

## AGENDA

### RULES MEETING OF THE BOARD OF TRUSTEES VILLAGE OF PARK FOREST, COOK AND WILL COUNTIES, ILLINOIS

Village Hall

8:00 p.m.

September 27, 2010

Roll Call

1. A Resolution Authorizing a Sound Mitigation Home Improvement Program
2. Engineering Services Agreement during Construction for the Demolition of the Marshall Field's Building
3. Award of Contract for the Demolition of the Marshall Field's Building
4. A Resolution Supporting Intergovernmental Cooperation to Further the Implementation of the 211<sup>th</sup> Street Metra Station Transit Oriented Development Plan

Mayor's Comments

Manager's Comments

Trustee's Comments

Attorney's Comments

Audience to Visitors

Adjournment

Agenda Items are Available in the Lobby of Village Hall

## **AGENDA BRIEFING**

**DATE:** September 21, 2010

**TO:** Mayor John A Ostenburg  
Board of Trustees

**FROM:** Lawrence G. Kerestes, Director of Community Development

**RE:** A Resolution Authorizing a Sound Mitigation Home Improvement Program

### **BACKGROUND/DISCUSSION:**

In response to the September 7, 2010 Board Rules Meeting, the April 10, 2010 Saturday Board Rules Meeting, the December 5, 2009 Saturday Board Rules Meeting, and previous Board Fiscal Year Strategic Planning & Budget Meetings, updates and discussion of this item, Village staff has revised the program to reflect the Board's input and recommendations.

With the purchase of the EJ&E Railroad and associated Village-owned property by Canadian National Railroad (CN), the Village of Park Forest negotiated for residential noise mitigation funding as part of the finalized settlement package with the rail company. As a result, \$1,500,000 was paid to the Village. To date, it has been determined that \$1,000,000 is targeted for a sound barrier for the neighborhood east of Western Avenue. Implementation of this barrier will take place as the redevelopment of the immediate Eastgate neighborhood unfolds as part of the Village's Strategic Land Use Plan. The remaining \$500,000 of noise mitigation funding is for properties west of Western Avenue.

As previously discussed with the Village Board, there a number of ways in which the \$500,000 can be passed on to qualified property owners along the rail line. Village Staff envisions a methodology which gives property owners as much individual discretion possible on how the funding can be used. The program would be designed to benefit all qualified property owners, as a General Home Improvement Reimbursement Program with the first priority being on sound mitigation improvements over a 5-year period from the time the Board takes official action. In setting a framework for a Sound Mitigation/Home Improvement Program, the following questions were considered:

### **Who should be eligible to receive the benefit?**

After much deliberation, Village Staff proposes the creation of a 5-tier system. The attached map outlines the tier structure – based solely on distances from the rail track. The 1<sup>st</sup> Tier includes properties which directly abut the CN RR tracks and would receive \$7,000. The 2<sup>nd</sup> Tier includes those properties which are located within 250 to 350 feet of the CN rail tracks and are nearest the CN Matteson Circular. These properties would receive \$6,000. The 3<sup>rd</sup> Tier would include all other properties which are located within 250 feet of the CN rail tracks. These properties would receive \$4,500. The 4<sup>th</sup> Tier would be for properties located within 350 feet of the CN rail tracks. These properties would receive \$3,100. The 5<sup>th</sup> Tier would be for properties located roughly within 658 feet of the CN rail tracks or basically the remaining properties between the CN rail tracks and the north sides of Wayne, Wildwood & Westwood. However, 9 properties on the south side of Wildwood would also be included. These properties would receive \$1,500. The total participation by all 181 properties would be \$500,000 as referenced in the following table:

	<b>Amount</b>	<b>Units</b>	<b>Total</b>
<b>Tier 1</b>	\$7,000.00	14	\$98,000.00
<b>Tier 2</b>	\$6,000.00	5	\$30,000.00
<b>Tier 3</b>	\$4,500.00	35	\$157,500.00
<b>Tier 4</b>	\$3,100.00	15	\$46,500.00
<b>Tier 5</b>	\$1,500.00	112	\$168,000.00
<b>Grand Total</b>		181	\$500,000.00

**What types of improvements should be eligible?**

There is a range of improvements which can be considered. Noise abatement and/or visual mitigation materials, such as landscaping (including fences, berms, shrubs and trees) is one categorical option for the program. Sound insulation materials for the house to include: wall and ceiling insulations, windows, doors, exterior siding in addition to roofing and venting systems. Finally, should the funding be restricted only to noise/visual abatement issues? Or, should the money be available for other broad-based home improvements such as kitchen & bathroom remodeling, room additions, patios and garages?

**How long should the program be available?**

On the issue of program duration, CN has previously informed the Village that rail traffic is currently down 10% (approximately 1 train) as a result of the economic downturn. However, CN also estimates that train traffic will increase 400% over the next 4-6 years, moving train volume from 8 trains per day to in excess of 30 per day. This information will clearly be shared with eligible participants so that they can make the most prudent decisions possible about how/when the funding will be spent. Keeping in mind the timeframe noted above, Village Staff is recommending a 5-year window for the program.

**How will the program be administered?**

Once clear policy direction has been established on the tier structure noted above, qualified property owners will be notified of program eligibility by direct mail. This notice will include various terms of the program such as funding amount, program duration, examples of qualified improvements, tax implications, etc. Included in the mailing will be the attached program application.

This item is now ready for the Village Board to consider for official action.

**SCHEDULE FOR CONSIDERATION:** This item will appear on the Agenda of the Rules & Regular Meeting of September 27, 2010 for discussion and your consideration.

**RESOLUTION No. \_\_\_\_\_**

**A RESOLUTION AUTHORIZING THE APPROVAL FOR THE GENERAL HOME IMPROVEMENT REIMBURSEMENT PROGRAM FOR THE CANADIAN NATIONAL RAILROAD (CN) SOUND MITIGATION FOR PROPERTIES DESIGNATED IN THIS RESOLUTION**

WHEREAS, With the purchase of the EJ&E Railroad and associated Village-owned property by Canadian National Railroad (CN), the Village of Park Forest negotiated for residential noise mitigation funding as part of the finalized settlement package with the rail company; and

WHEREAS, \$500,000 in noise mitigation funding was designated for properties west of Western Avenue; and

WHEREAS, The Village has designed a General Home Improvement Reimbursement Program with the first priority being on sound mitigation improvements to benefit qualified property owners; and

WHEREAS, The range of improvements which can be considered are noise abatement and/or visual mitigation materials, such as landscaping (including fences, berms, shrubs and trees) is one categorical option for the program. Sound insulation materials for the house to include: wall and ceiling insulations, windows, doors, and exterior siding in addition to roofing and venting systems. Finally, other broad-based home improvements such as kitchen and bathroom remodeling, room additions, patios and garages; and

WHEREAS, The Program is designed for reimbursements in a 5-tier system based on distance from the rail track. The 1<sup>st</sup> Tier includes properties which directly abut the CN RR tracks and would receive \$7,000. The 2<sup>nd</sup> Tier includes those properties which are located within 250 to 350 feet of the CN rail tracks and are nearest the CN Matteson Circular. These properties would receive \$6,000. The 3<sup>rd</sup> Tier would include all other properties which are located within 250 feet of the CN rail tracks. These properties would receive \$4,500. The 4<sup>th</sup> Tier would be for properties located within 350 feet of the CN rail tracks. These properties would receive \$3,100. The 5<sup>th</sup> Tier would be for properties located roughly within 658 feet of the CN rail tracks or basically the remaining properties between the CN rail tracks and the north sides of Wayne, Wildwood & Westwood. However, 9 properties on the south side of Wildwood would also be included. These properties would receive \$1,500. The total participation by all 181 properties would be \$500,500 as referenced in the following table: and

	<b>Amount</b>	<b>Units</b>	<b>Total</b>
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<b>Tier 5</b>	\$1,500.00	112	\$168,000.00
<b>Grand Total</b>		181	\$500,000.00

WHEREAS, The Program will be in place for a 5-year period from the time the Board takes official action; and

NOW, THEREFORE, BE IT RESOLVED that the Mayor and Board of Trustees hereby approve the General Home Improvement Reimbursement Program under the following conditions:

1. The General Home Improvement Reimbursement Program with the first priority being on sound mitigation improvements to benefit qualified property owners.
2. Eligible properties have been delineated as follows:

	<b>Address</b>	<b>Amount</b>
<b>Tier 1</b>	Waldmann Drive – 302, 304, 306, 308 310, 312, 314, 316, 318, 320 322, 324, 326, 328	\$7,000.00
<b>Tier 2</b>	Waldmann Drive – 330, 332, 334, 336, 338	\$6,000.00
<b>Tier 3</b>	Water Street – 64, 66, 68, 70, 72, 74, 76, 78, 80, 82, 84, 86 Well Court – 6, 8, 9, 10 Well Street – 110, 112, 114, 116, 118, 120, 122, 124, 126, 128, 130, 132, 134, 136, 138, 140, 142, 144, 146	\$4,500.00
<b>Tier 4</b>	Waldmann – 303, 305, 307, 309, 311, 313, 315, 317, 319, 321, 323, 325, 327 Well Court – 4 Well Street - 148	\$3,100.00
<b>Tier 5</b>	Water Street – 65, 67, 69, 71, 73, 75, 77, 79, 81, 83, 88, 90, 92 Waldmann Drive – 329, 331, 340, 342, 344, 346 Wayne Street – 301, 302, 318 Well Court – 1, 3, 5, 7 Well Street – 104, 106, 108, 109, 111, 113, 115, 117, 119, 121, 123, 125, 127, 129, 131, 133, 135, 137, 139, 141, 150 Westwood Drive – 70, 72, 74, 76, 78, 80, 82, 84, 90, 92, 100, 102, 106, 108, 110, 112, 114, 116, 118, 120, 122, 124, 126, 128, 130, 132, 134, 142, 144, 146, 148, 150, 152, 154, 156, 158, Wildwood Drive – 306, 308, 310, 312, 314, 316, 318, 319, 321, 330, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 346, 348, 350, 352, 354, 360	\$1,500.00

3. Property owners will be notified of program eligibility by direct mail. This notice will include various terms of the program such as funding amount, program duration, examples of qualified improvements, tax implications, etc. Included in the mailing will be the program application.
4. The Program will be in effect from January 1, 2011 through December 31, 2015.

Adopted this                      day of September, 2010.

APPROVED

ATTEST:

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Village Clerk



CN  
Sound Mitigation  
Reimbursement Application

Address of Property: \_\_\_\_\_  
\_\_\_\_\_  
PIN# \_\_\_\_\_

Property Owner: \_\_\_\_\_

Address: \_\_\_\_\_

Social Security #: \* \_\_\_\_\_

Proposed Improvement Description (Sound Mitigation Required):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Estimated total cost: \_\_\_\_\_

OFFICE USE:	Tier eligible: _____ Dollar amount: _____
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Homeowner Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Building Dept. Approval: ** _____	Date: _____
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\* Required for tax purposes. Submittal of a completed W-9 Form may be required.  
\*\* Submitted application does not guarantee eligibility. Property owner must receive written approval from Village.



CN  
Sound Mitigation  
Reimbursement Form

Address of Property: \_\_\_\_\_  
\_\_\_\_\_  
PIN# \_\_\_\_\_

Property Owner: \_\_\_\_\_

Address: \_\_\_\_\_

Work Completed Describe: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Total paid invoices/receipts attached: \_\_\_\_\_

Total costs incurred: \_\_\_\_\_

OFFICE USE:	Tier eligible dollar amount: _____
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Homeowner Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Inspection Completed: _____	Date: _____
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# Types of Sound Mitigation Improvements:

## Sound Walls and Fences

- Landscaping walls/Knee Walls

## Landscaping

- Berms
- Trees
- Evergreens
- Shrubs/Bushes

## Siding

- Replacing with Insulation added

## Windows

- Replacement Windows
- Storm Windows
- Maintenance to Existing Windows
- Skylights
- Glass Block Windows

## Doors

- Replacing Prime Doors
- Replacing Storm/Screen Doors
- Weather Stripping Existing Doors
- Sidelights

## Insulation

- Walls
- Attics

## Vents

- Attic Vents
- Kitchen Exhaust Vents
- Through-Wall Exhaust
- Ducted Exhaust

## HVAC modifications

- Central Air Conditioning
- Through-Wall Heaters and Air Conditioners
- Return Air
- Whole-House Exhaust Fans

## Room Additions at Rear of House

## Request for Taxpayer Identification Number and Certification

**Give form to the  
 requester. Do not  
 send to the IRS.**

Print or type  
 See Specific Instructions on page 2.

Name (as shown on your income tax return)	
Business name, if different from above	
Check appropriate box: <input type="checkbox"/> Individual/Sole proprietor <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Limited liability company. Enter the tax classification (D=disregarded entity, C=corporation, P=partnership) ▶ ..... <input type="checkbox"/> Exempt payee <input type="checkbox"/> Other (see instructions) ▶	
Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
City, state, and ZIP code	Village of Park Forest 350 Victory Drive Park Forest, IL 60466
List account number(s) here (optional)	

### Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Social security number : : :
OR
Employer identification number : : :

**Note.** If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

### Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below).

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. See the instructions on page 4.

**Sign Here**

Signature of  
U.S. person ▶

Date ▶

### General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

#### Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

**Note.** If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

**Definition of a U.S. person.** For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

**Special rules for partnerships.** Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,

## **AGENDA BRIEFING**

**DATE:** September 17, 2010

**TO:** Mayor John A. Ostenburg  
Board of Trustees

**FROM:** Kenneth Eyer,  
Director of Public Works

**RE:** Engineering Services Agreement during construction for the Demolition of  
the Marshall Field's Building

**BACKGROUND/DISCUSSION:** The Engineering Services Agreement is to assist the Village in construction oversight of the demolition of the former Marshall Field Building. This particular project requires several different specialists to insure the safety of employees in Village Hall. Baxter & Woodman will provide the necessary specialists along with the required construction oversight for an amount not to exceed \$75,000.00

Steve Larson will be representing Baxter & Woodman with next Monday's Board meeting should there be any specific questions. The Department of Public Works requests the Board authorize the Village Manager to enter into an agreement with Baxter & Woodman Inc., to provide the necessary construction oversight services.

**SCHEDULE FOR CONSIDERATION:** This item will appear on the Agenda of the Rules and Regular Meetings of September 27, 2010 for discussion and consideration.

VILLAGE OF PARK FOREST, ILLINOIS  
MARSHALL FIELDS BUILDING DEMOLITION  
CONSTRUCTION ENGINEERING SERVICES

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***ENGINEERING SERVICES AGREEMENT***

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***THIS AGREEMENT*** is made this \_\_\_\_\_ day of \_\_\_\_\_ 2010, by and between the Village of Park Forest, Illinois, hereinafter referred to as the VILLAGE, and Baxter & Woodman, Inc., Consulting Engineers, hereinafter referred to as the ENGINEERS, for engineering services required by the VILLAGE for the Marshall Fields Building Demolition, hereinafter referred to as the PROJECT.

***WITNESSETH*** that in consideration of the covenants herein, these parties agree as follows:

***SECTION 1.*** The PROJECT consists of demolition of the Marshall Fields Building, as more completely described in Exhibit A, attached hereto. After written authorization by the VILLAGE, the ENGINEERS shall provide professional services for the PROJECT. These services will include serving as the VILLAGE's representative in all phases of the PROJECT, providing consultation and advice, and furnishing customary engineering and construction-related services, as enumerated in Exhibit B, attached hereto.

***SECTION 2.*** The VILLAGE shall compensate the ENGINEERS for the professional services enumerated in Exhibit B hereof as follows:

2.1 The ENGINEERS' fee for the professional engineering services described in Exhibit B Sections 1 through 9 shall be computed on the basis of their hourly billing rates for actual work time performed plus reimbursement of out-of-pocket expenses including travel costs, which total amount will not exceed \$75,000, except as provided in paragraphs 3.10 and 3.11; ENGINEERS' Project No. 071282.60.

2.2 The ENGINEERS' fee for the additional services described in Exhibit B Section 10 are not included in this Agreement and shall be negotiated between these parties and this Agreement amended accordingly prior to the commencement of said services.

2.3 The ENGINEERS' fee for the professional engineering services described in Exhibit B Section 11 shall be computed on the basis of their hourly billing rates for actual work time performed plus reimbursement of out-of-pocket expenses including travel costs and are not included in the not-to-exceed amount in Section 2.1.

**SECTION 3.** The parties hereto further mutually agree:

3.1 The ENGINEERS may submit requests for periodic progress payments for services rendered. Payments shall be due and owing by the VILLAGE in accordance with the terms and provisions of the Local Government Prompt Payment Act, Illinois Compiled Statutes, Ch. 50, Sec. 505, et. seq.; and the ENGINEERS may, after giving seven (7) days written notice to the VILLAGE, suspend services under this Agreement until the ENGINEERS have been paid in full all amounts due for services, expenses, and late payment charges as provided in such Act.

