project bid is reasonably close to the engineer's estimate for the Boal Parkway project and what would typically be expected for similar projects.

In addition, we also used supplier provided information for materials for pumps and also the average bid prices per IDOT website of recently bid projects, which is typically a reliable and publicly available source of unit price trending used in engineer's estimate in northeast Illinois.

In review of the bid items, it appears that three bid items were specifically higher than the engineer's estimate. These are as summarized below and broken into materials, labor and equipment costs.

Item	HR Green Estimate			Bolder Contractos Bid			
	Material	Labor/Equip. ¹	Sub-Total	Material ²	Labor/Equip.		Sub-Total
					Sub-Contractor ³	Prime ⁴	
Pump Station	\$ 64,250.00	\$ 53,820.81	\$ 118,070.81	\$ 54,000.00	\$ -	\$ 217,000.00	\$ 271,000.00
Valve Vault	\$ 38,500.00	\$ 32,250.61	\$ 70,750.61	\$ 33,276.00	\$ -	\$ 36,724.00	\$ 70,000.00
Electrical/Controls	\$ 83,000.00	\$ 37,000.00	\$ 120,000.00	\$ 51,000.00	\$ 34,775.00	\$ 114,225.00	\$ 200,000.00
Total	\$ 185,750.00	\$ 123,071.42	\$ 308,821.42	\$ 138,276.00	\$ 34,775.00	\$ 367,949.00	\$ 541,000.00

¹Includes Excavation, Dewatering, Shoring items which were bid as separate pay items in the bid but combined here for comparison.

²Material costs based on additional information provided by Bolder Contractors.

³Based on Okeh Electric proposal provided by Bolder Contractors.

⁴Prime labor and equipment was determined by subtracting material and sub-contractor costs from overall item bid price.



From above comparison, it appears that majority of the difference in costs stems in the pump station and electrical controls while the valve vault costs appear reasonably consistent with the engineer's estimate. Based on discussions with Bolder Contractors, the following reasons were provided for higher bid prices:

- Approximately \$30,000 in costs were included for liquidated damages for unforeseen delays to meet the project completion date;
- Additional costs were added to the project due to risks associated with proximity of the fence and pool on the adjacent property and smaller work area on private property. However, shoring of the excavation was provided in the design and bid to cover these costs to work in a confined site area and to avoid damages to the fence and pool.

In addition to reviewing the three major bid items above, HR Green has also reviewed the other bid items that were significantly different than the engineer's estimate and compared those to the most recent available IDOT bid tab unit costs. The table below compares HR Green's estimated costs for several pay items, Bolder Contractors' bid price, and the average cost of each item based on the most recent available IDOT bid tab costs. The unit process in the engineer's estimate were accounted to adjust for smaller quantities on this project.

Bid Item	Units	Quantity	HRG Estimate		Bolder Bid		IDOT Average Cost	
			Unit Cost	Extended Cost	Unit Cost	Extended Cost	Unit Cost	Extended Cost
Storm Sewers, Class B, Type 1, 12"	lf	10	\$ 70.00	\$ 700.00	\$ 200.00	\$ 2,000.00	\$ 67.00	\$ 670.00
Storm Sewers, Class B, Type 1, 24"	lf	5	\$ 140.00	\$ 700.00	\$ 360.00	\$ 1,800.00	\$ 70.00	\$ 350.00
Flared End Section - 12" w/ Grate ¹	each	1	\$ 1,000.00	\$ 1,000.00	\$ 2,500.00	\$ 2,500.00	\$ 770.00	\$ 770.00
Storm Sewer Connection	each	1	\$ 2,500.00	\$ 2,500.00	\$ 8,000.00	\$ 8,000.00	\$ 675.00	\$ 675.00
Manhole Type A, 4' Dia. T1 F&L	each	3	\$ 3,000.00	\$ 9,000.00	\$ 6,000.00	\$ 18,000.00	\$ 2,450.00	\$ 7,350.00
Trench Backfill	cu yd	12	\$ 50.00	\$ 600.00	\$ 100.00	\$ 1,200.00	\$ 48.00	\$ 576.00
Flap Gate 12"	each	1	\$ 750.00	\$ 750.00	\$ 5,000.00	\$ 5,000.00	\$ 880.00	\$ 880.00
Class B Patch, Type II, 9 inch	sq yd	10	\$ 225.00	\$ 2,250.00	\$ 300.00	\$ 3,000.00	\$ 183.00	\$ 1,830.00
PCC Driveway Rem/Replac. 6"	sq yd	28	\$ 80.00	\$ 2,240.00	\$ 150.00	\$ 4,200.00	\$ 83.00	\$ 2,324.00
HMA Driveway Rem/Replac. 4"	sq yd	108	\$ 60.00	\$ 6,480.00	\$ 150.00	\$ 16,200.00	\$ 51.00	\$ 5,508.00
PCC Sidewalk 4"	sq ft	135	\$ 10.00	\$ 1,350.00	\$ 20.00	\$ 2,700.00	\$ 10.00	\$ 1,350.00
Sidewalk Removal	sq ft	135	\$ 4.00	\$ 540.00	\$ 8.00	\$ 1,080.00	\$ 4.25	\$ 573.75
Combination CC&G, Type B-6.12 (Dowelled)	lf	10	\$ 30.00	\$ 300.00	\$ 75.00	\$ 750.00	\$ 33.00	\$ 330.00
Total:				\$ 28,410.00		\$ 66,430.00		\$ 23,186.75

