

**Item #3:**  
**Resolution Further Reducing LOC For Sunset Grove**

**VILLAGE OF LONG GROVE  
RESOLUTION NO. 2010-R-\_\_\_**

**A RESOLUTION AUTHORIZING THE FURTHER REDUCTION (EIGHTH) 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 (the "**Reduced Amount**"); 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 (the "**Reduced Amount**"); and

**WHEREAS**, the Developer is now requesting that the Letter of Credit be further reduced (eighth) 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 \$1,713,937.50 to the principal amount of \$1,353,138.30;

**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 \$1,713,937.50 shall be and is hereby reduced to the amount of \$1,353,138.30. 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 14<sup>th</sup> day of December, 2010.

AYES: (6) Acuna, Barry, Marshall, Schmitt, Wachs, Weber

NAYS: (0) None

ABSENT: (0) None

APPROVED this 14<sup>th</sup> day of December, 2010.

\_\_\_\_\_  
Village President, Maria Rodriguez

ATTEST:

\_\_\_\_\_  
Village Clerk, Karen Schultheis

**EXHIBIT A**

**VILLAGE ENGINEER RECOMMENDATION**



December 3, 2010

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

RE: Sunset Groves Payout 10  
ESI Project Number 04-026-018-01 BCP# 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 Skum of Lakewood sent the 10<sup>th</sup> request for reduction via mail on November 4, 2010. This request included the following.

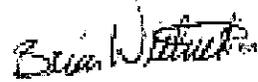
- \* Cover Letter from Lakewood Real Estate Solutions describing the requested amount of reduction in each section dated November 4, 2010
- \* E-mail with QZ Engineering reports dated November 11, 2010
- \* E-mail with follow up QZ Engineering reports dated November 15, 2010
- \* Excel spreadsheet organized 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 Marhard certifying that this calculation is correct and is requesting 383,429.05 in payment. 3,684,952.32 completed minus 3,301,523.27 previously paid.
- \* Planning exhibit depicting the completed areas of the development
- \* Midwest Chromatung & Testing results

Based on these documents Lakewood Real Estate Solutions has completed an application for payment to the Village of Long Grove in the amount of \$383,429.05 (\$3,684,952.32 less previous amount of \$3,301,523.26).

Subject to the accuracy of the information provided we recommend approval of \$360,799.20 as the amount reduced at this time which is 94.1% of the requested reduction. The difference in the amount requested and the amount recommended for payment is due mainly to the difference in the requested reduction for the watermain and the allowed reduction. There is a 20% maintenance requirement for the watermain as opposed to the 10% that was requested in the reduction. This accounts for 90% of the difference. The remaining 10% is due to rounding differences that can be found on the attached spreadsheet.

With approval of this payment / performance guarantee reduction it will leave \$1,353,338.30 in the account as Performance Guarantee which we believe to be reasonable and appropriate based on the remaining work.

Sincerely,  
ESI Consultants, Ltd



Brian Witekowski, P.E.  
Enforcement Officer

Attachment

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



November 4, 2010

Mr. Joseph Chiczewski  
ESI Consultants, Ltd.  
1979 N. Mill Street, Suite 100  
Naperville, Illinois 60563

RE: Sunset Grove, Long Grove

Dear Joe:

Please find attached Sunset Grove LLC's 10<sup>th</sup> Application and Certificate for Reduction in the Performance Letter of Credit. This request has been formatted per your RDA progress payment procedure. I will outline this request for your clarification.

***Sanitary Sewer Improvements***

The sanitary sewer lift station is 100% complete. The forcemain is 100% complete and connected to the Lake County Public Works interceptor. We will flush and televise the sanitary sewer in November and are scheduling the lift station turnover inspection with Lake County.

***Water Main Improvements***

All the water mains, valves, hydrants are 100% complete. The system has been flushed and inspected by the Long Grove Fire Protection District. The system has passed chlorination testing (see attached) and is operational providing Sunset Foods temporary potable water.

***Storm Sewer Improvements***

The storm sewer system is 100% complete except for rim elevation adjustments in unpaved areas. The detention outfall has been connected to the Aptakisic Road discharge piping.

***Roadway and Parking Lot Construction – Subgrade Preparation Fine Grading***

Per the Paving Sequence Plan submitted to you on January 11, 2010 and October 5, 2010 Phases 1 & 2 have been completed. OZ Engineering subgrade testing reports are attached.

***Roadway and Parking Lot Construction – Aggregate Base Course 10"***

Phases 1, 2 & 4 have been completed. OZ Engineering compaction testing has been performed and the reports will be forwarded.

***Roadway and Parking Lot Construction – Aggregate Base Course 12"***

Phases 1 & 2 have been completed. OZ Engineering compaction testing has been performed and the reports will be forwarded.

***Roadway and Parking Lot Construction – Hot Mix Asphalt Binder Course***

Phases 1, 2 & 4 have been completed. OZ Engineering did perform compaction testing and the reports will be forwarded.

***Roadway and Parking Lot Construction – Concrete Curbs***

Phases 3 & 4 have been completed. The OZ Engineering subgrade and concrete cylinder testing are attached. Manhard has completed an As-Built Survey, we will forward the .pdf file to you.

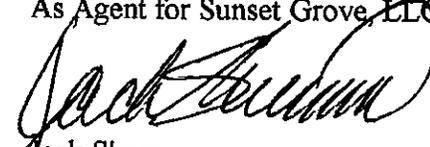
***Roadway and Parking Lot Construction – PCC Sidewalk***

Phases 1, 2 & 4 have been completed.

Please contact me with any questions or additional information you require to approve this reduction request.

Sincerely,

Lakewood Real Estate Solutions  
As Agent for Sunset Grove, LLC



Jack Shum  
Executive Vice President

JS/dw

Cc: David Lothspeich  
Brian Witkowski  
Tom Keough