3.2 This Agreement may be terminated, in whole or in part, by either party if the other party substantially fails to fulfill its obligations under this Agreement through no fault of the terminating party; or the VILLAGE may terminate this Agreement, in whole or in part, for its convenience. However, no such termination may be effected unless the terminating party gives the other party (1) not less than ten (10) calendar days written notice by certified mail of intent to terminate, and (2) an opportunity for a meeting with the terminating party before termination. If this Agreement is terminated by either party, the ENGINEERS shall be paid for services performed to the effective date of termination, including reimbursable expenses. In the event of contract termination, the VILLAGE shall receive reproducible copies of Drawings, Specifications and other documents completed by the ENGINEERS.

3.3 The ENGINEERS agree to hold harmless and indemnify the VILLAGE and each of its officers, agents and employees from any and all liability claims, losses, or damages including reasonable attorney's fees to the extent that such claims, losses, damages or expenses are caused by the ENGINEERS' negligent errors, acts or omissions, but not including liability, claims, losses or damages due to the negligence of the VILLAGE or other consultants, contractors or subcontractors working for the VILLAGE, or their officers, agents and employees.

In the event claims, losses, damages or expenses are caused by the joint or concurrent negligence of the ENGINEERS and the VILLAGE they shall be borne by each party in proportion to its negligence.

The VILLAGE acknowledges that the ENGINEERS is a Business Corporation and not a Professional Service Corporation, and further acknowledges that the corporate entity, as the party to this contract, expressly avoids contracting for individual responsibility of its officers, directors, or employees.

The VILLAGE and ENGINEERS agree that any claim made by either party arising out of any act of the other party, or any officer, director, or employee of the other party in the execution or performance of the Agreement, shall be made solely against the other party and not individually or jointly against such officer, director, or employees.

3.4 For the duration of the PROJECT, the ENGINEERS shall procure and maintain insurance for protection from claims under worker's compensation acts, claims for damages because of bodily injury including personal injury, sickness or disease or death of any and all

employees or of any person other than such employees, and from claims or damages because of injury to or destruction of property including loss of use resulting therefrom, alleged to arise from the ENGINEERS' negligence in the performance of services under this Agreement. The VILLAGE shall be named as an additional insured on the ENGINEERS' general liability insurance policy. The limits of liability for the insurance required by this Subsection are as follows:

(1)	Worker's Compensation:	Statutory Limits
(2)	General Liability	
	Per Claim:	\$1,000,000
	Aggregate:	\$2,000,000
(3)	Automobile Liability	
	Combined Single Limit:	\$1,000,000
(4)	Excess Umbrella Liability	
	Per Claim and Aggregate:	\$5,000,000
(5)	Professional Liability	
	Per Claim and Aggregate:	\$5,000,000/\$5,000,000

3.5 Notwithstanding any other provision of this Agreement, and to the fullest extent permitted by law, the total liability, in the aggregate, of the ENGINEERS and their officers, directors, employees, agents, and any of them, to the VILLAGE and anyone claiming by, through or under the VILLAGE, for any and all claims, losses, costs or damages whatsoever arising out of, resulting from or in any way related to the PROJECT or the Agreement from any cause or causes, including but not limited to the negligence, professional errors or omissions, strict liability or breach of contract or warranty express or implied of ENGINEERS or their officers, directors, employees, agents or any of them, hereafter referred to as the "VILLAGE's Claims", shall not exceed the total insurance proceeds available to pay on behalf of or to the ENGINEERS by their insurers in settlement or satisfaction of VILLAGE's Claims under the terms and conditions of ENGINEERS' insurance policies applicable thereto, including all covered payments made by those insurers for fees, costs and expenses of investigation, claims adjustment, defense and appeal.

The VILLAGE and ENGINEERS agree to waive against each other all claims for special, incidental, indirect, or consequential damages arising out of, resulting from, or in any way related to the PROJECT.

3.6 The ENGINEERS are responsible for the quality, technical accuracy, timely completion, and coordination of all Designs, Drawings, Specifications, Reports, and other professional services furnished or required under this Agreement, and shall endeavor to

perform such services with the same skill and judgment which can be reasonably expected from similarly situated professionals.

3.7 The VILLAGE may, at any time, by written order, make changes within the general scope of this Agreement in the services to be performed by the ENGINEERS. If such changes cause an increase or decrease in the ENGINEERS' fee or time required for performance of any services under this Agreement, whether or not changed by any order, an equitable adjustment shall be made and this Agreement shall be modified in writing accordingly. No service for which an additional compensation will be charged by the ENGINEERS shall be furnished without the written authorization of the VILLAGE.

3.8 All Reports, Drawings, Specifications, other documents, and electronic media prepared or furnished by the ENGINEERS pursuant to this Agreement are instruments of service in respect to the PROJECT, and the ENGINEERS shall retain the right of reuse of said documents and electronic media by and at the discretion of the ENGINEERS whether or not the PROJECT is completed. Reproducible copies of the ENGINEERS' documents and electronic media for information and reference in connection with the use and occupancy of the PROJECT by the VILLAGE and others shall be delivered to and become the property of the VILLAGE upon request; however, the ENGINEERS' documents and electronic media are not intended or represented to be suitable for reuse by the VILLAGE or others on additions or extensions of the PROJECT, or on any other project. Any such reuse without verification or adaptation by the ENGINEERS for the specific purpose intended will be at the VILLAGE's sole risk and without liability or legal exposure to the ENGINEERS, and the VILLAGE shall indemnify and hold harmless the ENGINEERS from all claims, damages, losses and expenses including attorneys' fees arising out of or resulting therefrom. Any furnishing of additional copies and verification or adaptation of the ENGINEERS' documents and electronic media will entitle the ENGINEERS to claim and receive additional compensation from the VILLAGE. Electronic media are furnished without guarantee of compatibility with the VILLAGE's software or hardware, and the ENGINEERS' sole responsibility for such media is to furnish replacements of defective disks within 30 days after initial delivery.

3.9 The VILLAGE will provide the site for the PROJECT, and it warrants that all known hazardous materials on or beneath the site have been identified to the ENGINEERS. The ENGINEERS shall have no responsibility for the discovery, presence, handling, removal or disposal of, or exposure of persons to, unidentified or undisclosed hazardous materials.

3.10 During the progress of the construction work under this Agreement, the ENGINEERS shall continuously monitor their costs and anticipated future costs, and if such monitoring indicates possible costs in excess of the amounts stated in Section 2 above, the ENGINEERS shall notify the VILLAGE of such anticipated increase, and the scope of services and/or the compensation for construction-related engineering services shall be adjusted by amendment to this Agreement. If the VILLAGE and the ENGINEERS cannot

agree on the amount of extra compensation for said anticipated increase of engineering costs, this Agreement shall then be considered to be terminated to the mutual benefit of these parties, without penalty to either party.

3.11 The not-to-exceed amount for construction-related engineering services set forth in Section 2 above does not include any overtime hours for Resident Project Representatives. In the event the Contractor works more than eight (8) hours on any weekday, or works any time on Saturdays, Sundays or holidays, during which time Resident Project Representatives are required to be present, the VILLAGE shall pay the ENGINEERS extra compensation at the ENGINEERS' hourly rates on a time-and-a-half basis for all time of more than eight (8) hours on any weekday and all time on Saturdays, and on a double time basis for all time on Sundays and holidays.

3.12 The ENGINEERS are an equal opportunity employer and hereby incorporate the requirements of 44 Ill. Adm. Code 750 APPENDIX A if applicable.

3.13 Any provision or part thereof of this Agreement held to be void or unenforceable under any law shall be deemed stricken and all remaining provisions shall continue to be valid and binding upon the parties. The parties agree that this Agreement shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision which comes as close as possible to expressing the intention of the stricken provision.

3.14 This Agreement contains and embodies the entire and integrated agreement between parties hereto and supersedes all prior negotiations, representations, or agreements, either written or oral.

IN WITNESS WHEREOF, the parties hereto have caused the execution of this Agreement by their duly authorized officers as of the day and year first above written.

**BAXTER & WOODMAN, INC.**

**VILLAGE OF PARK FOREST, ILLINOIS**

By *Lauren E Thomas*  
Vice President/COO

By \_\_\_\_\_  
Village Manager

*July 15, 2010*  
Date of Signature

\_\_\_\_\_  
Date of Signature

(SEAL)

(SEAL)

ATTEST:

ATTEST:

*Peggy Larko*  
Deputy Secretary

\_\_\_\_\_  
Clerk

Attachment

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VILLAGE OF PARK FOREST, ILLINOIS  
MARSHALL FIELDS BUILDING DEMOLITION  
CONSTRUCTION ENGINEERING SERVICES

EXHIBIT A

**PROJECT DESCRIPTION**

The Marshall Fields Building was part of a retail shopping center acquired by the VILLAGE in the 1994. The VILLAGE converted the eastern section of the retail shopping center into the Village Hall facility. The western section of the building formerly occupied by the Marshall Fields Department store remains vacant. An environmental site assessment and asbestos survey completed in 1999 identified asbestos containing materials in numerous locations within the Marshall Fields building. The VILLAGE needs to demolish and remove the western section of the building for a proposed development west of the Village Hall.

The PROJECT consists of selective demolition and removal of the Marshall Fields Building, structural modification and architectural treatment of the newly exposed interior common wall, relocation or replacement of radio tower supported on common wall, mechanical (HVAC), plumbing, fire protection and alarm, electrical and communication systems modifications to maintain operation of the Village Hall, hazardous waste abatement and site restoration.

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VILLAGE OF PARK FOREST, ILLINOIS  
MARSHALL FIELDS BUILDING DEMOLITION  
CONSTRUCTION ENGINEERING SERVICES

EXHIBIT B

**SCOPE OF SERVICES**

1. Act as the VILLAGE's representative with duties, responsibilities and limitations of authority as assigned in the Construction Contract Documents.
2. CS100 - PROJECT INITIATION
  - Attend and prepare minutes for the preconstruction conference, and review the Contractor's proposed construction schedule and list of subcontractors.
  - Prepare Award Letter, Agreement, Contract Documents, Performance/Payment Bonds, and Notice to Proceed. Review Contractor insurance documents.
3. CS105 - CONSTRUCTION ADMINISTRATION
  - Attend periodic construction progress meetings.
  - Check, Review, and Approve Shop Drawings, Manufacturer's Literature, Samples, and other submittals by the Contractor, but only for compliance with the Drawings and Specifications as to quality of materials and performance of equipment. Such review shall not be construed as relieving the Contractor of the responsibility to meet requirements of the Construction Contract Documents.
  - Prepare for construction layout and staking.
  - Review construction record drawings for completeness prior to submission to CADD.
  - Prepare Construction Contract Change Orders and Work Directives when authorized by the VILLAGE.
  - Review the Contractor's requests for payments as construction work progresses, and advise the VILLAGE of amounts due and payable to the Contractor in accordance with the terms of the Construction Contract Documents.
  - Research and prepare written response by ENGINEERS to requests for information from the VILLAGE and Contractor.
  - Visit site as needed by project manager or other office staff.
4. CS110 - FIELD OBSERVATION
  - Provide Resident Project Representatives at the construction site on either a full-time basis of forty (40) hours per week from Monday through Friday, not including legal holidays, or on a periodic part-time basis from the ENGINEERS' office of not more than eight (8) hours per regular weekday, not including legal holidays as deemed necessary by the ENGINEERS, to stake-out construction lines and grades, to assist the Contractor with interpretation of the Drawings and Specifications, to observe in

general if the Contractor's work is in conformity with the Final Design Documents, and to monitor the Contractor's progress as related to the Construction Contract date of completion. The construction Contractor is a separate company from the ENGINEERS. The VILLAGE understands and acknowledges that the ENGINEERS are not responsible for the Contractor's construction means, methods, techniques, sequences or procedures, time of performance, compliance with Laws and Regulations, or safety precautions and programs in connection with the PROJECT, and the ENGINEERS do not guarantee the performance of the Contractor and are not responsible for the Contractor's failure to execute the work in accordance with the Construction Contract Documents.

- Provide the necessary base lines, benchmarks, and reference points to enable the Contractor to proceed with the work.
- Keep a daily record of the Contractor's work on those days that the ENGINEERS are at the construction site including notations on the nature and cost of any extra work, and provide weekly reports to the VILLAGE of the construction progress and working days charged against the Contractor's time for completion.

5. CS111 - FIELD OBSERVATION (ASBESTOS ABATEMENT)

- Provide Resident Project Representative (IDPH Asbestos Licensed) at the construction site on a periodic part-time basis from the ENGINEERS' office of not more than eight (8) hours per regular weekday, not including legal holidays, as deemed necessary by the ENGINEERS, to observe in general if the Contractor's work is in conformity with the Final Design Documents, and to monitor the Contractor's progress as related to the Construction Contract date of completion. The construction Contractor is a separate company from the ENGINEERS. The VILLAGE understands and acknowledges that the ENGINEERS are not responsible for the Contractor's construction means, methods, techniques, sequences or procedures, time of performance, compliance with Laws and Regulations, or safety precautions and programs in connection with the PROJECT, and the ENGINEERS do not guarantee the performance of the Contractor and are not responsible for the Contractor's failure to execute the work in accordance with the Construction Contract Documents.
- Keep a daily record of the Contractor's work on those days that the ENGINEERS are at the construction site including notations on the nature and cost of any extra work, and provide weekly reports to the VILLAGE of the construction progress and working days charged against the Contractor's time for completion.

6. CS112 - FIELD OBSERVATION (STRUCTURAL ENGINEERING)

- Provide an Illinois Licensed Structural Engineer on site following exploratory demolition to evaluate condition and document as-built construction details for mechanical anchorage of floors and roof to the common wall.
- Perform structural evaluation of as-built mechanical anchorage and prepare design details for connection modifications where necessary.

7. CS120 - SUBSTANTIAL COMPLETION OF PROJECT
  - Provide construction inspection services when notified by the Contractor that the Project is substantially complete. Prepare written punch lists during substantial completion inspections.
  - Prepare Certificate of Substantial Completion.
  
8. CS130 - COMPLETION OF PROJECT
  - Provide construction inspection services when notified by the Contractor that the PROJECT is complete. Prepare written punch lists during final completion inspections.
  - Review the Contractor's written guarantees and issue a Notice of Acceptability for the PROJECT by the VILLAGE.
  - Review the Contractor's requests for final payment, and advise the VILLAGE of the amounts due and payable to the Contractor in accordance with the terms of the Construction Contract Documents.
  - Complete field survey work to be used in completing the construction record drawings.
  - Prepare construction record drawings which show field measured dimensions of the completed work which the ENGINEERS consider significant and provide the VILLAGE with one set of reproducible record drawings within ninety (90) days of the PROJECT completion.
  
9. CS140 - PROJECT CLOSEOUT
  - Provide construction-related engineering services including, but not limited to, General Construction Administration and Resident Project Representative Services.
  
10. CS160 - WARRANTY AND ANNIVERSARY SERVICES
  - Provide construction-related engineering services including, but not limited to, General Construction Administration and Resident Project Representative Services after the original construction contract final completion date for the PROJECT.
  - Provide construction-related engineering services regarding warranty/anniversary work by the Contractor after the PROJECT, or parts thereof, has been accepted for operational use by the VILLAGE. Such services will include, but not be limited to assistance to the VILLAGE in enforcing the Contractor's guaranty to repair or replace defective work within the warranty time stated in the Construction Contract Documents for the PROJECT.
  
11. CS170 - COOK COUNTY CDBG GRANT DOCUMENTATION
  - Provide construction-related engineering services including, but not limited to, assisting the VILLAGE with documentation and meetings necessary for administration of the Cook County CDBG Grant.

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**VILLAGE OF PARK FOREST, ILLINOIS  
MARSHALL FIELDS BUILDING DEMOLITION  
CONSTRUCTION ENGINEERING SERVICES**

**BAXTER & WOODMAN, INC.  
2010 BILLING RATES AND EXPENSE ITEMS  
FOR PROFESSIONAL SERVICES**

<b>EMPLOYEE CLASSIFICATION</b>	<b>HOURLY WAGE RATES</b>
Principal	\$180 to \$180
Senior Engineer	\$112 to \$166
Planner	\$112 to \$150
Construction Manager, Sr.	\$100 to \$140
Resident Project Representative, Sr.	\$110 to \$124
Engineer	\$88 to \$130
Designer	\$100 to \$120
Water/Wastewater Operations	\$104 to \$116
Construction Manager	\$90 to \$104
Resident Project Representative	\$84 to \$110
Staff Engineer	\$86 to \$92
CADD Operator	\$76 to \$90
Surveyor/Technician	\$74 to \$88
Administrative Assistant	\$72 to \$73
Secretary	\$58 to \$62
Technician	\$60 to \$86

Hourly Billing Rates include direct and indirect overhead expenses, readiness to serve, and profit, and are for 8 hours/day and 40 hours/week regularly scheduled work hours.