Approximately, \$47,500 difference in costs were also seen in traffic control and mobilization.

Other, more speculative factors that we believe may have factored in the bid prices are as following:

- A mid-summer bid can see few competitive bidders due to contractors having already booked their work for the year; therefore, do not have crews available to complete the work by the contract completion date. This is supported by Bolder Contractors, Inc. factoring liquidated damages into their bid price.
- The recently passed Illinois Infrastructure Plan may be causing contractors to bid high on smaller projects like this pump station project anticipating larger projects to be bid by the state in the near future. It is our understanding that the next IDOT letting in August will be more robust than normal.
- The recently passed motor fuel tax increases are likely resulting in higher equipment and trucking costs.
- We believe that the timing of the bids and contractor's workload have an impact to the bid prices.



In addition to bidding the project at a time of year when we would expect better bid prices, HR Green has identified the following modifications that could be made to the contract documents to aid in the reduction of construction costs:

1. Allow more completion days to reduce contractor's risks for pump delivery and associated lag time and for unforeseen delays. Contractor is less likely to include risks for liquidated damages with additional completion days.
2. It is our understanding that contractors have concerns with completing work within the proposed disturbance limits. We recommend expanding the restoration limits, while still keeping the construction limits within the temporary construction easement, and reassess proximity to fence and the pool on adjacent property.
3. Eliminate the proposed manhole on the cross connection between the rear yard sewer and Boal Parkway storm sewer.

We hope this letter provides a reasonable justification for our recommendation to reject the bids and factors that may have affected the bids compared to the engineer's estimate.

Please let me know if you have any questions or need any additional information.

Sincerely,

HR GREEN, INC

A handwritten signature in black ink that reads 'Jarod Oliver'.

Jarod Oliver, PE
Project Manager

A handwritten signature in black ink that reads 'Ajay Jain'.

Ajay Jain, PE, CFM
Vice President, Practice Leader – Water Resources

\\HRGMHNAS\Data\91160037\Design\Bid\BidTabAnalysis\ltr-072819-BidRecommendation.dotx.docx

