

**Item #5:**  
**Resolution Further Reduction LOC For Sunset Grove**

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

**A RESOLUTION AUTHORIZING THE FURTHER REDUCTION (SEVENTH) 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**, the Developer is now requesting that the Letter of Credit be further reduced (seventh) 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 \$2,282,124.91 to the principal amount of \$1,713,937.49;

**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 \$2,282,124.91 shall be and is hereby reduced to the amount of \$1,713,937.50. 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 28<sup>th</sup> day of September, 2010.

AYES:           ( ) Trustees

NAYS:           ( )

ABSENT:       ( )

APPROVED this 28<sup>th</sup> day of September, 2010.

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

ATTEST:

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

**EXHIBIT A**

**VILLAGE ENGINEER RECOMMENDATION**





October 19<sup>th</sup>, 2010

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

RE: Sunset Groves Payout 9  
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 9<sup>th</sup> request for reduction via mail on October 8<sup>th</sup>, 2010. This request included the following:

- Cover Letter from Lakewood Real Estate Solutions describing the requested amount of reduction in each section dated October 5<sup>th</sup>, 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 Manhard certifying that this calculation is correct and is requesting 568,188 in payment. 3,301,523.86 completed minus 2,733,335.86 previously paid
- Phasing exhibit depicting the completed areas of the development
- A reduced size of the phasing exhibit
- OZ Engineering inspections of the base material, curb and gutter, and binder course

Based on these documents Lakewood Real Estate Solutions has completed an application for payment to the Village of Long Grove in the amount of \$568,188 (\$3,301,523.86 less previous amount of \$2,733,335.86).

Subject to the accuracy of the information provided we recommend approval of \$568,187.41 as the amount reduced at this time which is 99.9% of the requested reduction. The small difference in the amount requested and the amount recommended for payment is due to rounding of percentage complete items.

With approval of this payment / performance guarantee reduction it will leave \$1,713,937.49 in the account as Performance Guarantee which we believe to be reasonable and appropriate based on the remaining work.

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**

[www.esiconsultantsltd.com](http://www.esiconsultantsltd.com)