Mileage Charges – As set by the U.S. Internal Revenue Service.

All-Terrain Vehicle usage is \$40/hour.

Savannah Rain Logger usage is \$10/day.

Traffic Counters \$50/day.



## **AGENDA BRIEFING**

**DATE:** September 17, 2010

**TO:** Mayor John A. Ostenburg  
Board of Trustees

**FROM:** Kenneth Eyer,  
Director of Public Works

**RE:** Award of contract for the Demolition of the Marshall Field's Building

**BACKGROUND/DISCUSSION:**

Bids for the demolition of the former Marshall Field's building were opened at 10:00 AM on September 1, 2010 in the Village Board Room. The consultant for this project, Baxter & Woodman Inc., analyzed the bids and found Novak Construction, Chicago Illinois to be the lowest qualified bidder (See B&W's letter of recommendation.) The low bidder, Champion Environmental Service, has requested that their bid be withdrawn because of an error in price submitted to them by a subcontractor. Attorney Paul Stephanides has reviewed Baxter & Woodman's recommendations and believes that if the Village were to award the contract to Champion Environmental or hold their bid bond that if pursued in court the company would probably be awarded a "rescission of a contract". Attorney Stephanides sighted specific case law of *Santucci v. County of Cook*.

The Novak Construction lump sum bid is \$1,024,000.00, of which \$887,000 is for the demolition portion of the project and the remaining \$137,000.00 is to construct the west wall of Village Hall. Funding for this project will be the demolition portion from a Community Development Block Grant and the wall from Village TIFF funds. The Department of Public Works (DPW) requests that the Board authorize a 10% contingency to cover any unforeseen conditions. All extra work by the contractor will require written approval by the Engineer.

Steve Larson will be representing Baxter & Woodman at next Monday's Board meeting should any specific questions arise. The Department of Public Works requests that the Board authorize the Village Manager to enter into contract with Novak Construction in the amount of \$1,024,000.00 with a contingency of \$102,400.00 for a total amount not to exceed \$1,126,400.00

**SCHEDULE FOR CONSIDERATION:** This item will appear on the Agenda of the Rules and Regular Meetings of September 27, 2010 for discussion and consideration.



September 14 2010

Mayor and Board of Trustees  
Village of Park Forest  
350 Victory Drive  
Park Forest, Illinois 60466

Attention: Mr. Kenneth A. Eyer, Director of Public Works

**RECOMMENDATION TO AWARD**

***Subject: Village of Park Forest – Marshall Fields Building Demolition***

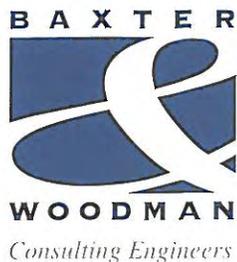
Dear Mayor and Trustees:

The following bids were received for the Marshall Fields Building Demolition on September 1, 2010: The Bid was a Lump Sum Bid that included Common Wall Modifications and all other work (Demolition).

<b>Bidder</b>	<b>Common Wall Modifications</b>	<b>Demolition</b>	<b>Amount of Bid</b>
Champion Environmental Services, Inc. Gilberts, Illinois	\$100,200.00	\$547,300.00	\$ 647,500.00
Novak Construction Chicago, Illinois	137,000.00	887,000.00	1,024,000.00
Omega Demolition Corp. Elgin, Illinois	229,920.00	860,080.00	1,090,000.00
McDonagh Demolition, Inc. Chicago, Illinois	189,000.00	961,772.00	1,150,772.00
DMD Services, Inc. Northlake, Illinois	184,500.00	981,453.00	1,165,953.00
American Demolition Corp. Elgin, Illinois	345,000.00	849,800.00	1,194,800.00

8678 Ridgefield Rd.  
Crystal Lake, IL 60012  
815.459.1260  
Fax 815.455.0450

info@baxterwoodman.com



Mayor and Board of Trustees  
Village of Park Forest

September 14 2010  
071282.40 • Page 2

<b>Bidder</b>	<b>Common Wall Modifications</b>	<b>Demolition</b>	<b>Amount of Bid</b>
Brandenburg Industrial Service Company Chicago, Illinois	237,010.00	1,055,370.00	1,292,380.00
National Wrecking Co. Chicago, Illinois	250,000.00	1,137,300.00	1,387,300.00
Dore & Associates Contracting, Inc. Bay City, Michigan	374,600.00	1,121,900.00	1,496,500.00

Our pre-bid opinion of probable cost for this Project was \$2,036,000.00.

On Thursday, September 2, 2010, we called Champion Environmental Services, Inc. (CESI) for the purpose of discussing their Bid. As no one was in the office we left a message for them to call us. A very short time later Mr. Bob Hestonian from CESI returned our call. We were verbally advised of a subcontractor error. We asked Mr. Hestonian to prepare a written request to withdraw their bid proposal and bid bond to present to the Village. An E-mail dated September 2, 2010, was received. We have since requested additional information. On September 8, 2010, Mr. Hestonian provided a fax along with documentation consisting of a fax from CESI and a copy of a proposal from White Glove E. (three pages). A copy of the fax and documentation is attached.

We have reviewed this information and have verified how the error was made. We are, however, surprised that an error of this magnitude was not discovered before the bid was submitted.

The Village appears to have three options:

1. Allow CESI to withdraw their bid and bid bond and accept the bid of the next lowest responsible and responsive bidder. This choice will allow the Village to complete the Project in a timely fashion.

2. Award the Project to CESI. Because of their request to withdraw the bid, we do not expect CESI to enter into a contract with the Village. At that time, the Village can call on the contractor's surety to pay the Village the difference between the low bid and the price that the Village must pay to the next lowest responsible bidder, up to the face amount of the bid bond. If the bid bond is not sufficient to pay the Village the full difference, as it is in this case, the Village may file a claim against CESI for the deficit. This process will take considerable time and will certainly delay the Project.
3. Reject all the bids and re-bid the Project. This option would not allow the Village to complete the Project in a timely fashion. Furthermore, we do anticipate re-bidding the Project will result in lower bid prices because of the favorable bidding climate we are currently experiencing.

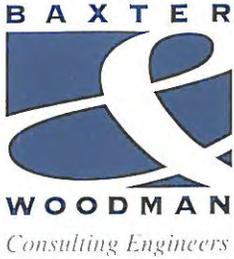
Based on the above analysis, particularly the financial advantages to award the Project at this time, we recommend that the Village take Option 1., accept the bid of the next lowest responsible and responsive bidder.

We have analyzed each of the bids and find Novak Construction (NC) to be the lowest, responsible and responsive Bidder.

NC and Baxter & Woodman, Inc. (BWI) have not worked together on any past projects so we do not have first hand experience with NC. In response to our inquiries, NC has submitted data on their organization, experience and capabilities.

A copy of the Contractor's E-mail dated September 7, 2010, and accompanying "Contractor's Qualification Statement" is enclosed.

NC was incorporated in Illinois August 31, 1988. NC lists recent multiple building projects ranging from \$238,000 - \$5,000,000 dollars with many projects in the multi-million dollar range. Also listed is one Costco Wholesale Depot designed by Mullanny G Z Architects, Bellvue, WA. having a value of \$24,774,000 completed in 2009.



**Mayor and Board of Trustees  
Village of Park Forest**

**September 14 2010  
071282.40 • Page 4**

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We contacted individuals familiar with NC's work and have received consistently favorable reports. Project supervision was reported to be excellent, cooperation excellent, workmanship excellent and all bills promptly paid. Copies of our findings (contacts & surety) are enclosed.

Based upon our investigation of the experience, records, resources and reputation of this Bidder, we believe that NC is qualified to complete the Project.

Assuming the Village takes Option 1. above, we recommend the award of the Contract to Novak Construction in the amount of \$1,024,000.

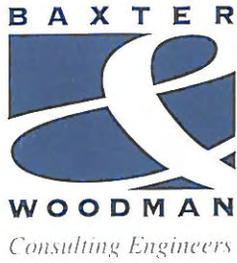
We also recommend that the Village establish a total project budget that includes the construction contract amount, a contingency allowance and engineering fees for construction-related services.

The suggested Project Construction budget is presented below:

Construction Contract Amount	\$1,024,000
Contingency Allowance (3.5%)	\$ 36,000
Engineering Fees (Construction Related)	
BWI	\$ <u>75,000</u>
Project Construction Budget	\$1,135,000

The Illinois Environmental Protection Agency establishes a 3.5 percent contingency allowance for loan-funded projects to pay for unforeseen work items. The actual contingency costs will depend on many factors. Contingency costs are typically higher for major renovation projects at existing treatment facilities. Although we can not predict the contingency costs on your project, we believe that a 3.5 percent amount should be adequate for your budget.

Please advise us of your decision.



**Mayor and Board of Trustees  
Village of Park Forest**

**September 14 2010  
071282.40 • Page 5**

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One set of Bid Documents to include a copy of our Bid Tabulation is enclosed for Village's records.

Very truly yours,

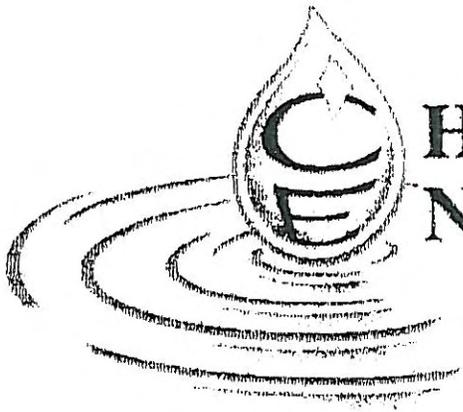
BAXTER & WOODMAN, INC.  
CONSULTING ENGINEERS

*Steve A. Larson* *By HRK*

Steve A Larson, P.E.  
SAL/HRK:py

Enc.

C: Mr. Kenneth A. Eyer, Director of Public Works  
Mr. Charles A. Brunner, P.E., S.E.  
Mr. Craig D. Mitchell, P.E.  
Mr. Raymond N. Koenig



COPY

CHAMPION  
ENVIRONMENTAL  
SERVICES, INC.

38 West End Drive  
Gilberts, IL 60136  
847-844-1695 Fax 847-844-1696

# Fax

To: Harold Kivley	From: Bob Hesotian
Fax: 815-455-0450	Page: 4
Phone	Date: 9-8-10
Re: Village of Park Forest	CC:

●



# CHAMPION ENVIRONMENTAL SERVICES, INC.

38 WEST END DRIVE  
GILBERTS, IL 60136  
847-844-1695  
Fax 847-844-1696

September 8, 2010

Harold Kivley  
Baxter and Woodman  
Crystal Lake, Illinois  
PHN: 815.459.1260  
FAX: 815.455.0450

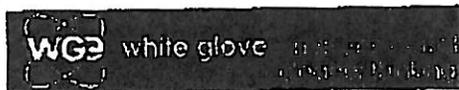
This message is a copy from the body of the email you could not receive.

Harold, pursuant to your message yesterday, we offer the following information for your review. Please find attached one proposal for the work and one letter explanation from our sub contractor. As you can see from the proposal, White Glove intended to provide the construction work needed to fulfill the project needs. I believe White glove had the scope of work correct, however as stated in his letter dated 9-1-10 made a clerical error in his proposal to Champion. Champion does not have any more pricing for this job as two of the subs backed out at the last minute. I hope this answers some of the missing information you're looking for.

Bob Hesotian



**Proposal Submission for the**  
**Village of Park Forest Illinois**  
**Demolition of Marshall Fields Building**  
**August 30th, 2010**



Dear Mr. Hesotian:

Thank you for your interest in WGE. The proposal for the above service is as follows:

**Project Description:** WGE will provide all labor and equipment required to demolition the above property per rules and regulations. We Included all necessary insurance, supervision, labor, material, equipment and disposal.

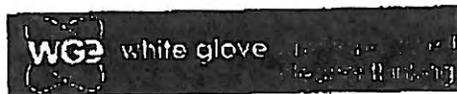
**Project Scope Clarification:** All work per plans and specs dated June 6 and 7, 2010. To include plans sheets S1 thru S5 and E1. Provide and install all material and labor for the following work:

- Tie back system
- Footings and Foundations
- Brick Wall
- Canopy Column
- All work associated with the electrical work shown on sheet E1 to include all temp power during the tie ins.

**Project Cost:**

WGE will perform the proposed work for payment in the amount of \$100,200.00 (One Hundred Thousand and Two hundred Dollars) no retention or exceptions. Payment to be made thirty days after completion of work.

Thank you for the opportunity to quote this project. If any questions should arise, please feel free to contact me at 414-760-1733. If this is acceptable, please sign and fax to our corporate office as confirmation to proceed (414) 760-1751.





8326 N. Stevens Road  
Milwaukee, WI 53223

September 1, 2010

Dear Mr. Hesotian:

Per our conversation in regards to our work proposal dated 8/30/2010. We have made a clerical error and mixed up our price to perform the work originally proposed. The price should have been \$500,200.00. We simply cannot perform the work at the price of \$100,200.00. Sorry for any inconvenience this may cause.

Sincerely,

Joseph Njuguna  
Sales Director



# AIA<sup>®</sup> Document A305<sup>™</sup> – 1986

## Contractor's Qualification Statement

The Undersigned certifies under oath that the information provided herein is true and sufficiently complete so as not to be misleading.

SUBMITTED TO: Mr. Harold R. Kivley

ADDRESS: Baxter & Woodman, Inc.  
8678 Ridgefield Road  
Crystal Lake, IL 60012

SUBMITTED BY: Alex Cipolla

NAME: Novak Construction Company

ADDRESS: 3423 North Drake Avenue, Chicago, IL 60618

PRINCIPAL OFFICE: 3423 North Drake Avenue, Chicago, IL 60618

Corporation

Partnership

Individual

Joint Venture

Other

NAME OF PROJECT (if applicable): Miscellaneous Project

TYPE OF WORK (file separate form for each Classification of Work):

General Construction

HVAC

Electrical

Plumbing

Other (please specify)

### § 1. ORGANIZATION

§ 1.1 How many years has your organization been in business as a Contractor? 30

§ 1.2 How many years has your organization been in business under its present business name? 30

§ 1.2.1 Under what other or former names has your organization operated?

None

§ 1.3 If your organization is a corporation, answer the following:

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User Notes:

(1987147875)

### ADDITIONS AND DELETIONS:

The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added necessary information and where the author has added to or deleted from the original AIA text.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

This form is approved and recommended by the American Institute of Architects (AIA) and The Associated General Contractors of America (AGC) for use in evaluating the qualifications of contractors. No endorsement of the submitting party or verification of the information is made by AIA or AGC.

§ 1.3.1 Date of incorporation: 8/31/1988  
§ 1.3.2 State of incorporation: Illinois  
§ 1.3.3 President's name: John Novak  
§ 1.3.4 Vice-president's name(s) Kirk Rustman- Vice President of Sales & Mkt., Lee Krzyszton-Vice President/Director of Estimating, Gary Agrest-Controller.

§ 1.3.5 Secretary's name:  
§ 1.3.6 Treasurer's name:

§ 1.4 If your organization is a partnership, answer the following:

§ 1.4.1 Date of organization:  
§ 1.4.2 Type of partnership (if applicable):  
§ 1.4.3 Name(s) of general partner(s)

§ 1.5 If your organization is individually owned, answer the following:

§ 1.5.1 Date of organization:  
§ 1.5.2 Name of owner:

§ 1.6 If the form of your organization is other than those listed above, describe it and name the principals:

## § 2. LICENSING

§ 2.1 List jurisdictions and trade categories in which your organization is legally qualified to do business, and indicate registration or license numbers, if applicable.

General Contractor

IL, MO, MI, IN, OH, MN, OK, KY, NJ, IA, TX, VA, WI, NY, NE, SD, WY, CO, OR, GA, FL, NC, SC

§ 2.2 List jurisdictions in which your organization's partnership or trade name is filed.

## § 3. EXPERIENCE

§ 3.1 List the categories of work that your organization normally performs with its own forces.

NONE

§ 3.2 Claims and Suits. (If the answer to any of the questions below is yes, please attach details.)

§ 3.2.1 Has your organization ever failed to complete any work awarded to it?

NO

§ 3.2.2 Are there any judgments, claims, arbitration proceedings or suits pending or outstanding against your organization or its officers?

Minimal lien disputes pending with trades which have no material affect on our firm.

§ 3.2.3 Has your organization filed any law suits or requested arbitration with regard to construction contracts within the last five years?

NO

§ 3.3 Within the last five years, has any officer or principal of your organization ever been an officer or principal of another organization when it failed to complete a construction contract? (If the answer is yes, please attach details.)

NO

§ 3.4 On a separate sheet, list major construction projects your organization has in progress, giving the name of project, owner, architect, contract amount, percent complete and scheduled completion date.

See Exhibit A

§ 3.4.1 State total worth of work in progress and under contract:

\$ 126 Million

§ 3.5 On a separate sheet, list the major projects your organization has completed in the past five years, giving the name of project, owner, architect, contract amount, date of completion and percentage of the cost of the work performed with your own forces.