BOAL PARKWAY PUMP STATION BID OPENING DATE: 7/12/2019											
				ENGINEER'S ESTIMATE		KEE CONSTRUCTION 21660 S. MONI DRIVE NEW LENOX, IL 60451		DIMEO BROS, INC. 720 RICHARD LANE ELK GROVE VILLAGE, IL 60007		BOLDER CONTRACTORS, INC 316 CARY POINT DRIVE CARY, IL 60013	
	BID ITEM	UNIT	QUANTITY			UNIT PRICE	EXTENDED AMOUNT	BID \$/UNIT	PRICE	BID \$/UNIT	PRICE
1.01	STORM SEWER REMOVAL	LF	15	\$25.00	\$375.00	\$41.40	\$621.00	\$10.00	\$150.00	\$15.00	\$225.00
1.02	STORM SEWERS, CLASS B, TYPE 1, 12"	LF	10	\$70.00	\$700.00	\$120.00	\$1,200.00	\$150.00	\$1,500.00	\$200.00	\$2,000.00
1.03	STORM SEWERS, CLASS B, TYPE 1, 24"	LF	5	\$140.00	\$700.00	\$300.00	\$1,500.00	\$300.00	\$1,500.00	\$360.00	\$1,800.00
1.04	FLARED END SECTION - 12" W/ GRATE	EACH	1	\$1,000.00	\$1,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,500.00	\$2,500.00
1.05	STORM SEWER CONNECTION	EACH	1	\$2,500.00	\$2,500.00	\$1,200.00	\$1,200.00	\$5,000.00	\$5,000.00	\$8,000.00	\$8,000.00
1.06	MANHOLE TYPE A, 4' DIA. T1 F&L	EACH	3	\$3,000.00	\$9,000.00	\$8,000.00	\$24,000.00	\$7,500.00	\$22,500.00	\$6,000.00	\$18,000.00
1.07	TRENCH BACKFILL	CU. YD.	12	\$50.00	\$600.00	\$80.00	\$960.00	\$60.00	\$720.00	\$100.00	\$1,200.00
1.08	OUTLET BACKFLOW PREVENTION - 12" (TIDFLEX TF-1)	EACH	1	\$3,500.00	\$3,500.00	\$2,000.00	\$2,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00
1.09	OUTLET BACKFLOW PREVENTION - 24" (TIDFLEX TF-1)	EACH	1	\$11,500.00	\$11,500.00	\$3,000.00	\$3,000.00	\$12,000.00	\$12,000.00	\$11,000.00	\$11,000.00
1.10	FLAP GATE 12"	EACH	1	\$750.00	\$750.00	\$2,000.00	\$2,000.00	\$3,500.00	\$3,500.00	\$5,000.00	\$5,000.00
1.11	FORCE MAIN - 10" DIP	LF	75	\$150.00	\$11,250.00	\$120.00	\$9,000.00	\$175.00	\$13,125.00	\$180.00	\$13,500.00
1.12	PUMP STATION AND ACCESSORIES	EACH	1	\$64,250.00	\$64,250.00	\$330,000.00	\$330,000.00	\$325,000.00	\$325,000.00	\$271,000.00	\$271,000.00
1.13	VALVE VAULT AND ACCESSORIES	EACH	1	\$38,500.00	\$38,500.00	\$100,000.00	\$100,000.00	\$80,000.00	\$80,000.00	\$70,000.00	\$70,000.00
1.14	ELECTRICAL/CONTROLS/INSTRUMENTATION	EACH	1	\$120,000.00	\$120,000.00	\$120,000.00	\$120,000.00	\$110,000.00	\$110,000.00	\$200,000.00	\$200,000.00
1.15	AGGREGATE BASE COURSE - 12"	SQ. YD.	27	\$30.00	\$810.00	\$20.00	\$540.00	\$20.00	\$540.00	\$30.00	\$810.00
1.16	EXCAVATION	CY	382	\$45.00	\$17,190.00	\$155.00	\$59,210.00	\$40.00	\$15,280.00	\$1.00	\$382.00
1.17	BACKFILL	CY	316	\$5.00	\$1,580.00	\$133.00	\$42,028.00	\$24.00	\$7,584.00	\$1.00	\$316.00
1.18	SHORING	SF	1,680	\$20.00	\$33,600.00	\$100.00	\$168,000.00	\$12.00	\$20,160.00	\$1.00	\$1,680.00
1.19	DEWATERING	LS	1	\$32,900.00	\$32,900.00	\$20,000.00	\$20,000.00	\$15,000.00	\$15,000.00	\$1.00	\$1.00
1.20	CLASS B PATCH, TYPE II, 9 INCH	SQ. YD.	10	\$225.00	\$2,250.00	\$500.00	\$5,000.00	\$250.00	\$2,500.00	\$300.00	\$3,000.00
1.21	SUBBASE GARNULAR MATERIAL, TYPE B 6"	SQ. YD.	10	\$15.00	\$150.00	\$18.00	\$180.00	\$12.00	\$120.00	\$15.00	\$150.00
1.22	AGGREGATE BASE COURSE - TYPE B 4"	SQ. YD.	28	\$15.00	\$420.00	\$12.00	\$336.00	\$8.00	\$224.00	\$13.00	\$364.00
