

Item #2:
Resolution Further Reducing Sunset Grove Letter Of Credit

**VILLAGE OF LONG GROVE
RESOLUTION NO. 2011-R-33**

**A RESOLUTION AUTHORIZING THE FURTHER REDUCTION (ELEVENTH) OF
A LETTER OF CREDIT FOR SUNSET GROVE**

WHEREAS, pursuant to Section 15 of the "Redevelopment Agreement between the Village of Long Grove and Sunset Grove Development Project Corp. (Sunset Grove Project)" dated March 25, 2008, as it may be amended from time-to-time ("**Redevelopment Agreement**"), the Village of Long Grove requires an irrevocable letter of credit as security to the Village for the performance by Sunset Grove LLC ("**Developer**") of Developer's obligations to construct and complete the Public Improvements and Private Improvements (as defined in the Redevelopment Agreement); and

WHEREAS, the Developer provided to the Village "Letter of Credit No. 620266800-501," in the amount of \$3,913,543.72, to secure certain public improvements required pursuant to the Redevelopment Agreement, ("**Letter of Credit**"); and

WHEREAS, based on the recommendation of the Village Engineer, on May 25, 2010, the Village Board passed Resolution No. 2010-R-20, authorizing a reduction in the Letter of Credit to the amount of \$3,888,293.33; and

WHEREAS, based on the recommendation of the Village Engineer, on June 22, 2010, the Village Board passed Resolution No. 2010-R-24, authorizing the further (second) reduction in the Letter of Credit to the amount of \$3,804,131.33; and

WHEREAS, based on the recommendation of the Village Engineer, on July 27, 2010, the Village Board passed Resolution No. 2010-R-28, authorizing the further (third) reduction in the Letter of Credit to the amount of \$3,778,077.83; and

WHEREAS, based on the recommendation of the Village Engineer, on August 24, 2010, the Village Board passed Resolution No. 2010-R-31, authorizing the further (fourth) reduction in the Letter of Credit to the amount of \$3,778,077.83; and

WHEREAS, based on the recommendation of the Village Engineer, on September 14, 2010, the Village Board passed Resolution No. 2010-R-33, authorizing the further (fifth) reduction in the Letter of Credit to the amount of \$2,402,243.66; and

WHEREAS, based on the recommendation of the Village Engineer, on September 28, 2010, the Village Board passed Resolution No. 2010-R-35, authorizing the further (sixth) reduction in the Letter of Credit to the amount of \$2,282,124.91; and

WHEREAS, based on the recommendation of the Village Engineer, on September 28, 2010, the Village Board passed Resolution No. 2010-R-39, authorizing the further (seventh) reduction in the Letter of Credit to the amount of \$1,713,937.50; and

WHEREAS, based on the recommendation of the Village Engineer, on September 28, 2010, the Village Board passed Resolution No. 2010-R-47, authorizing the further (eighth) reduction in the Letter of Credit to the amount of \$1,353,138.30; and

WHEREAS, based on the recommendation of the Village Engineer, on March 22, 2011, the Village Board passed Resolution No. 2011-R-06, authorizing the further (ninth) reduction in the Letter of Credit to the principal amount of \$727,848.42; and

WHEREAS, based on the recommendation of the Village Engineer, on June 28, 2011, the Village Board passed Resolution No. 2011-R-21, authorizing the further (tenth) reduction in the Letter of Credit to the principal amount of \$646,126.08; and

WHEREAS, based on the recommendation of the Village Engineer, on November 8, 2011, the Village Board passed Resolution No. 2011-R-33, authorizing the further (eleventh) reduction in the Letter of Credit to the principal amount of \$545,053.33 (the "**Reduced Amount**"); and

WHEREAS, the Developer is now requesting that the Letter of Credit be further reduced (twelfth) to more accurately reflect the work that remains to be completed and performed; and

WHEREAS, based on the recommendation of the Village Engineer as set forth in Exhibit A attached hereto, various elements of the improvements for which the Letter of Credit was required have been satisfactorily completed and approved by the Village, thereby warranting a partial reduction in the Letter of Credit from of \$545,053.33 to the principal amount of \$470,702.27;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE VILLAGE OF LONG GROVE, LAKE COUNTY, ILLINOIS, THAT:

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

Section 2: Reduction of Letter of Credit. The Letter of Credit in the Reduced Amount of \$545,053.33 shall be and is hereby reduced to the amount of \$470,702.27. The Village Manager and Village Treasurer are hereby authorized and directed to take such action as may be necessary consistent with this Resolution.

Section 3: Effective Date. This Resolution shall be in full force and effect from and after its passage and approval in the manner provided by law.

PASSED this 8th day of January, 2013

AYES: () Trustees

NAYS: (0) None

ABSENT: (1) Barry

APPROVED this 8th day of January, 2013.