See Exhibit B

§ 3.5.1 State average annual amount of construction work performed during the past five years:

2006 - \$194,000,000  
2007 - \$171,750,000  
2008 - \$153,700,000  
2009 - \$100,000,000

§ 3.6 On a separate sheet, list the construction experience and present commitments of the key individuals of your organization.

#### § 4. REFERENCES

##### § 4.1 Trade References:

Mr. Scott Habich  
Glander Paving Co.  
847.358.8810

Mr. Gene Hargie  
Benchmark Drywall & Acoustical  
630.852.1750

Mr. Dennis Nowden  
Simonetti Heating & Cooling  
630.628.9091

Mr. Dan Nowaczyk  
Madden Glass  
847.290.0366

Mr. John Doherty  
Ewing Doherty Mechanical  
630.766.5920

Mr. Greg Scurto  
Scurto Cement  
847.931.7023

§ 4.2 Bank References:

| First Midwest Bank - Deerfield, IL - Contract: Joseph H. Zoeller

§ 4.3 Surety:

§ 4.3.1 Name of bonding company:

| Carrier: Safeco % - Allied North America Insurance

§ 4.3.2 Name and address of agent:

| Allied North America Insurance Brokerage of Illinois, 200 South Wacker Drive, Suite 3100, Chicago, IL 60606 - Contract: Bill Reidinger - 312-~~252-3901~~

*312-255 on Diane O'Leary*

§ 5. FINANCING

§ 5.1 Financial Statement.

§ 5.1.1 Attach a financial statement, preferably audited, including your organization's latest balance sheet and income statement showing the following items:

Current Assets (e.g., cash, joint venture accounts, accounts receivable, notes receivable, accrued income, deposits, materials inventory and prepaid expenses);

Net Fixed Assets;

Other Assets;

Current Liabilities (e.g., accounts payable, notes payable, accrued expenses, provision for income taxes, advances, accrued salaries and accrued payroll taxes);

Other Liabilities (e.g., capital, capital stock, authorized and outstanding shares par values, earned surplus and retained earnings).

§ 5.1.2 Name and address of firm preparing attached financial statement, and date thereof:

| Bansley & Kiener - 8745 W. Higgins Road, Suite 200 - Chicago, IL 60631

§ 5.1.3 Is the attached financial statement for the identical organization named on page one?

| Yes

§ 5.1.4 If not, explain the relationship and financial responsibility of the organization whose financial statement is provided (e.g., parent-subsidiary).

§ 5.2 Will the organization whose financial statement is attached act as guarantor of the contract for construction?

§ 6. SIGNATURE

§ 6.1 Dated at this 7<sup>th</sup> day of September 2010

Name of Organization: Novak Construction Company

By:

Title: Alex Tipolla – Project Director

§ 6.2



M being duly sworn deposes and says that the information provided herein is true and sufficiently complete so as not to be misleading.

Subscribed and sworn before me this 7<sup>th</sup> day of September 2010



Notary Public: Dave Baniewicz

My Commission Expires:



CURRENT PROJECTS - EXHIBIT A

PROJECT	OWNER	ARCHITECT	CONTRACT AMOUNT	PERCENT COMPLETE	COMPLETION DATE
Building Modernization 20 E. Jackson - Chicago, IL	U.S. Equities Chicago, Illinois	Holabird & Root Chicago, Illinois	\$1,014,150	80%	September-10
Camp Delavan Tennis Center Delavan, WI	Alex & Jennifer Litowitz Delavan, WI	Liederbach & Graham Chicago, IL	\$4,185,000	65%	December-10
Costco Wholesale Bolingbrook, Illinois	Costco Companies Issaquah, WA	Mulvanny G2 Architects Bellevue, WA	\$12,814,618	35%	November-10
Costco Gas Station Bolingbrook, Illinois	Costco Companies Issaquah, WA	Mulvanny G2 Architects Bellevue, WA	\$761,120	35%	November-10
Costco Wholesale Melrose Park, Illinois	Costco Companies Issaquah, WA	Mulvanny G2 Architects Bellevue, WA	15,128,251.00	30%	November-10
Costco Gas Station Melrose Park, Illinois	Costco Companies Issaquah, WA	Mulvanny G2 Architects Bellevue, WA	\$138,940	30%	November-10
Costco Wholesale Mettawa, Illinois	Costco Companies Issaquah, WA	Mulvanny G2 Architects Bellevue, WA	\$19,369,758	30%	November-10
Costco Gas Station Mettawa, Illinois	Costco Companies Issaquah, WA	Mulvanny G2 Architects Bellevue, WA	\$774,812	30%	November-10
CVS Pharmacy Naperville, Illinois	Gershman Brown Crowley Mount Prospect, IL	Norr, LLC Detroit, MI	\$2,198,834	45%	October-10
Northwestern Memorial Hospital Chicago, IL	Northwestern Memorial Hospital Chicago, IL	Harley Ellis Devereaux Chicago, IL	\$1,161,147	10%	December-10
Palos Hills Extended Care LLC Palos Hills, Illinois	Palos Hills Extended Care Palos Hills, Illinois	2401 Incorporated Chicago, IL	\$12,806,166	TBD	TBD
Sam's Club Vernon Hills, IL	Wal-mart Stores Bentonville, AR	HFA, LTD Bentonville, AR	\$300,000	80%	September-10
Target Corporation Marshfield Ave - Chicago, Illinois	Target Corporation Minneapolis, MN	Target Corporation Minneapolis, MN	\$912,000	70%	October-10
Target Corporation Woodridge, Illinois	Target Corporation Minneapolis, MN	Target Corporation Minneapolis, MN	\$600,000	70%	October-10
Target Corporation Romeoville, Illinois	Target Corporation Minneapolis, MN	Target Corporation Minneapolis, MN	\$912,000	70%	October-10
Whole Foods Market Wheaton, IL	Whole Foods Market Chicago, IL	Stewart Nasky Architects, Ltd. Lisle, IL	\$900,000	Beginning	November-10

YEAR	PROJECT	OWNER	ARCHITECT	COMPLETION AMOUNT
2010	CVS - Caremark Monroeville, PA	Engineered Service, Inc. Buffalo Grove, IL	Gensler Chicago, IL	<i>Eve Savinakis</i> 312-456-0123 \$3,898,925
2010	Whole Foods Market Schaumburg, IL	Whole Foods Market Chicago, IL	Stewart - Nosky Lisle, IL	<i>Larry Wolinsky</i> 773-755-1500 Whole Foods \$238,235
2010	St. Anthony's - Multiple Projects Chicago, Illinois	St. Anthony Hospital Chicago, IL	SPM Architects Palos Park, IL	\$4,920,000
2010	Reavis High School Burbank, Illinois	Reavis High School District 220 Burbank, Illinois	SPM Architects Palos Hills, Illinois	<i>Michael Markham</i> 708-671-0446 \$5,067,000
2010	Jewel / Osco Melrose Park, Illinois	Supervalu, Inc. Itasca, IL	Jenson & Jenson Architects OakBrook, IL	\$1,345,680
2010	Jewel / Osco N. Lincoln Avenue - Chicago, IL	Supervalu, Inc. Itasca, IL	Camburas & Theodore DesPlaines, IL	\$995,000
2010	Target Corporation Shorewood, Illinois	Target Corporation Minneapolis, MN	Target Corporation Minneapolis, MN	\$600,000
2010	Target Corporation Niles, Illinois	Target Corporation Minneapolis, MN	Target Corporation Minneapolis, MN	\$1,000,000
2010	Target Corporation Highland Park, Illinois	Target Corporation Minneapolis, MN	Target Corporation Minneapolis, MN	<i>R.S.P. Gerard Tucker</i> 612 677 7131 \$1,000,000
2010	Target Corporation Gurnee, Illinois	Target Corporation Minneapolis, MN	Target Corporation Minneapolis, MN	<i>Jane Miller</i> 612-761-1505 \$750,000
2010	Target Corporation South Loop - Chicago, Illinois	Target Corporation Minneapolis, MN	Target Corporation Minneapolis, MN	\$1,000,000
2010	Target Corporation Addison - Chicago, Illinois	Target Corporation Minneapolis, MN	Target Corporation Minneapolis, MN	\$1,000,000
2010	Jewel / Osco Round Lake Beach, Illinois	Supervalu, Inc. Itasca, IL	Camburas & Theodore DesPlaines, IL	\$642,000
2010	Walmart Store Remodel Muscatine, IA	Walmart Stores Bentonville, AR	CMA Fl. Worth, TX	\$1,848,000
2010	Onterie Aux Tower Rehab Chicago, Illinois	Metropolitan Properties Chicago, IL	Hartshorne & Plunkard Architects Chicago, IL	\$5,732,500
2010	Whole Foods Market Schaumburg, Illinois	Whole Foods Market Chicago, Illinois	WD Partners Dublin, OH	\$5,895,593
2010	CVS Pharmacy Beach Park, Illinois	GB of Illinois Indianapolis, IN	Norr, LLC Detroit, MI	\$2,137,440
2010	CVS Pharmacy Downers Grove, Illinois	CVS Pharmacy Chicago, IL	Giffels Architects Southfield, MI	\$1,777,369
2010	Target Corporation Wheaton, Illinois	Target Corporation Minneapolis, MN	Target Corporation Minneapolis, MN	\$500,000
2010	Target Corporation Lombard, Illinois	Target Corporation Minneapolis, MN	Target Corporation Minneapolis, MN	\$500,000

YEAR	PROJECT	OWNER	ARCHITECT	COMPLETION AMOUNT
2010	Target Corporation Cottage Grove - Chicago, Illinois	Target Corporation Minneapolis, MN	Target Corporation Minneapolis, MN	\$1,000,000
2010	Target Corporation South Pulaski - Chicago, Illinois	Target Corporation Minneapolis, MN	Target Corporation Minneapolis, MN	\$500,000
2010	Target Corporation Cicero, Illinois	Target Corporation Minneapolis, MN	Target Corporation Minneapolis, MN	\$500,000
2010	Whole Foods Market Indianapolis, IN	Whole Foods Market Chicago, IL	Stewart Nosky Downers Grove, IL	\$343,400
2010	CVS Build-out LaSalle - Chicago, IL	CVS Pharmacy Woodsocket, RI	Archideas Chicago, IL	\$869,676
2009	AIN Vascular Lab Chicago, IL	Associates in Nephrology Chicago, IL	Architrave, Ltd. Chicago, IL	\$712,000
2009	Presbyterian Homes Arlington Heights, IL	Presbyterian Homes Evanston, IL	Jenson & Halstead Ltd. Chicago, IL	\$107,815
2009	Whole Foods Market Huron Street - Chicago, IL	Whole Foods Market Chicago, IL	Stewart Nosky Architects Downers Grove, IL	\$341,000
2009	Costco Wholesale Depot Frederick, MD	Costco Companies Issaquah, WA	Mulvanny G2 Architects Bellevue, WA	\$24,774,267
2009	Costco Wholesale w/ Gas Station Manchester, MO	Costco Companies Issaquah, WA	Mulvanny G2 Architects Bellevue, WA	\$14,168,789
2009	Jewel/Osco #3344 N. Ashland - Chicago, IL	Supervalu, Inc. Itasca, IL	Camburas & Theodore DesPlaines, IL	\$1,286,500
2009	Target Corporation DeKalb, IL	Target Corporation Minneapolis, MN	RSP Architects Chicago, IL	\$8,381,772
2009	J.C. Penney Auto Remodel N. Riverside, Illinois	J.C. Penney Properties Plano, TX	Carroll Associates Palatine, IL	\$379,363
2009	Costco Wholesale Remodel Lincoln Park - Chicago, IL	Costco Companies Issaquah, WA	Mulvanny G2 Architects Bellevue, WA	Negotiated
2009	Costco Wholesale Remodel Oakbrook, IL	Costco Companies Issaquah, WA	Mulvanny G2 Architects Bellevue, WA	\$440,000
2009	Petsmart Mokena, IL	Mokena Retail Associates, LLC Chicago, IL	DZA Oakbrook Terrace, IL	\$2,500,000
2009	Jewel / Osco #3514 Broadway Ave - Chicago, IL	Supervalu, Inc. Itasca, IL	Camburas & Theodore DesPlaines, IL	\$1,790,455
2009	Sam's Club Champaign, IL	Walmart Stores, Inc. Bentonville, AR	WD Partners Dublin, OH	\$120,000
2009	Sam's Club Gurnee, IL	Walmart Store, Inc. Bentonville, AR	PB2 Architecture & Engineer Rogers, AR	\$162,000
2009	Elmhurst Pointe Elmhurst, IL	IREL Elmhurst, LLC Oakbrook, IL	PPKS Architects Chicago, IL	\$7,887,000
2009	Dominick's Store #2984 N. Damen Ave - Chicago, IL	Safeway, Inc. Oakbrook, IL	CASCO St. Louis, MO	\$2,585,000

YEAR	PROJECT	OWNER	ARCHITECT	COMPLETION AMOUNT
2009	CVS Pharmacy Antioch, IL	Gershman Brown Crowley Mount Prospect, IL	Norr, LLC Detroit, MI	\$1,788,378
2009	Jewel / Osco #3424 Waukegan, IL	Supervalu, Inc. Itasca, IL	Jensen & Jensen OakBrook, IL	\$1,668,000
2009	Jewel / Osco #3030 Stoney Island - Chicago, IL	Supervalu, Inc. Itasca, IL	Camburas & Theodore DesPlaines, IL	\$1,845,000
2009	Whole Foods - Kingsbury Ct. Chicago, IL	Whole Foods Market Chicago, IL	Beckham Design Group Austin, TX	\$10,500,000
2009	Holiday Inn - Merchandise Mart Chicago, IL	JL Woode Ltd. Chicago, IL	JBrice Design International Boston, MA	\$1,254,272
2009	Elston Retail Development Chicago, IL	Novak Construction Chicago, IL	PFDA Architects, Inc. Chicago, IL	\$7,594,725
2009	Staples Build-Out Glen Ellyn, IL	Ramco Gershenson, Inc. Farmington Hills, MI	Camburas & Theodore DesPlaines, IL	\$1,181,598
2009	Carmax Corporation Cincinnati, OH	Carmax Auto Superstore Richmond, VA	Charles J. OBrien Architects Alpharetta, GA	\$5,967,000
2009	Costco Wholesale Remodel Madison Heights, MI	Costco Companies Issaquah, WA	Mulvanny G2 Architects Bellevue, WA	\$8,610,518
2009	Dominick's Finer Foods Fox River Grove, IL	Safeway, Inc. Oakbrook, IL	SSOE Inc. Troy, MI	\$1,832,000
2009	Strack & VanTil East Chicago, IN	SVT, LLC Highland, IN	DSG Planmark Eden Prairie, MN	\$2,850,000
2009	Ethan Allen Brookfield, WI	Ethan Allen Danbury, CT	Shive Hattery, Inc. Bloomington, IL	\$2,996,000
2009	Dominick's Finer Foods N. Halsted - Chicago, IL	Safeway, Inc. Oakbrook, IL	Heights Venture Architects, LLD Rockford, IL	\$2,196,800
2008	Market Plaza Glen Ellyn, IL	Ramco Gershenson Farmington Hills, MI	STS Consultants Vernon Hills, IL	\$488,280
2008	Target Corporation Broadview, IL	Target Corporation Minneapolis, MN	RSP Architects Chicago, IL	\$340,000
2008	Ultra Foods Downers Grove, IL	Strack & VanTil Highland, IN	DSG/Planmark Eden Prairie, MN	\$242,900
2008	XSport Fitness Chicago, IL	Capital Fitness Big Rock, IL	VRA Architects Park Ridge, IL	\$4,839,000
2008	Costco Wholesale Brandywine, MD	Costco Companies Issaquah, WA	Mulvanny G2 Architects Bellevue, WA	\$9,613,662
2008	Costco Gas Station Brandywine, MD	Costco Companies Issaquah, WA	Mulvanny G2 Architects Bellevue, WA	\$743,310
2008	Costco Wholesale St. Charles, IL	Costco Companies Issaquah, WA	Mulvanny G2 Architects Bellevue, WA	\$14,422,000