1.23	PORTLAND CEMENT CONCRETE DRIVEWAY REMOVAL AND REPLACEMENT 6"	SQ. YD.	28	\$80.00	\$2,240.00	\$200.00	\$5,600.00	\$150.00	\$4,200.00	\$150.00	\$4,200.00
1.24	HOT-MIX ASPHALT DRIVEWAY REMOVAL AND REPLACEMENT 4"	SQ. YD.	108	\$60.00	\$6,480.00	\$129.00	\$13,932.00	\$90.00	\$9,720.00	\$150.00	\$16,200.00
1.25	TEMPORARY EROSION CTRL BLNKT, SC-75-BN	SQ. YD.	532	\$1.90	\$1,010.80	\$5.00	\$2,660.00	\$4.00	\$2,128.00	\$2.00	\$1,064.00
1.26	SEEDING - CLASS 1A	ACRE	0.01	\$2,500.00	\$25.00	\$10,000.00	\$100.00	\$28,000.00	\$280.00	\$25,000.00	\$250.00
1.27	SEEDING, LO PRO DRY MESIC SAVANNA OPEN WOODS WITH FLOWERS	ACRE	0.10	\$3,500.00	\$350.00	\$7,000.00	\$700.00	\$35,000.00	\$3,500.00	\$30,000.00	\$3,000.00
1.28	TOPSOIL FURNISH AND PLACE, 4"	SQ. YD.	419	\$8.50	\$3,561.50	\$8.00	\$3,352.00	\$6.00	\$2,514.00	\$4.00	\$1,676.00
1.29	NITROGEN FERTILIZER NUTRIENT	POUND	10	\$3.00	\$30.00	\$50.00	\$500.00	\$5.00	\$50.00	\$3.00	\$30.00
1.30	PHOSPHORUS FERTILIZER NUTRIENT	POUND	10	\$3.00	\$30.00	\$50.00	\$500.00	\$5.00	\$50.00	\$3.00	\$30.00
1.31	POTASSIUM FERTILIZER NUTRIENT	POUND	10	\$3.00	\$30.00	\$50.00	\$500.00	\$5.00	\$50.00	\$3.00	\$30.00
1.32	PORTLAND CEMENT CONCRETE SIDEWALK 4 INCH	SQ. FT.	135	\$10.00	\$1,350.00		\$0.00	\$20.00	\$2,700.00	\$20.00	\$2,700.00
1.33	SIDEWALK REMOVAL	SQ. FT.	135	\$4.00	\$540.00	\$5.00	\$675.00	\$4.00	\$540.00	\$8.00	\$1,080.00
1.34	CONCRETE CURB AND GUTTER REMOVAL	LF	10	\$9.00	\$90.00	\$41.40	\$414.00	\$12.00	\$120.00	\$15.00	\$150.00
1.35	COMBINATION CONCRETE CURB AND GUTTER, TYPE B-6.12 (DOWELLED)	LF	10	\$30.00	\$300.00	\$100.00	\$1,000.00	\$100.00	\$1,000.00	\$75.00	\$750.00
1.36	WASHOUT BASIN	LS	1	\$500.00	\$500.00	\$2,000.00	\$2,000.00	\$1,500.00	\$1,500.00	\$500.00	\$500.00
1.37	BOLLARDS	EACH	5	\$250.00	\$1,250.00	\$1,000.00	\$5,000.00	\$750.00	\$3,750.00	\$500.00	\$2,500.00
1.38	MOBILIZATION	LS	1	\$15,000.00	\$15,000.00	\$10,000.00	\$10,000.00	\$75,000.00	\$75,000.00	\$50,000.00	\$50,000.00
1.39	SEDIMENT CONTROL, STABILIZED CONSTRUCTION ENTRANCE	SQ. YD.	30	\$25.00	\$750.00	\$50.00	\$1,500.00	\$100.00	\$3,000.00	\$15.00	\$450.00
1.40	TRAFFIC CONTROL	LS	1	\$2,500.00	\$2,500.00	\$45,000.00	\$45,000.00	\$26,000.00	\$26,000.00	\$15,000.00	\$15,000.00
1.41	TREE TRUNK PROTECTION	EACH	8	\$75.00	\$600.00	\$897.00	\$7,176.00	\$150.00	\$1,200.00	\$200.00	\$1,600.00
1.42	PERIMETER EROSION BARRIER	LF	320	\$2.50	\$800.00	\$5.50	\$1,760.00	\$5.00	\$1,600.00	\$5.00	\$1,600.00
1.43	TREE REMOVAL (6 TO 15 UNITS DIAMETER)	UNITS	16	\$15.00	\$240.00	\$65.00	\$1,040.00	\$40.00	\$640.00	\$80.00	\$1,280.00
1.44	TREE REMOVAL (OVER 15 UNITS DIAMETER)	UNITS	18	\$20.00	\$360.00	\$60.00	\$1,080.00	\$50.00	\$900.00	\$100.00	\$1,800.00
1.45	VEGETATIVE SCREENING	EACH	1	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00
1.46	CONSTRUCTION LAYOUT	LS	1	\$1,500.00	\$1,500.00	\$4,320.00	\$4,320.00	\$9,000.00	\$9,000.00	\$5,000.00	\$5,000.00
	SUB TOTAL OF CONSTRUCTION COST S				\$395,062.30	TOTAL (AS CALCULATED)	\$1,003,584.00		\$794,845.00		\$728,818.00
	CONTINGENCY (5%) FOR ENGINEER'S ESTIMATE				\$19,753.12	TOTAL (AS READ)	\$1,004,934.00		\$794,845.00		\$728,818.00
	TOTAL OF ENGINEER'S ESTIMATE				\$414,815.42						