Maria Rodriguez, Village President

ATTEST:

Karen Schultheis, Village Clerk

EXHIBIT A

VILLAGE ENGINEER RECOMMENDATION



December 21, 2012

Mr. David Lothspeich
3110 RFD Old McHenry Road
Long Grove, IL 60047

RE: Sunset Groves Payout 14
ESI Project Number 04-026-018-01 BG# 72

Dear Dave,

This letter is regarding the recent request by Sunset Groves LLC to release funds from the Construction Loan Account pursuant to the RDA which effectively reduces the performance guarantee. Jack Shum of Lakewood sent the 14th request for reduction via e-mail on November 27, 2012. This request included the following:

- Cover Letter from Lakewood Real Estate Solutions describing the requested amount of reduction in each section dated November 27, 2012, hard copied received November 28, 2012
- Excel spreadsheet organized to match our breakdown of items showing what items have been completed to what percentage in order to back-up the current payment request.
- Application and certification for reduction in the performance letter of credit signed by Lakewood and Manhard certifying that this calculation is correct and is requesting \$74,342.00 in payment, \$4,544,749.45 completed minus \$4,478,868.45 previously paid, hard copy received November 27, 2012
- Building B ADA as-built as prepared by Manhard Consulting, received by ESI November 27, 2012 via E-mail
- Building B Record Engineering Drawings as prepared by Manhard Consulting

Based on these documents Lakewood Real Estate Solutions has completed an application for payment to the Village of Long Grove in the amount of \$74,342.00 (\$4,544,749.45 less previous amount of \$4,470,407.44 leaving \$470,702.27).

Subject to the accuracy of the information provided we recommend approval of \$74,350.06 as the amount reduced at this time which is 100% of the requested reduction but slightly different due to rounding.

With approval of this payment / performance guarantee reduction it will leave \$470,702.27 in the account as Performance Guarantee which we believe to be reasonable and appropriate based on the remaining work. If any of the information submitted contains any material inaccuracy, then any approvals shall be deemed ineffective and rescinded.

Sincerely,
ESI Consultants, Ltd

Handwritten signature of Brian Witkowski in black ink, with a small 'es' superscript at the end.

Brian Witkowski, P.E.
Enforcement Officer

Attachment

CC: Jack Shum, Sunset Groves LLC
Vic Filipini, Holland and Knight
Joseph Chiczewski / File, ESI Consultants

ESI

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November 2, 2011

Mr. David Lothspeich
3110 RFD Old McHenry Road
Long Grove, IL 60047

RE: Sunset Groves Payout 13
ESI Project Number 04-026-018-01 BG# 72

Dear Dave,

This letter is regarding the recent request by Sunset Groves LLC to release funds from the Construction Loan Account pursuant to the RDA which effectively reduces the performance guarantee. Jack Shum of Lakewood sent the 13th request for reduction via mail on October 13, 2011. This request included the following:

- Cover Letter from Lakewood Real Estate Solutions describing the requested amount of reduction in each section dated October 11, 2011, hard copied received October 13, 2011
- Excel spreadsheet organized to match our breakdown of items showing what items have been completed to what percentage in order to back-up the current payment request.
- Application and certification for reduction in the performance letter of credit signed by Lakewood and Manhard certifying that this calculation is correct and is requesting \$109,533.75 in payment. \$4,478,868.45 completed minus \$4,369,334.70 previously paid, hard copy received October 13, 2011
- Schedule D, showing quantities installed by Phase and accompanying exhibit showing the lines breaking down the locations of the phases.
- Letter from ESI Consultants dated October 3, 2011
- Letter from IEPA dated August 18, 2011 regarding NOT filing
- Field Observation report from Manhard Engineering accompanying the NOT filing
- Landscaping punchlist prepared by Lakewood Real Estate Solutions dated August 11, 2011

Based on these documents Lakewood Real Estate Solutions has completed an application for payment to the Village of Long Grove in the amount of \$109,533.75 (\$4,478,868.45 less previous amount of \$4,369,334.70, leaving \$536,592.32).

Subject to the accuracy of the information provided we recommend approval of \$101,073.75 as the amount reduced at this time which is 93% of the requested reduction. The only difference is the tree replacement bond request. This shall remain in place at 90% until the landscaping punchlist is completed. Once the punchlist is completed the remaining amount can be reduced upon request.

With approval of this payment / performance guarantee reduction it will leave \$545,053.33 in the account as Performance Guarantee which we believe to be reasonable and appropriate based on the remaining work.

Sincerely,
ESI Consultants, Ltd



Brian Wiskowski, P.E.
Enforcement Officer

Attachment

CC: Jack Shum, Sunset Groves LLC
Vic Filipini, Holland and Knight
Joseph Chiczewski / File, ESI Consultants

ESI

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