YEAR	PROJECT	OWNER	ARCHITECT	COMPLETION AMOUNT
2008	Costco Gas Station St. Charles, IL	Costco Companies Issaquah, WA	Mulvanny G2 Architects Bellevue, WA	\$808,580
2008	J.C. Penney Stores - Firestone Schaumburg, IL	J.C. Penney Properties Plano, TX	Carroll Associates Palatine, IL	\$28,265
2008	Jewel / Osco Paulina Avenue - Chicago, IL	Supervalu Melrose Park, IL	Camburas & Theodore DesPlaines, IL	\$3,157,000
2008	Target Corporation Bolingbrook, IL	Target Corporation Minneapolis, MN	RSP Architects Chicago, IL	\$5,488,485
2008	REI, Inc. Chicago, IL	REI, Inc. Kent, WA	Robert V. Vanney Architects St. Paul, MN	\$1,417,582
2008	Kohl's Department Store Crete, IL	Kohl's Department Store Menominee Falls, WI	Schroeder & Holt Milwaukee, WI	\$3,500,000
2008	Costco Wholesale Middleton, WI	Costco Companies Issaquah, WA	Mulvanny G2 Architects Bellevue, WA	16,925,000
2008	Dominick's Finer Foods Chicago, IL	Safeway, Inc. Oakbrook, IL	SSOE, Inc. Troy, MI	\$248,023
2008	J.C. Penney Department Store North Riverside, IL	J.C. Penney Properties Plano, TX	Carroll Associates Palatine, IL	\$3,477,000
2008	J.C. Penney Department Store Bloomington, IL	J.C. Penney Properties Plano, TX	Carroll Associates Palatine, IL	\$1,431,510
2008	LaGrange Pointe LaGrange, IL	IREC LaGrange, LLC Oakbrook, IL	Ware Malcomb Oakbrook, IL	\$8,000,000
2008	John S. Swift Printing Co. Buffalo Grove, IL	John S. Swift Company, Inc. Buffalo Grove, IL	Dobrin R. Associates Lincolnshire, IL	\$1,584,594
2008	Target Corporation Yorkville, IL	Target Corporation Minneapolis, MN	RSP Architects Chicago, IL	\$9,160,015
2008	Costco Gas Station Mayfield Heights, OH	Costco Companies Issaquah, WA	Mulvanny G2 Architects Bellevue, WA	\$789,400
2008	Whole Foods Naperville, IL	Whole Foods Chicago, IL	Stewart - Nosky Chicago, IL	\$4,868,000
2008	Jewel / Osco Bolingbrook, IL	Supervalu Melrose Park, IL	Jenson & Jenson Oak Brook, IL	\$2,126,000
2008	Inline Retail Development Sycamore, IL	Sycamore Peace LLC Mokena, IL	Camburas & Theodore DesPlaines, IL	\$918,560
2008	REI, Inc. Oakbrook Terrace, IL	Recreational Equipment Inc. Kent, WA	Robert F. Vanney Architect St. Paul, MN	\$1,000,000
2008	Costco Gas Station Glenview, IL	Costco Companies Issaquah, WA	Mulvanny G2 Architects Bellevue, WA	\$1,559,889
2008	Jewel / Osco Sycamore, IL	Supervalu Melrose Park, IL	Camburas & Theodore DesPlaines, IL	\$8,800,000
2008	Tabor Hills Naperville, IL	Tabor Hills Supportive Living Center Naperville, IL	Gleason Architects Sugar Grove, IL	\$13,987,000
2007	Willard's Corner North Aurora, IL	Mid-America Oakbrook, IL	PFDA Architects Chicago, IL	\$1,388,000

YEAR	PROJECT	OWNER	ARCHITECT	COMPLETION AMOUNT
2007	Dominick's Finer Foods Howard Street - Chicago, IL	Safeway Inc. Oakbrook, IL	Bradley & Bradley Rockford, IL	\$2,418,455
2007	Gateway East-Wickes / LaZBoy Bolingbrook, IL	Tartan Realty Corporation Chicago, IL	DZA Associates, Inc. Oakbrook Terrace, IL	\$7,760,000
2007	Fountain Square Elgin, IL	RSC & Associates Chicago, IL	Legal Architects Chicago, IL	\$21,345,000
2007	Freedom Commons Naperville, IL	Harp - Krug Venture Lemont, IL	Archideas Chicago, IL	\$4,730,200
2007	Whole Foods Remodel Willowbrook, IL	Whole Food Market Chicago, IL	Stewart - Nosky Architects Downers Grove, IL	\$488,575
2007	Glidden Crossing Retail Dev. DeKalb, IL	The Daly Group, LLC Chicago, IL	PFDA Architects Chicago, IL	\$6,539,059
2007	Schnuck's DeKalb, IL	The Daly Group Chicago, IL	Kuhlmann Design Group St. Louis, MO	\$4,436,900
2007	Barnes & Noble Ft. Wayne, IN	General Growth Properties Chicago, IL	Carroll Associates Architects Palatine, IL	\$1,865,000
2007	Circuit City Bolingbrook, IL	Circuit City Stores, Inc. Richmond, VA	Casco St. Louis, MO	\$1,525,000
2007	Costco Wholesale Columbia, Maryland	Costco Companies Issaquah, WA	Mulvanny G2 Architects Bellevue, WA	\$11,313,664
2007	Costco Gas Station Columbia, Maryland	Costco Companies Issaquah, WA	Mulvanny G2 Architects Bellevue, WA	\$946,035
2007	Costco Wholesale Grafton, Wisconsin	Costco Companies Issaquah, WA	Mulvanny G2 Architects Bellevue, WA	\$11,459,418
2007	Costco Gas Station Grafton, Wisconsin	Costco Companies Issaquah, WA	Mulvanny G2 Architects Bellevue, WA	\$556,756
2007	Costco Wholesale Toledo, Ohio	Costco Companies Issaquah, WA	Mulvanny G2 Architects Bellevue, WA	\$12,710,281
2007	Costco Gas Station Toledo, Ohio	Costco Companies Issaquah, WA	Mulvanny G2 Architects Bellevue, WA	\$601,500
2007	Target Romeoville, IL	Target Corporation Minneapolis, MN	RSP Architects Chicago, IL	\$6,000,000
2007	Liberty Square Shopping Center Wauconda, IL	Fritz Duda Company Chicago, IL	OKW Architects Chicago, IL	\$1,311,516
2007	Dominick's Finer Foods Northbrook, IL	Safeway Inc. Oakbrook, IL	Heights Venture Architects, LLD Rockford, IL	\$3,136,042
2007	Dominick's Finer Foods N. Nagle - Chicago, IL	Safeway Inc. Oakbrook, IL	Heights Venture Architects, LLD Rockford, IL	\$3,606,667
2007	Whole Foods Market Halsted Avenue - Chicago, IL	Whole Food Market Chicago, IL	Stewart - Nosky Architects Downers Grove, IL	\$4,775,000
2007	National Tire & Battery St. Charles, IL	NOM St. Charles, LLC Nashville, TN	Maxwill Johnson Maher Architects Nashville, TN	\$1,344,500
2007	Kieffer & Co. II Lincolnshire, IL	Kieffer & Co. Lincolnshire, IL	Dobrin & Associates Lincolnshire, IL	\$621,619

YEAR	PROJECT	OWNER	ARCHITECT	COMPLETION AMOUNT
2007	Target Matteson, IL	Target Corporation Minneapolis, MN	RSP Architects Chicago, IL	\$6,500,000
2007	Macy's - Shell Bolingbrook, IL	Federated, Inc. St. Louis, MO	JSA Architecture Pittsburgh, PA	\$8,150,000
2007	Bradley Retail Bldgs Bradley, IL	Midam/Dalan Development Bradley, IL	PFDA Architects, Inc. Chicago, IL	\$4,000,000
2007	Jewel / Osco Bourbonnais, IL	Albertson's, Inc. Melrose Park, IL	Camburas & Theodore, Ltd. DesPlaines, IL	\$5,772,000
2007	Ultra Foods Downers Grove, IL	Strack & Vantil Highland, IN	DSG / Planmark Eden Prairie, MN	\$1,000,000
2007	Whole Foods Market Cicero Avenue - Chicago, IL	Whole Food Market Chicago, IL	Stewart - Nosky Architects Downers Grove, IL	\$4,087,000
2007	Prairie Packaging Romeville, IL	Bluff Point, LLC Park Ridge, IL	Harris Architects Palatine, IL	\$2,000,000
2007	Ultra Foods Hanover Park, IL	Strack & Vantil Highland, IN	DSG / Planmark Eden Prairie, MN	\$1,000,000
2007	Target Oaklawn, IL	Target Corporation Minneapolis, MN	RSP Architects Chicago, IL	\$21,000,000
2007	Costco Gasoline Baltimore County, MD	Costco Companies Issaquah, WA	Mulvanny G2 Architects Bellevue, WA	\$90,100
2006	CVS Pharmacy Hickory Hills, IL	CVS Pharmacy Chicago, IL	Camburas & Theodore DesPlaines, IL	\$1,984,000
2006	V - Land Streamwood Retail Streamwood, IL	V - Land Streamwood Development Chicago, IL	Arcline Associates, LTD. Downers Grove, IL	\$698,000
2006	Lawrence & Pulaski Chicago, IL	DCS Midwest, LLC Schaumburg, IL	Design Studio 24, LLC Schaumburg, IL	\$3,287,000
2006	Ethan Allen Algonquin, IL	Ethan Allen Danbury, CT	Archiplan International Schaumburg, IL	\$2,470,000
2006	159th Street Rework Orland Park, IL	Costco Companies Issaquah, WA	Mulvanny G2 Architects Bellevue, WA	\$16,000,000
2006	Costco Wholesale Orland Park, IL	Costco Companies Issaquah, WA	Mulvanny G2 Architects Bellevue, WA	\$15,000,000
2006	Costco Wholesale Columbus, OH	Costco Companies Issaquah, WA	Mulvanny G2 Architects Bellevue, WA	\$9,000,000
2006	National Tire & Battery North Aurora, Illinois	Newton Oldacre McDonald Prattville, AL	Maxwell, Johanson, Maher Nashville, TN	\$1,311,000
2006	Dominick's - Broadway Avenue Chicago, IL	Dominick's Oakbrook, IL	Bradley & Bradley Rockford, IL	\$3,425,264
2006	Target Schaumburg, IL	Target Corporation Minneapolis, MN	RSP Architects Chicago, IL	\$11,000,000
2006	Costco Wholesale Louisville, KY	Costco Companies Issaquah, WA	Mulvanny G2 Architects Bellevue, WA	\$9,000,000

YEAR	PROJECT	OWNER	ARCHITECT	COMPLETION AMOUNT
2006	Bradley Site Bradley, IL	Midam/Dalan Bradley, LLC Bradley, IL	M. Gingerich, Gereaux & Associates Bradley, IL	\$2,500,000
2006	Kohl's Department Store Bradley, IL	Kohl's Department Store Menominee Falls, WI	Schroeder & Holt Milwaukee, WI	\$4,617,857
2006	Best Buy Distribution Center Woodbridge, IL	Best Buy Companies Richfield, Minnesota	Paradigm Design Grand Rapids, MI	\$2,311,072
2006	Bluff Point Romeoville, IL	Land & Lakes Park Ridge, IL	Harris Architects Palatine, IL	\$8,217,000
2006	Green Acres Golf Club Northbrook, IL	Green Acres Golf Club Northbrook, IL	Chipman Adams, Ltd. Park Ridge, IL	\$2,292,665
2006	Old Country Buffet Arlington Heights, IL	Visconsi Companies Pepper Pike, OH	PFDA Architects, Inc. Chicago, IL	\$1,344,000
2006	Dick's Sporting Goods Arlington Heights, IL	Dick's Sporting Goods Pittsburgh, PA	PFDA - Chicago, IL Hirschmann Architects - Cleveland, OH	\$4,300,000
2006	Target Elston Avenue - Chicago, IL	Target Corporation Minneapolis, MN	RSP Architects Chicago, IL	\$4,600,000
2006	Target - Peterson Avenue Chicago, IL	Target Corporation Minneapolis, MN	RSP Architects Chicago, IL	\$24,000,000
2006	National Tire & Battery Shorewood, IL	Newton Oldacre McDonald Prattville, AL	Maxwell, Johanson, Maher Nashville, TN	\$1,263,000
2006	Costco Wholesale Buford, GA	Costco Companies Issaquah, WA	Mulvanny G2 Architects Bellevue, WA	\$5,941,033
2006	Costco Gas Station Matthews, NC	Costco Companies Issaquah, WA	Mulvanny G2 Architects Bellevue, WA	\$692,000
2006	Carmax Corporation Columbus, OH	Carmax Corporation Atlanta, GA	Pieper O'Brien Herr Architects Alpharetta, GA	\$8,755,000
2006	Dominick's - Clybourn Avenue Chicago, IL	Dominick's Finer Foods Oakbrook, IL	Bradley & Bradley Rockford, IL	\$2,652,815
2006	Jewel / Osco Sugar Grove, IL	Albertson's Boise, ID	Camburas & Theodore DesPlaines, IL	\$4,832,203
2006	Ethan Allen (Shell & Interior) Schaumburg, IL	Golfwood Square Schaumburg, IL	Michael Creslip Architects Cleveland, OH	\$3,334,449
2006	Golf Wood Square Schaumburg, IL	Builech, Inc. Schaumburg, IL	Michael Creslip Architects Cleveland, OH	\$2,377,505
2006	Target Corporation Hoffman Estates, IL	Target Corporation Minneapolis, MN	RSP Architects Minneapolis, MN	\$5,859,562
2005	Town & Country Sitework Arlington Heights, IL	Visconsi Corporation Pepper Pike, OH	PFDA Chicago, IL	\$5,000,000
2005	National Tire & Battery Matteson, IL	Newton Oldacre McDonald Prattville, AL	Maxwell, Johanson, Maher Nashville, TN	\$1,415,971

YEAR	PROJECT	OWNER	ARCHITECT	COMPLETION AMOUNT
2005	National Tire & Battery New Lenox, IL	Newton Oldacre McDonald Prattville, AL	Maxwell, Johanson, Maher Nashville, TN	\$1,544,572
2005	Sugar Grove Center Sugar Grove, IL	Waterford Development Corp. LA Fox, IL	Craig R. Knoche Associates Geneva, IL	\$4,933,000
2005	Target Remodel Vernon Hills, IL	Target Corporation Minneapolis, MN	RSP Architects Minneapolis, MN	\$8,874,785
2005	Springhill Mall Renovation West Dundee, IL	General Growth Properties Chicago, IL	Carroll & Associates Palatine, IL	\$5,864,012
2005	Jo-Ann Fabric Store Chesterfield, MI	Jo-Ann Fabric Stores Hudson, OH	Design Forum Dayton, OH	\$547,542
2005	Jo-Ann Fabric Store Homewood, IL	Jo-Ann Fabric Stores Hudson, OH	Metro Group Ann Arbor, MI	\$738,595
2005	Jewel / Osco Chicago, IL	Albertson's Boise, ID	Camburas & Theodore DesPlaines, IL	\$2,482,000
2005	Wal-Mart Glenwood, IL	Wal-Mart Stores Bentonville, AR	William D. Hurley Rogers, AR	\$10,520,815
2005	Kohl's Department Store Peru, IL	Kohl's Department Store Menominee Falls, WI	Schroeder & Holt Milwaukee, WI	\$3,925,306
2005	Jo-Ann Fabric Stores Chicago, IL	Jo-Ann Fabric Stores Hudson, OH	Design Forum Dayton, OH	\$1,054,681
2005	CVS Pharmacy Chicago, IL	CVS Corporation Woonsocket, RI	Archideas Chicago, IL	\$2,175,945
2005	Mt. Prospect Center Mt. Prospect, IL	Kimco Realty Corporation Hyde Park, IL	Rupis Associates Bolingbrook, IL	\$473,456
2005	Amalfi Hotel Chicago, IL	Hostmark Hospitality Schaumburg, IL	Robert C. Vagnieres Jr. Chicago, IL	\$379,875
2005	Market Place Mall Champaign, IL	General Growth Chicago, IL	Carroll & Associates Palatine, IL	\$351,673
2005	Costco Wholesale Wyoming, MI	Costco Companies Issaquah, WA	Mulvanny G2 Architects Bellevue, WA	\$6,299,225
2005	Best Buy Forsythe, IL	Best Buy Companies Richfield, Minnesota	Paradigm Design Grand Rapids, MI	\$2,481,514
2005	LaZyBoy Glenview, IL	Harlem-Irving Co. Norridge, IL	DZA Associates, Inc. Oakbrook Terrace, IL	\$1,856,341
2005	ABLA - Fosco Community Center Chicago, IL	Public Building Commission Chicago, IL	NIA Architects Chicago, IL	\$14,396,000

NOVAK CONSTRUCTION COMPANY

FINANCIAL REPORT

DECEMBER 31, 2009 AND 2008

BANSLEY AND KIENER, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS  
O'HARE PLAZA  
8745 WEST HIGGINS ROAD, SUITE 200  
CHICAGO, ILLINOIS 60631  
AREA CODE 312 263.2700

INDEPENDENT AUDITOR'S REPORT

Mr. John G. Novak, President  
Novak Construction Company  
Chicago, Illinois

We have audited the accompanying balance sheets of Novak Construction Company (an S-corporation) as of December 31, 2009 and 2008, and the related statements of income, changes in stockholder's equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. *We believe that our audits provide a reasonable basis for our opinion.*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Novak Construction Company as of December 31, 2009 and 2008, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

*Bansley and Kiener, L.L.P.*

Certified Public Accountants

March 24, 2010

NOVAK CONSTRUCTION COMPANYBALANCE SHEETS  
DECEMBER 31, 2009 AND 2008

<u>ASSETS</u>	<u>2009</u>	<u>2008</u>
<b>CURRENT ASSETS</b>		
Cash	\$ 3,379,176	\$ 6,606,934
Contract receivables, net of allowance for doubtful accounts of \$0 in 2009 and \$480,000 in 2008 (Notes 2 and 9)	20,581,760	30,896,113
Costs and estimated earnings in excess of billings on uncompleted contracts (Note 3)	427,558	676,689
Advances to employees	33,475	125,935
Other current assets	93,678	277,293
Total current assets	<u>24,515,647</u>	<u>38,582,964</u>
PROPERTY AND EQUIPMENT - net of accumulated depreciation of \$2,933,044 in 2009 and \$2,494,859 in 2008 (Note 4)	<u>2,195,358</u>	<u>2,516,246</u>
Total	<u>\$ 26,711,005</u>	<u>\$ 41,099,210</u>
<u>LIABILITIES AND STOCKHOLDER'S EQUITY</u>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 11,545,649	\$ 25,809,117
Accrued expenses	315,376	305,236
Billings in excess of costs and estimated earnings on uncompleted contracts (Note 3)	<u>3,283,245</u>	<u>3,912,956</u>
Total current liabilities	15,144,270	30,027,309
<b>LONG-TERM LIABILITIES</b>		
Deferred rent	<u>390,739</u>	<u>357,942</u>
Total liabilities	<u>15,535,009</u>	<u>30,385,251</u>
<b>STOCKHOLDER'S EQUITY</b>		
Common stock, no par value; authorized 1,000 shares; issued and outstanding 200 shares	2,000	2,000
Additional paid-in capital	100,723	100,723
Retained earnings	<u>11,073,273</u>	<u>10,611,236</u>
Total stockholder's equity	<u>11,175,996</u>	<u>10,713,959</u>
Total	<u>\$ 26,711,005</u>	<u>\$ 41,099,210</u>

The accompanying notes are an integral part of the financial statements.