▷ 420 North Front Street | Suite 100 | McHenry, IL 60050
Main 815.385.1778 + Fax 815.385.1781

▷ HRGREEN.COM

March 10, 2017

Mayor Piltaver and the Board of Trustees
Village of Schiller Park
9526 Irving Park Road
Schiller Park, Illinois 60176

RE: Delta/Mannheim Road Pump Station Project
Recommendation to Accept Bid
HR Green Job No. 86150243

Dear Mayor and Trustees:

The Village of Schiller Park received four (4) bid proposals for the construction of the "Delta/Mannheim Road Pump Station Project" at the bid opening on March 9, 2017, at 11:00 a.m. at Village Hall. As shown in the attached Bid Tabulations, the four (4) bids ranged in price from \$499,999.99 to \$646,000.00. Our Engineering Opinion of Probable Cost (EOPC) was \$530,000.00.

Our office has completed its review of the bid proposals that were submitted for the subject project. Out of the four bids received, the lowest responsible bidder was Trine Construction Corporation, West Chicago, IL, with a Base Bid of \$499,999.99.

It is our recommendation that the Village accept the bid of \$499,999.99 from Trine Construction Corporation.

If you have any questions, please contact me at 815-759-8312.

Sincerely,

HR GREEN, INC.

A handwritten signature in black ink, reading 'Ravi S. Jayaraman'.

Ravi S. Jayaraman, PE
Senior Project Manager

RSJ/tcn

Attachment: Bid Tabulation

cc: Mr. Patrick Glenn, PE, CFM, Gewalt Hamilton Associates, Inc. (Village Engineer)
Mr. Mark Hardie, HR Green, Inc.

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BIDDER LIST

Project Name: Village of Schiller Park – Delta Blvd/Mannheim Road Pump Station
Letting Date/Time: March 9, 2017 11:00 am
Location: Village of Schiller Park – Village Hall

Contractor	As-Read Bid Amount
Bolder Contractors	\$ 646,000.00
John Neri Construction	\$ 566,375.00
Martam Construction	\$ 518,345.00
Trine Construction	\$ 499,999.99
Engineer Estimate:	\$ 530,000.00

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Trine Construction Corp.

Site Development

27W364 NORTH AVENUE
WEST CHICAGO, ILLINOIS 60185
630 / 668-4626
FAX 630 / 668-4828

DATE: July 24, 2017

INVOICE TO: VILLAGE OF SCHILLER PARK
C/O JOSHUA SCHMITT / HR GREEN
9526 IRVING PARK ROAD
SCHILLER PARK, IL 60176

JOB NAME: DELTA BLVD. / MANNHEIM ROAD PUMP STATION

PAY EST: #1

ITEM	DESCRIPTION	QTY.	UN	UNIT PRICE	PREVIOUS QUANTITY	THIS PAY QUANTITY	TOTAL QUANTITY	TOTAL
1	INSURANCE AND BOND	1.00	LS	\$9,999.99		1.0000	1.00	\$9,999.99
2	SUBMITTALS AND MANAGEMENT	1.00	LS	\$48,890.00		0.02455	0.02	\$1,200.00
3	MOVILIZATION AND SITE PREPARATON	1.00	LS	\$21,000.00			0.00	\$0.00
4	TRAFFIC CONTROL	1.00	LS	\$8,800.00			0.00	\$0.00
5	EROSION CONTROL BLANKET	1.00	LS	\$3,820.00			0.00	\$0.00
6	WET WELL & VALVE VAULT	1.00	LS	\$125,750.00			0.00	\$0.00
7	PUMPS, PIPING AND ACCESSORIES	1.00	LS	\$118,950.00			0.00	\$0.00
8	CONTROLS & ACCESSORIES	1.00	LS	\$58,975.00			0.00	\$0.00
9	GENERATOR & ATS	1.00	LS	\$42,690.00			0.00	\$0.00
10	DEMOLITION	1.00	LS	\$33,975.00			0.00	\$0.00
11	RESTORATION	1.00	LS	\$27,150.00			0.00	\$0.00

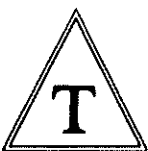
TOTAL AMOUNT COMPLETED TO DATE: \$11,199.99

LESS 10% RETENTION:

LESS PREVIOUS PAYMENTS:

NET AMOUNT DUE THIS PAY REQUEST NO. 1

\$11,199.99





Agenda Item Executive Summary

Title: Comprehensive Annual Financial Report (CAFR)

Presenter: Tim Sloth, Finance Director

Agenda Date: 08/06/2019

Consent: ☐ YES ☒ NO

☐ Ordinance
☐ Resolution
☐ Bid Authorization/Award
☐ Policy Direction
☒ Informational Only

Item History:

The Village is required by the State of Illinois to have an audit of its financial statements by an independent auditor each fiscal year. The audit culminates with the production of the Comprehensive Annual Financial Report (CAFR). Ron Amen, of the Village's accounting firm of Lauterbach and Amen, will be present at the meeting to provide a summary of the report and answer any questions.

Executive Summary:

The CAFR is the Village's final accounting of the fiscal year ending December 31, 2018 and is summarized in the four parts described below:

Transmittal Letter: The Transmittal Letter serves as the official transmittal of the report to the Village Council and residents. Its purpose is to provide a broader and more subjective overview of factors impacting the community - supporting, but not reproducing, the information included in the Management's Discussion and Analysis addressed below.

Independent Auditor's Report: This report reviews the municipality's financial data, identifies the scope of their review, and includes findings as to whether the municipality's financial data is fairly presented.

Management Discussion and Analysis (MD&A): The purpose of the MD&A is to introduce users to basic financial statements with a narrative, introduction, overview, and analysis of those statements. The MD&A is required supplemental information and may only address the specific topics identified by GAAP (Generally Accepted Accounting Principles). The Transmittal Letter is used to address topics not identified by GAAP for inclusion within the MD&A.

Financial Statements: This section includes both the Government-Wide and Fund Financial Statements and the accompanying notes.

The overall financial position of the Village remains very strong. The ending General Fund Balance of \$22.328 million is 86% of budgeted expenditures and within policy parameters. The General Fund continues to generate adequate cash flow for operating and capital needs. All of the utilities, with the exception of the Electric Fund, ended the year with an improved cash position. While the Electric Fund's cash on hand decreased 1.9%, the fund still exceeded budgeted expectations.

Recommendation:

Review CAFR results with the Village Auditor and Staff.

Attachments:

None - The CAFR was previously distributed to the Village Council on July 5, and is available on the Fiscal Transparency section of the Village's website at:
<https://www.villageofwinnetka.org/government/fiscal-transparency/>.