NOVAK CONSTRUCTION COMPANY  
STATEMENTS OF INCOME  
YEARS ENDED DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
Contract revenues earned	\$ 91,022,063	\$ 153,738,619
Cost of revenues earned	<u>82,987,891</u>	<u>141,196,886</u>
Gross profit	8,034,172	12,541,733
Selling, general and administrative expense	<u>4,921,572</u>	<u>6,293,075</u>
Income from operations	<u>3,112,600</u>	<u>6,248,658</u>
Other income (expense):		
Interest and dividend income	8,414	32,706
Net gain on disposition of assets	-	5,861
Interest expense	<u>(8,122)</u>	<u>(6,449)</u>
	<u>292</u>	<u>32,118</u>
Income before taxes	3,112,892	6,280,776
State taxes (Note 8)	<u>262,295</u>	<u>177,803</u>
Net income	<u>\$ 2,850,597</u>	<u>\$ 6,102,973</u>

The accompanying notes are an integral part of the financial statements.

NOVAK CONSTRUCTION COMPANYSTATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY  
YEARS ENDED DECEMBER 31, 2009 AND 2008

	<u>Common Stock</u>		<u>Additional Paid-in Capital</u>	<u>Retained Earnings</u>	<u>Total</u>
	<u>Number of Shares</u>	<u>Amount</u>			
Balance, December 31, 2007	200	\$ 2,000	\$ 100,723	\$ 9,968,398	\$ 10,071,121
Net income	-	-	-	6,102,973	6,102,973
Dividends	-	-	-	(5,460,135)	(5,460,135)
Balance, December 31, 2008	200	2,000	100,723	10,611,236	10,713,959
Net income	-	-	-	2,850,597	2,850,597
Dividends	-	-	-	(2,388,560)	(2,388,560)
Balance, December 31, 2009	<u>200</u>	<u>\$ 2,000</u>	<u>\$ 100,723</u>	<u>\$ 11,073,273</u>	<u>\$ 11,175,996</u>

The accompanying notes are an integral part of the financial statements.

NOVAK CONSTRUCTION COMPANY  
STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities:		
Cash received from customers	\$ 101,435,836	\$ 155,895,704
Cash paid to suppliers and employees	(101,832,221)	(150,816,694)
Interest and dividends collected	8,414	32,706
Interest paid	(8,122)	(6,449)
State taxes paid	(262,295)	(177,803)
Net cash provided by (used in) operating activities	<u>(658,388)</u>	<u>4,927,464</u>
Cash flows from investing activities:		
Property and equipment additions	(185,000)	(955,688)
Proceeds from sales of equipment	4,190	5,861
Net cash used in investing activities	<u>(180,810)</u>	<u>(949,827)</u>
Cash flows from financing activities:		
Dividends paid	(2,388,560)	(5,460,135)
Net cash used in financing activities	<u>(2,388,560)</u>	<u>(5,460,135)</u>
Decrease in cash	(3,227,758)	(1,482,498)
Cash at beginning of year	<u>6,606,934</u>	<u>8,089,432</u>
Cash at end of year	<u>\$ 3,379,176</u>	<u>\$ 6,606,934</u>
Reconciliation of net income to net cash provided by (used in) operating activities:		
Net income	\$ 2,850,597	\$ 6,102,973
Adjustments:		
Depreciation	501,698	509,395
Deferred rent	32,797	44,026
Net gain on disposition of assets	-	(5,861)
(Increase) decrease in assets:		
Contract receivables	10,794,353	(1,730,393)
Allowance for doubtful accounts	(480,000)	480,000
Cost and estimated earnings in excess of billings on uncompleted contracts	249,131	1,430,617
Advances to employees	92,460	17,005
Other current assets	183,615	(113,985)
Increase (decrease) in liabilities:		
Accounts payable	(14,263,468)	(4,395,260)
Accrued expenses	10,140	132,086
Billings in excess of costs and estimated earnings on uncompleted contracts	(629,711)	2,456,861
Total adjustments	<u>(3,508,985)</u>	<u>(1,175,509)</u>
Net cash provided by (used in) operating activities	<u>\$ (658,388)</u>	<u>\$ 4,927,464</u>

The accompanying notes are an integral part of the financial statements.

NOVAK CONSTRUCTION COMPANYNOTES TO FINANCIAL STATEMENTS

## Note 1 – Summary of Significant Accounting Policies

*Nature of Operations and Operating Cycle*

The Company is engaged in construction of commercial buildings and reconstruction of commercial interior space. The work is performed under cost-plus-fee contracts and fixed-price contracts. The length of the Company's contract varies but is typically less than one year.

*Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Material estimates that are particularly susceptible to significant change relate to the determination of the percentage of completion of jobs in progress.

*Revenue and Cost Recognition*

Revenues from construction contracts are recognized on the basis of costs incurred during the period plus the fee earned, measured by the cost-to-cost method.

Contract costs include all direct material and labor costs and those indirect costs related to contract performance, such as indirect labor, supplies, tools, repairs, and depreciation costs. Selling, general, and administrative costs are charged to expense as incurred. Provisions for estimated losses on uncompleted contracts are made in the period in which such losses are determined. Revisions to costs and income are recognized in the period in which the revisions are determined.

The asset, "Costs and estimated earnings in excess of billings on uncompleted contracts," represents revenues recognized in excess of amounts billed. The liability, "Billings in excess of costs and estimated earnings on uncompleted contracts," represents billings in excess of revenues recognized.

*Contract Receivables*

Contract receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probably uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collections efforts are written off through a charge to the valuation allowance and a credit to trade accounts receivable. Changes in the valuation allowance have not been material to the financial statements.

NOVAK CONSTRUCTION COMPANYNOTES TO FINANCIAL STATEMENTS

## Note 1 – Summary of Significant Accounting Policies (Continued)

*Property, Equipment and Depreciation*

Property and equipment is recorded at cost. Depreciation of property and equipment is computed principally using the straight-line method over the following useful lives:

	<u>Years</u>
Leasehold improvements	39
Construction equipment	5-7
Office furniture and equipment	5-7
Vehicles	5

Maintenance and repairs of property and equipment are charged to operations and major improvements are capitalized. When assets are sold, retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is included in income.

*Advertising*

Advertising costs are charged to operations when incurred. Advertising expense amounted to \$49,338 in 2009 and \$54,566 in 2008.

*Income Taxes*

By consent of its stockholder, the Company has elected to be taxed under the provisions of subchapter S of the Internal Revenue Code. Under those provisions, the Company does not pay corporate income taxes on its taxable income. Instead, the stockholder is liable for individual income taxes on the Company's taxable income. The Company remains liable for certain state taxes.

*Evaluation of Subsequent Events*

Management has evaluated subsequent events through March 24, 2010, the date the financial statements were available to be issued.

## Note 2 – Contract Receivables

Contract receivables at December 31, 2009 and 2008 consist of the following:

	<u>2009</u>	<u>2008</u>
Billed:		
Completed contracts	\$ 877,360	\$ 2,200,032
Contracts in progress	9,136,574	17,655,624
Due from related parties (See Note 9)	10,553,324	11,429,890
Unbilled receivables	<u>14,502</u>	<u>90,567</u>
	20,581,760	31,376,113
Less allowance for doubtful accounts	<u>-</u>	<u>480,000</u>
	<u>\$20,581,760</u>	<u>\$30,896,113</u>

NOVAK CONSTRUCTION COMPANYNOTES TO FINANCIAL STATEMENTS

## Note 3 – Costs and Estimated Earnings on Uncompleted Contracts

Following is a summary of costs and estimated earnings on uncompleted contracts:

	<u>2009</u>	<u>2008</u>
Costs incurred on uncompleted contracts	\$ 58,272,282	\$116,206,309
Estimated earnings	<u>4,643,744</u>	<u>10,408,290</u>
	62,916,026	126,614,599
Less billings to date	<u>65,771,713</u>	<u>129,850,866</u>
	<u>\$ (2,855,687)</u>	<u>\$ (3,236,267)</u>

Included in the accompanying balance sheets under the following captions:

	<u>2009</u>	<u>2008</u>
Costs and estimated earnings in excess of billings on uncompleted contracts	\$ 427,558	\$ 676,689
Billings in excess of costs and estimated earnings on uncompleted contracts	<u>(3,283,245)</u>	<u>(3,912,956)</u>
	<u>\$ (2,855,687)</u>	<u>\$ (3,236,267)</u>

## Note 4 – Property and Equipment

Major classifications of these assets are summarized below:

	<u>2009</u>	<u>2008</u>
Leasehold improvements	\$ 501,259	\$ 501,259
Construction equipment	644,024	481,480
Office furniture and equipment	2,941,791	2,919,335
Vehicles	<u>1,041,328</u>	<u>1,109,031</u>
	5,128,402	5,011,105
Less accumulated depreciation	<u>2,933,044</u>	<u>2,494,859</u>
	<u>\$2,195,358</u>	<u>\$2,516,246</u>

Depreciation expense charged to operations totaled \$501,698 in 2009 and \$509,395 in 2008.

## Note 5 – Note Payable - Line of Credit

The Company has available a line of credit in the amount of \$5,800,000 at December 31, 2009 and 2008, under terms of a lending agreement with a bank. Under certain circumstances the Company may exceed the stated credit limit. There was no outstanding balance at December 31, 2009 or December 31, 2008. Amounts drawn on the line of credit incur interest at the bank's prime lending rate. The lending agreement expires May 15, 2010. The line of credit is secured by the Company's contract receivables, equipment, and personal assets of the stockholder.

NOVAK CONSTRUCTION COMPANYNOTES TO FINANCIAL STATEMENTS

## Note 6 – Operating Leases

The Company leases office and warehouse space from a related entity (see Note 9) under leases that expire through 2018. In accordance with accounting requirements, the Company recognizes rent expense on a straight-line basis. Deferred rent results from escalating rent clauses in office leases.

The minimum future rental commitment for the next five years and in aggregate is as follows:

<u>Year</u>	<u>Amount</u>
2010	\$ 395,518
2011	353,320
2012	365,589
2013	378,226
2014	391,242
Thereafter	<u>1,713,840</u>
Total	<u>\$3,597,735</u>

Total rental expense was \$567,246 and \$583,349 for the years ended December 31, 2009 and 2008, respectively.

## Note 7 – Employee Benefit Plans

The Company maintains a 401(k) savings plan covering substantially all nonunion employees that have completed the service requirement. For each plan year, the Board of Directors determines the amount of the discretionary matching contribution to be made to the Plan. The contribution for the years ended December 31, 2009 and 2008 was \$104,771 and \$172,515, respectively.

The Company contributes to employee benefit plans under collective bargaining agreements. Contributions to these plans were \$592,346 and \$819,377 in 2009 and 2008, respectively.

## Note 8 – State Taxes

Under the provisions of Subchapter S of the Internal Revenue Code, the Company does not pay federal corporate income taxes on its taxable income. In many states, small business corporations are subject to taxes generally determined by the income earned in that state. State taxes charged to operations totaled \$262,295 in 2009 and \$177,803 in 2008.

## Note 9 – Related Party Transactions

*Revenues Earned*

The Company has performed construction services at cost for real estate properties owned by the stockholder. Revenues earned from these entities totaled approximately \$2,075,525 and \$11,278,382 in 2009 and 2008, respectively. Total amounts due from these entities totaled \$10,553,324 and \$11,429,890 at December 31, 2009 and 2008, respectively.

NOVAK CONSTRUCTION COMPANYNOTES TO FINANCIAL STATEMENTS

## Note 9 – Related Party Transactions (Continued)

*Leased Property*

The Company leases office and warehouse space from a related entity under non-cancelable operating leases. The current leases' terms are due to expire in August 2018. Under the provisions of the leases, the Company will pay a monthly rental plus a pro-rata portion of the buildings utilities and a pro-rata portion of the real estate taxes on the office space.

Rent paid to the entity was \$534,449 and \$539,323 in 2009 and 2008, respectively. The total minimum future rental commitment for these properties at December 31, 2009 is approximately \$3,598,000. (See Note 6).

*Cross Collateralization*

The stockholder has pledged his personal assets as additional collateral for the Company's bank debt.

## Note 10 – Contingencies

The Company is a party to various legal actions arising from normal business activities. The actions include seeking additional revenue for additional costs incurred on jobs, defense of a preference action filed by a bankruptcy trustee, and defense of subcontractor claims.

Management believes that the ultimate loss, if any, resulting from the above legal actions will not materially affect the Company's financial position.

## Note 11 – Concentrations

*Cash and Temporary Cash Investments*

The Company's financial instruments that are exposed to concentrations of risk consist primarily of cash. The Company places its cash with a high-quality bank. Cash balances have usually been in excess of the FDIC insured limit. The Company has not experienced any losses in these accounts. Management believes the Company is not exposed to any significant credit risk on cash accounts.

*Credit Risk*

The Company constructs buildings throughout the United States, however most of its contracts have been for work in the Metropolitan Chicago area. The Company's customers have been major corporations primarily in the retail sales industry.

*Customers*

The proportion of contract revenues earned from major customers for the years ended December 31, 2009 and 2008 are as follows:

	<u>2009</u>	<u>2008</u>
Customer A	45%	34%
Customer B	11	9

## Harold R. Kivley

---

**From:** Alex Cipolla [ACipolla@NovakConstruction.com]  
**Sent:** Tuesday, September 07, 2010 1:19 PM  
**To:** Harold R. Kivley  
**Subject:** FW: Baxter & Woodman, Inc. Docs.  
**Attachments:** Novak Construction.pdf

Harold;  
Please find attached the AIA 305 form for you use.  
If you have any questions please call me.  
773 851 0157 cell  
773 278 1100 x362 office  
Thank you,  
Alex Cipolla

---

**From:** Stacey Jones  
**Sent:** Tuesday, September 07, 2010 1:12 PM  
**To:** Alex Cipolla  
**Subject:** Baxter & Woodman, Inc. Docs.

Stacey Jones | Marketing Director

**NOVAK CONSTRUCTION COMPANY**  
3423 N. Drake Avenue | Chicago, IL 60618

Project: Village of Park Forest - Marshall Fields Building Demolition

**COPY**

Date: 9/7/2012

Project No.: 571282.40

Contractor: Devak Construction

By: Harold R. Kusley

Individuals Contacted (include firm name and phone #)	Intrate Unwarranted C.O.'s (Yes/no)	Supervision (Rate Superint./PM) (1 to 5, 5 being best)	Coordinate Work Well w/ Contr, Subs, Payments to Subs/Suppliers (Yes/no)	Any Claims or Litigations (Timely?)	Complete Project on Time (Yes/no)	Workmanship Acceptable (Yes/no)	Pleased w/ Overall Performance (Yes/no)	Recommend for Similar Projects in the Future (Yes/no)	Comments:
Eve Savvakis Genodix Architect 312/456-0123	No	5	5	yes	no	no	no	yes	CVS Extra mark \$3,898,925
Harvey Wolinsky Wolco Foods Midwest Regional Office 773/755-1500 773-244-6700 (ext 1)									
Jerred Tucker 612/677-9131 Target Corporation	No	5	5	yes	yes	yes	yes	yes	Numerous Projects
Michael Markham 708-671-6446									Cracks High School \$3,007,000

8/10/12  
11/5/12

8-10-12  
7-15-12

8-10-12  
7-16-12

# SURETY REFERENCE CHECK

# COPY



From: (check one)

- |  |   |  |   |
|--|---|--|---|
| <input checked="" type="checkbox"/> Crystal Lake Office<br>8678 Ridgefield Road<br>Crystal Lake IL 60012-2797<br>Ph: (815) 459 1260<br>Fax: (815) 455 0450 | <input type="checkbox"/> Oak Forest Office<br>192nd & Street & 88th Avenue<br>Mokena, IL<br>Ph: (708) 560 7070<br>Fax: (708) 560 7556 | <input type="checkbox"/> Burlington Office<br>256 South Pine Street<br>Burlington WI 53105-1990<br>Ph: (262) 763 7834<br>Fax: (262) 763 2509 | <input type="checkbox"/> DeKalb Office<br>1788 Sycamore Road<br>DeKalb, IL 60115<br>Ph: (815) 787-3111<br>Fax: (815) 787-7240 |
|--|---|--|---|

PROJECT: Village of Park Forest - Marshall Fields Building Demolition DATE: 9/7/10  
 CONTRACTOR: Novak Construction BY: H.R.K.  
 SURETY: Allied North American Insurance Brokerage of IL FILE NO: 07128240  
 AGENT: Bill Reindinger Bond Agent PHONE NO: 312/252-3701  
312 381-2160

1. HAVE YOU SEEN THE BID TABULATION SHEET?  
(If not I read it to Surety)
2. HOW LONG KNOWN? <sup>Since</sup> 1997 worked continuously with Novak
3. WE ASSUME THEY DID A REFERENCE CHECK. ANY PROBLEMS? *Has had no problems.*
4. BONDING LIMITS:
  - a. AGGREGATE *No. limit @ this time*
  - b. SINGLE \$ *20,000,000 have bonded higher*
5. ANY PROBLEMS RELATED TO PAYMENTS TO SUPPLIER OR SUBS? *No - Best paying Customers! Never paid a claim.*
6. DO YOU (SURETY) STAND READY TO WRITE THE PERFORMANCE-PAYMENT BONDS?  
*Absolutely*
7. DO YOU ALSO HANDLE CONTRACTOR'S INSURANCE? *yes*

& Address: 200 E Randolph 10th Floor  
Chicago, 60601  
312 381-2160 (direct)

VILLAGE OF PARK FOREST, ILLINOIS  
MARSHALL FIELDS BUILDING DEMOLITION

**COPY**

PROJECT ENGINEER: Chuck Brunner P.E., Baxter & Woodman, Inc.

BID DATE/TIME: September 1, 2010 - 10:00 AM TABULATION OF BIDS

ENGINEERS' JOB NO: 071282.40

BIDDER	PROPOSAL GUARANTY	TOTAL AMOUNT OF PROPOSAL	REMARKS
Alpine Demolition Services LLC Batavia, IL 60510			
American Demolition Corp. Elgin, IL 60120	5%	1,194,800	COMMON WALL 345,000 DEMO 849,800
AMW Environmental Burr Ridge, IL 60526			
Bechstein Construction Tinley Park, IL 60477			
Brandenburg Chicago, IL 60608	5%	1,292,380	COMMON WALL 237,010 DEMO 1,055,370
Champion Environmental Service Gilberts, IL 60136	5%	647,500	COMMON WALL 100,200 DEMO 547,300
DMD Services Inc Northlake, IL 60164	5%	1,165,953	COMMON WALL 184,500 DEMO 981,453
Dore & Associates Contracting Bay City, MI 48706	5%	1,496,500	COMMON WALL 374,600 DEMO 1,121,900
Dynamic Wrecking South Holland, IL 60473			
Environmental Cleaning Corp. Markham, IL 60428			
Heneghan Wrecking Company Chicago, IL 60642			

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HEPA Inc Chicago, IL 60651				
Homrich Inc. Carleton, Michigan 48117				
KLF Excavating Markham, IL 60428				
McDonagh Demolition Inc. Chicago, IL 60642	5%	1,150,772	COMMON WALL 189,000 DEMO 961,772	
Midwest Service Group Schererville, IN 46375				
National Salvage & Service Corp. Bloomington, IN 47421				
National Wrecking Company Chicago, IL 60647	5%	1,387,300	COMMON WALL 250,000 DEMO 1,137,300	
NF Demolition Lemont, IL 60439				
Novak Construction Chicago, IL 60618	5%	1,024,000	COMMON WALL 171,000 DEMO 887,000	
Omega Demolition Corp. Elgin, IL 60120	5%	1,090,000	COMMON WALL 229,920 DEMO 860,080	
Shear Force Excavating Inc. Steger, IL 60475				
The Lombard Company Alsip, IL 60803				
The Luse Companies Aurora, IL 60504				
<b>Engineers Estimate: \$2,036,000</b>				

#2  
#3

## **AGENDA BRIEFING**

**DATE:** September 21, 2010

**TO:** Mayor John A. Ostenburg  
Board of Trustees

**FROM:** Hildy Kingma, Director of Economic Development & Planning

**SUBJECT:** A Resolution Supporting Intergovernmental Cooperation to further the Implementation of the 211<sup>th</sup> Street Metra Station Transit Oriented Development Plan

### **BACKGROUND/DISCUSSION:**

The Village has received a \$100,000 grant from the Illinois Department of Commerce and Economic Opportunity to conduct phase two studies related to the implementation of the 211<sup>th</sup> Street Metra Station Transit Oriented Development Plan (“the TOD Plan”). The grant award was announced at a joint meeting of the Villages of Park Forest, Matteson, and Olympia Fields that was held in May to discuss implementation of the TOD Plan. At that meeting, the Boards and Plan Commissions of the three Villages agreed that it was important to document the commitment to work together on the implementation of the TOD Plan.

To date, each Village has appointed members of a Steering Committee to guide the consultant study. The Steering Committee consists of a representative of the Board of Trustees, Plan Commission and Staff of each of the three Villages. The Regional Transportation Authority (RTA), which funded the original TOD Plan, has also appointed a Staff member to serve on the Steering Committee. On August 31 the Steering Committee had its first meeting and reviewed the attached Resolution Supporting Intergovernmental Cooperation. The Steering Committee members approved the wording in the Resolution and agreed to encourage their respective Boards to adopt it.

The Steering Committee has also approved a Request for Proposals (RFP) for the planning study and the RFP was issued on September 17. Proposals are due by October 29 and it is expected that the Park Forest Board of Trustees, as the grantee, will consider approval of a contract for this work no later than January 2011.

### **SCHEDULE FOR CONSIDERATION:**

This item will appear on the agenda of Rules and Regular Meetings of September 27, 2010 for discussion and consideration.

**RESOLUTION No. \_\_\_\_\_**

**A RESOLUTION SUPPORTING INTERGOVERNMENTAL  
COOPERATION TO FURTHER THE IMPLEMENTATION OF THE  
211<sup>TH</sup> STREET METRA STATION  
TRANSIT ORIENTED DEVELOPMENT PLAN**

WHEREAS, in 2005, the Villages of Park Forest, Matteson, and Olympia Fields received a grant from the Regional Transit Authority (RTA) for the purpose of performing a Transit Oriented Development Study (TOD) at the 211<sup>th</sup> Street Metra Station and the surrounding one-half mile area; and

WHEREAS, the 211<sup>th</sup> Street TOD Plan was completed in November 2007 and contains Short Term and Long Term Preferred Concept Plans for development and redevelopment of the Station Area along Lincoln Highway/US30 between Indiana Street in Park Forest/Olympia Fields and Main Street in Matteson/Olympia Fields; and

WHEREAS, Implementation Strategy #1 in the 211<sup>th</sup> Street TOD Plan recommends that the Villages should create and adopt an intergovernmental agreement stating the purposes of the Plan and the Villages' commitment to the implementation process; and

WHEREAS, Implementation Strategy #1 also recommends that each Village designate a Steering Committee representative(s) to serve as an on-going project champion; and

WHEREAS, the Village of Park Forest approved the 211<sup>th</sup> Street TOD Plan in January 2007 and in February 2009 formally adopted the Plan as an element of the Village's comprehensive plan; and

WHEREAS, the Villages of Park Forest, Olympia Fields, and Matteson believe that the development and redevelopment of the 211<sup>th</sup> Street TOD Area will promote economic development within the Villages, increase property values and sales tax revenues within the Villages, increase employment opportunities within the Villages, and improve transit and pedestrian access to the commuter rail station; and

WHEREAS, on May 19, 2010, the Boards of Trustees and Plan Commissions of the Villages of Park Forest, Matteson, and Olympia Fields met in a joint workshop to discuss the future implementation of the 211<sup>th</sup> Street TOD Plan and agreed that it was in the best interests of all three Villages to work cooperatively on this important endeavor; and

WHEREAS, this Resolution shall act as the Intergovernmental Agreement among the Villages of Park Forest, Matteson, and Olympia Fields stating their commitment to the implementation of the 211<sup>th</sup> Street Metra Station Transit Oriented Development Plan.

**NOW, THEREFORE, BE IT RESOLVED** by the Mayor and Board of Trustees of the Village of Park Forest, Cook and Will Counties, Illinois, in the exercise of the Village's home rule powers, as follows:

**SECTION 1.** The aforementioned recitals are a material part of this Resolution and are herein incorporated within this Section as if they were fully set forth herein.

**SECTION 2.** The Village of Park Forest herein sets forth its support for and commitment to the implementation of the 211<sup>th</sup> Street Metra Station Transit Oriented Development Plan and directs its Staff to continue its involvement in the planning and implementation process.

**SECTION 3.** The Village of Park Forest shall have representation on the 211<sup>th</sup> Street TOD Plan Steering Committee consisting of a member of the Board of Trustees, a member of the Plan Commission, and Staff from the Department of Economic Development and Planning.

**SECTION 4.** The Steering Committee members shall be directed to provide periodic reports on the status of the planning and implementation process for the 211<sup>th</sup> Street TOD Plan to the Village Board of Trustees and the Plan Commission, including recommendations for additional actions that the Village can take to further the planning and implementation process.

**SECTION 5.** This Resolution shall be in full force and effect immediately upon its passage and approval.

Passed this \_\_\_\_\_ day of \_\_\_\_\_, 2010.

**APPROVED:**

**ATTEST:**

\_\_\_\_\_  
MAYOR

\_\_\_\_\_  
VILLAGE CLERK

AGENDA  
REGULAR MEETING OF THE BOARD OF TRUSTEES  
PARK FOREST, IL

Village Hall 8:00 p.m. September 27, 2010

Roll Call

Pledge of Allegiance

Reports of Village Officers

Mayor  
Village Manager

Village Attorney  
Village Clerk

Reports of Commission Liaisons and Committee Chairpersons

Citizens Comments, Observations, Petitions

Motion: Approval of Consent

CONSENT:

1. Motion: A Motion to Approve the Minutes of the Rules Meeting of March 23, 2009; the Minutes of the Regular Meeting of March 23, 2009; the Minutes of the Saturday Rules meeting of September 11, 2010, the Minutes of the Regular Meeting of September 13, 2010
2. Resolution: A Resolution Authorizing a Sound Mitigation Home Improvement Program
3. Resolution: A Resolution Supporting Intergovernmental Cooperation to further the Implementation of the 211<sup>th</sup> Street Metra Station Transit Oriented Development Plan
4. Motion: Authorize the Manager to Execute an Engineering Services Agreement for the Demolition of the Marshall Field's Building
5. Motion: Authorize the Manger to Execute a Contract for the Demolition of the Marshall Field's Building

DEBATABLE:

Adjournment

NOTE: Copies of all agenda items are available in the Manager's Office

## MOTIONS

MOVED that the Consent Agenda and each item contained therein be hereby approved:

1. MOVED, that the Mayor and Board of Trustees approve the minutes of the Rules Meeting of March 23, 2009; the minutes of the Regular Meeting of March 23, 2009; the Minutes of the Saturday Rules meeting of September 11, 2010 and the Minutes of the Regular Meeting of September 13, 2010
2. MOVED, that the Mayor and Board of Trustees approve a Resolution Authorizing a Sound Mitigation Home Improvement Program
3. MOVED, that the Mayor and Board of Trustees approve a Resolution Supporting Intergovernmental Cooperation to further the Implementation of the 211<sup>th</sup> Street Metra Station Transit Oriented Development Plan
4. MOVED, that the Manager is authorized to Execute an Engineering Services Agreement for the Demolition of the Marshall Field's Building with Baxter and Woodman in an amount not to exceed \$75,000.
5. MOVED, that the Manager is authorized to execute a contract for the demolition of the Marshall Field's Building with Novak Construction in a lump sum bid of \$1,024,000 with a contingency of \$102,000 for a total amount not to exceed \$1,126,400; said expenditure is to be from Community Development Block Grant funds (\$887,000) and the construction of the Village Hall wall (\$137,000) is to be from Village TIF funds.

9/27/10

**VILLAGE OF PARK FOREST**

**Village Board Rules Committee Meeting  
Monday, March 23, 2009  
Village Hall 8:00 p.m.**

**MINUTES**

**IN ATTENDANCE:** Mayor John Ostenburg, Trustee Mae Brandon, Trustee Bonita Dillard, Trustee Gary Kopycinski, Trustee Kenneth Kramer, Trustee Robert McCray, Trustee Georgia O'Neill

**STAFF IN ATTENDANCE:** Village Manager Tom Mick, Deputy Village Manager/Finance Director Mary Dankowski; Village Attorney Frank Garrett, Deputy Police Chief Michael McNamara, Fire Chief Robert Wilcox, Director of Recreation and Parks John Joyce, Director of Public Health Christine Blue, Director of Community Development Lawrence Kerestes, Information Technology Coordinator Craig Kaufman, Director of Public Works Ken Eyer; Evelyn Sterling, Community Relations Coordinator

**RECORDER:** Village Clerk Sheila McGann

**OTHERS IN ATTENDANCE:** Ed Fischer, resident; Senior Commission Members Helen Peele, Linda and Gary Marron, Rainer and Evelyn Zawadzki, and Gwen Browder ; Mike Elliott, Commission on Human Relations

Meeting was called to order at 8:00 p.m. by Mayor Ostenburg. Roll was called by Clerk McGann.

Mayor Ostenburg introduced Senior Commission Chairperson Helen Peele who made the Commission's annual report to the Board which included accomplishments, goals, and objectives. She noted that the mission of the Senior Commission is to be a clearing house for senior services. Trustee McCray asked how the Board could assist in achieving their goals. Chairperson Peele said that new handicap accessible doors are needed in Village Hall. Trustee Dillard encouraged everyone to come to the Senior Fair because of the variety of things offered. Mayor Ostenburg complimented the Senior Commission on their presentation and hope that the Commission can look into the GPS signal equipped identification bracelets.

**1. An Ordinance Amending Ordinance No. 1895 Adopting the Annual Budget for the Year Commencing July 1, 2008 and Ending June 30, 2009**

Manager Mick introduced Deputy Manager Dankowski who stated the budget amendment is required to account for encumbrances budgeted and not spent. Those items have to be re-budgeted. She noted a number of amendments: other encumbrances applied to general funds (i.e. vehicle purchase); final cost to police department renovation funds

which were transferred from vehicle purchase account to capital project account; the lower level build out had remaining funds redirected for other Village Hall improvements, (ADA doors and security/cameras) and will be re-budgeted; Norwood incentive includes \$250,000 of the Village's money held by Chicago Title from the new owner of Norwood Plaza; the Marshall Fields demolition funds also will be re-budgeted. Any savings will remaining in fund balance and redirected at a later time.

Deputy Manager Dankowski discussed adjustments due to loss of revenue sources and over costs, i.e. real estate transfer tax, hospital transport, building permits, and salt costs. These expenses have been provided by the funds that the Village has kept in the three month reserve. The Library Board has included their targeted budget amendments also included in the ordinance.

Trustee Kopycinski stated that the Board has had prior meetings with extensive discussion regarding the budget which allows the Board to understand the budget when it comes before them. Manager Mick added that this is by design so there are no surprises to the Board. Items on the Monday night agenda have come to the Board's attention a few times. Mayor Ostenburg also added that all discussions are in public open meetings and open to all that are interested.

## **2. Purchase of an Aerial Lift Truck for Public Works**

Manager Mick asked Director Eyer to give some history on this item. Director Eyer noted that a truck was budgeted and re-budgeted until one was found that met his department's needs. The truck is versatile enough to allow for changing streetlights and trimming trees. The last truck lasted over fifteen years. He added that it has a diesel motor. Trustee Dillard asked for an explanation of getting a bid with the State of Illinois. Director Eyer said the chassis goes out to bid with the State of Illinois and Freightliner was the low bid. Working with the State saved approximately \$10,000. The body vendor works with the State and assembles the equipment with specifications. Trustee Brandon took a ride in the basket and was impressed with the equipment.

## **3. A Resolution Authorizing the Village to Execute the 2007-2008 Cook County Community Development Block Grant Sub-recipient Agreement with the County of Cook, Illinois Related to the Demolition of the Former Marshall Fields Building**

Mayor Ostenburg suggested that items three and four be discussed together. Manager Mick gave a history of the process of funding the demolition of the vacant building with grants from Cook County which include \$300,000 from 2007-08 and \$300,000 from 2008-09 and an additional implied agreement for 2009-10 totaling approximately \$930,000 to offset costs. The documents must be signed by Mayor and returned to the County. Manager Mick didn't know if there would be a problem with the start dates regarding the final \$300,000. Since this is a shovel ready project and already engineered, the money should be freed up and available.

Over the years, marketing the building has proved unsuccessful with upkeep on the building costly.

Trustee Kopycinski noted that this has been discussed for so many years and this allows us to come closer to the end of the project. Trustee Brandon added that the time has come to move forward since we have the funds to do so. Trustee O'Neill agreed that, while bittersweet, it has been a long time coming in spite of the efforts by staff. Mayor Ostenburg added that action is being taken because other options to utilize the building in other ways have not panned out. While it is not ecologically sound to demolish a building, he added, it is not fiscally sound to keep a building that isn't being used. The \$40,000 costs for upkeep could be used more wisely.

**4. A Resolution Authorizing the Village to Execute the 2008-2009 Cook County Community Development Block Grant Sub-recipient Agreement with the County of Cook, Illinois Related to the Demolition of the Former Marshall Fields Building**

**5. A Resolution Adopting Fiscal Policies for the 2009/2010 Fiscal Year Budget**

Manager Mick asked Deputy Manager Dankowski to go through this resolution. She explained that policy acts as a guide to staff on their department's budget. The guidelines for this year include the following:

- 1) A 0% increase in Department Expenditures.
- 2) Salary increases are limited to a 4% increase for union personnel and salary grades below grade 12, a 2% increase for salary grades 12 through 16, a 1% increase for grades 17 and above, excluding the Manager who will receive a 0% increase.
- 3) Water rates increase from \$8.32 per 1,000 gallons to \$8.65 per 1,000 gallons.
- 4) Sewer rates will be increased from \$2.35 per 1,000 gallons to \$2.60 per 1,000 gallons based on a previously approved ordinance amendment.
- 5) Refuse rates will remain at \$17.92 for all of calendar 2009 changing to \$18.38 January 1, 2010.

Deputy Manager Dankowski also addressed economic trends that have affected the Village's revenues and expenses. She went through the nineteen points of the fiscal policy which are available on the Village's website.

Mayor Ostenburg wanted to publicly acknowledge that the manager has asked a number of the administrative staff to take a lower pay increase and they have agreed. As manager, he will take a 0% increase. Trustee Brandon noted that this budget is a working document and will be followed. She said the 4% salary increase goes to union personnel, not salaried. Trustee Kopycinski noted that while this is a conservative approach, he

wonders what increases there will be next year. Manager Mick said that this conservative approach is what the Village does and is a routine occurrence for the finance department. Trustee Dillard noted that other communities are in trouble because they did not have a conservative approach to their budget.

Mayor Ostenburg said that future legislation may impact our contributions to the fire and police pensions and wondered what contingencies are in place. Deputy Manager Dankowski said that the funds are actuarially evaluated annually in September which will affect the October tax levy discussion. The legislative impact and investment returns will also impact funding. Everything will be evaluated on June 30. She added that there is \$8 million in the Fire Pension Fund and \$16 million in the Police Pension Fund which will be used if there is a legislative change on July 1.

**Mayor's Comments**

Mayor Ostenburg suggested the remaining comments on the Rules Meeting Agenda be made during tonight's Regular Meeting. There was no objection.

**Manager's Comments**

None

**Trustee's Comments**

None

**Attorney's Comments**

None

**Audience to Visitors**

None

**Adjournment**

This concluded the rules committee Board meeting.

Mayor Ostenburg called for a motion to adjourn. Motion was made by Trustee Kramer, seconded by Trustee Brandon, and a roll call vote was taken with the following results:

Ayes: 7

Nays: 0

Absent: 0

The motion was adopted with seven (7) ayes, no (0) nays and no (0) absent.

Mayor Ostenburg adjourned the rules meeting at 9:03 p.m.

Respectfully submitted,  
Sheila McGann  
Village Clerk

# VILLAGE OF PARK FOREST

## Village Board Regular Meeting

Monday, March 23, 2009

Village Hall 8:00 p.m.

### MINUTES

**IN ATTENDANCE:** Mayor John Ostenburg, Trustee Mae Brandon, Trustee Bonita Dillard, Trustee Gary Kopycinski, Trustee Kenneth Kramer, Trustee Robert McCray, Trustee Georgia O'Neill

**STAFF IN ATTENDANCE:** Village Manager Tom Mick, Deputy Village Manager/Finance Director Mary Dankowski; Village Attorney Frank Garrett, Deputy Police Chief Michael McNamara, Fire Chief Robert Wilcox, Director of Recreation and Parks John Joyce, Director of Public Health Christine Blue, Director of Community Development Lawrence Kerestes, Information Technology Coordinator Craig Kaufman, Director of Public Works Ken Eyer

**RECORDER:** Village Clerk Sheila McGann

**OTHERS IN ATTENDANCE:** Ed Fischer, resident; Mike Elliott resident

Meeting was called to order at 9:03 p.m. by Mayor Ostenburg. Roll was called by Clerk McGann. Mayor Ostenburg led the Board and the audience in the pledge of allegiance.

#### Reports of Village Officers

##### **Mayor**

Mayor Ostenburg reported that a rumor has come to his attention that the Village has paid \$40,000 to a Washington lobbyist on behalf of the Abraham Lincoln National Airport Commission (ALNAC). He stated that the rumor is false and the Village has never engaged a lobbyist to work on behalf of ALNAC. In the past, the Village did participate with several other communities to promote and market the Abraham Lincoln National Airport as a major economic development tool and to improve its approval at the state level. At that time, it was publicly discussed at meetings and the funds used were funds budgeted for marketing economic development.

Mayor Ostenburg added that the Village currently is engaged in a joint lobbying effort with Olympia Fields, Matteson, Richton Park, and the SouthCom Dispatch Center which has obtained federal funds for projects in our communities. This year, the Village will be receiving about \$75,000 in federal funds to be used for radio replacements allowing the budgeted funds to be used for public safety in other areas. Mayor Ostenburg reported that Olympia Fields, Richton Park, Matteson, and Park Forest will receive a grant to be used to research unofficial red lining in the south suburban community. The Village is looking to receive federal funding, stimulus funds, and other grants to be used in a variety of areas including sewer replacement and development of the 211 Street Station. Mayor Ostenburg noted that his recent trip to Washington included a number of meetings with Obama administration representatives who showed interest in city issues and needs. He

added that new funds for city green projects will create news jobs and generate more capital.

**Village Manager**

Manager Mick stated that vehicle stickers are available and must be displayed by May 1. The Park Forest Historical Society named this year's recipients that include Trustee Gary Kopycinski, Myrtle Martin, Marty O'Neill, and John Ray. Manager Mick noted that the tentative dates for the budget meetings in May will be the 7, 11, 12, 27, and 28 (if needed).

**Village Attorney**

No report

**Village Clerk**

Clerk McGann gave voting information regarding the upcoming election.

**Reports of Commission Liaisons and Committee Chairpersons**

Trustee O'Neill said the Economic Development Advisory Group (EDAG) will meet April 2. She also congratulated Recreation and Parks Department on the new Park Forest Dog Park. Director John Joyce noted that over one hundred names had been submitted for the new park.

**Citizens Comments, Observations, Petitions**

Resident Mike Elliott, Commission on Human Relations Commissioner, stated that April is Sexual Violence Awareness month. He invited everyone to a speaker/discussion program to be held at the Park Forest Library in April

**Consent Agenda**

Mayor Ostenburg called for a motion to approve the consent agenda. The consent agenda included the following items:

- 1. Approve the Minutes of the Rules Meeting of September 2, 2008; the Minutes of the Strategic Planning Session of February 21, 2009; the Minutes of the Saturday Rules Meeting of March 7, 2009**
- 2. Approve a Resolution Granting Permission for CVS Pharmacy to Install a Temporary Garden Tent from April 21, 2009 through July 3, 2009**
- 3. Adopt a Resolution Authorizing the Village to Execute the 2007-2008 Cook County Community Development Block Grant Sub-recipient Agreement with the County of Cook, Illinois Related to the Demolition of the Former Marshall Fields Building**
- 4. Adopt A Resolution Authorizing the Village to Execute the 2008-2009 Cook County Community Development Block Grant Sub-recipient Agreement with the County of Cook, Illinois Related to the Demolition of the Former Marshall Fields Building**

**5. Adopt a Resolution setting fiscal policies for the 2009/2010 fiscal year budget.**

**6. Approve the purchase an aerial lift truck from Truck Centers, Inc., of Troy, Michigan in the amount of \$179,946.**

Approval of the consent agenda was moved by Trustee Kramer and seconded by Trustee Dillard. Mayor Ostenburg asked if there any items that anyone wished removed from the consent agenda for further discussion. On a roll call vote called by Clerk McGann, the consent agenda was approved with the following results:

Ayes: 7

Nays: 0

Absent: 0

The ordinance was adopted with seven (7) ayes, no (0) nays and no (0) absent.

### **Debatable Agenda**

Mayor Ostenburg called for the items on the debatable agenda.

**7. An Ordinance Amending Ordinance No. 1895 Adopting the Annual Budget for the Year Commencing July 1, 2008 and Ending June 30, 2009 (Final Reading)**

Mayor Ostenburg called for a motion to adopt the ordinance on final reading. Motion to adopt was made by Trustee Kramer and seconded by Trustee Brandon. Mayor Ostenburg asked if there was any other discussion. Hearing none, Mayor Ostenburg asked for a roll call vote by Clerk McGann. The ordinance was approved with the following results:

Ayes: 7

Nays: 0

Absent: 0

The ordinance was approved with seven (7) ayes, no (0) nays and no (0) absent.

### **Adjournment**

This concluded the regular Board meeting.

Mayor Ostenburg called for a motion to adjourn to executive session. Motion was made by Trustee Kramer, seconded by Trustee Dillard, and a voice vote was taken with the following results:

Ayes: 7

Nays: 0

Absent: 0

The motion was adopted with seven (7) ayes, no (0) nays and no (0) absent.

Mayor Ostenburg adjourned the regular meeting at 9:32 p.m.

Respectfully submitted,  
Sheila McGann  
Village Clerk

**VILLAGE OF PARK FOREST  
BOARD OF TRUSTEES  
SATURDAY RULES MEETING  
SEPTEMBER 11, 2010**

**PRESENT:** Mayor John Ostenburg and Village Trustees Mae Brandon, Bonita Dillard, Ken Kramer, Gary Kopycinski, Georgia O'Neill; Village Manager Tom Mick

**ALSO PRESENT:** Rosemary Piser from the Park Forest Environment Commission, Tony Mielcarz, Kim Elmore-Perkins and Shirley Alvarado Board members from Twin Arbor Condominium Association

**ABSENT:** Village Trustee Robert McCray

**CALL TO ORDER**

Mayor Ostenburg called the meeting to order at 10:06 a.m.

**OPEN DISCUSSION**

Rosemary Piser from the Park Forest Environment Commission was present to invite the Board to the screening of the movie "A Chemical Reaction" on October 2 at 1:00 p.m. There will also be a panel discussion. There was a discussion pertaining to landscaping and the use of chemicals. There are numerous issues that would need to be analyzed before any Board action can take place. Mayor Ostenburg noted the Board will need a recommendation from the Environment Commission and further analysis by staff for costs involved.

Kim Elmore-Perkins was present to inform the Board of numerous issues. The gravel put in place on repaired water valves are not staying in place; there is the potential for damage to the exposed valves. There is an issue with B-boxes; the Village will not shut off the water if the valve is broken. She requested timely repair as this situation increases the potential for damage to the unit especially going into the winter season. Ms. Perkins also had issue with the timing of late notices for water bills specifically because she received a late notice even though she had paid her bill on time. There was discussion regarding two foreclosed units that had accumulated large water balances; Twin Arbor Condominium Association was required to pay the outstanding balances in order to get the water turned back on. Ms. Perkins was concerned as to why the balances had been allowed to get so large. Mayor Ostenburg requested addresses, for the units having a B-box issue, be forwarded to his attention so that he can inform public works. Likewise, timing of the late notices will be examined. The Board is aware of and will continue to look at the situation with delinquent water accounts. Notice of street sweeping was discussed; Ms. Perkins was informed Twin Arbor Condominium Association is not required by the Village to contact the Association homeowners. Lastly, Ms. Perkins informed the Board the situation with potholes on Hemlock needs to be addressed; she requested the Department of Public Works inspect the street to assess whether repairs should be made. Ms. Perkins had positive remarks about the Police department; she stated the police respond in a timely manner and are cooperative.

Tony Mielcarz of 330 Waldman was present to inform the Board about a sign that is down near the dog park. He also wanted to thank Village Manager Mick for the quick response to the issue of noise from CN and to notify the Board there is a hole in the ground at the corner of Orchard and Indianwood that is getting bigger and deeper.

Due to a tour of the Central Park Apartments, previously scheduled, Mayor Ostenburg moved to adjourn the meeting at 11:25 a.m. The motion was seconded by Trustee Kopycinski; all in favor.

Respectfully submitted,

Sandra Salmen, Recorder

**VILLAGE OF PARK FOREST**

**Village Board Regular Meeting  
Monday, September 13, 2010  
Village Hall 8:00 p.m.**

**MINUTES**

**IN ATTENDANCE:** Mayor John Ostenburg, Trustee Mae Brandon, Trustee Bonita Dillard, Trustee Gary Kopycinski, Trustee Kenneth Kramer, Trustee Robert McCray, Trustee Georgia O'Neill

**STAFF IN ATTENDANCE:** Village Manager Tom Mick, Police Chief Tom Fleming, Fire Chief Robert Wilcox, Village Attorney Paul Stephanides, Assistant to Village Manager Denyse Carreras, Director of Recreation and Parks John Joyce, Director of Public Health Jenise Ervin, Director of Economic Development and Planning Hildy Kingma, Director of Community Development Lawrence Kerestes, Director of Public Works Ken Eyer, Director of Public Relations Jason Miller

**RECORDER:** Village Clerk Sheila McGann

**OTHERS IN ATTENDANCE:** Nikki Arseneau, SouthtownStar; Mike Brown, Commission on Human Relations; Jesse Martinez and family; and Derrill Miller, Jr. and family, Good Egg Award Recipients; Katie Armstrong, resident

Meeting was called to order at 8:00 p.m. by Mayor Ostenburg. Roll was called by Clerk McGann. Mayor Ostenburg led the Board and the audience in the pledge of allegiance.

**Reports of Village Officers**

**Mayor**

Mayor Ostenburg asked Mike Brown, Commission on Human Relations, to present the 2010 Good Egg Award to the two recipients, Derrill Miller, Jr. and Jesse Martinez. Mayor Ostenburg thanked staff and the Commission for the presentation.

Mayor Ostenburg read two proclamations, both relating to energy conservation. The first proclaimed September Car-free Month with September 22 as Park Forest Car-free Day encouraging each resident to reduce their carbon footprint by not driving that day. The second proclaimed October 6 International Walk to School Day and in Park Forest promoting safety of pedestrians and increasing physical activity for all.

Mayor Ostenburg said that he and the Trustees toured the Central Park Apartments last Saturday and saw the number of improvements made by Kenzie Developments. They were impressed with the changes. The funds they have invested will make the property more marketable.

**Village Manager**

Manager Mick reported that the 55<sup>th</sup> Annual Art Fair sponsored by Tall Grass Arts Association will be held on September 18 and 19 in downtown Park Forest. The 59<sup>th</sup>

Annual Pancake Day sponsored by the Kiwanis Club will be held September 25. More information is available on the Village's website.

**Village Attorney**

No report

**Village Clerk**

No report.

**Reports of Commission Liaisons and Committee Chairpersons**

Trustee O'Neill congratulated the Good Egg Award Recipients. She noted that the Commission on Human Relations is acknowledging those of good character.

Trustee Brandon offered congratulations to the Good Egg Award recipients. She said that a number of years ago, Mr. Miller came to a Diversity Dinner that she hosted and was glad that he is continuing to be involved in the community. Trustee Brandon noted that the Environment Commission is putting together an ordinance banning pesticides on Village owned property. She also noted that the Environment Commission, GSU, and Thorn Creek Audubon Social are co-sponsoring a screening of *A Chemical Reaction. The Story of a True Green Revolution* on October 2 at GSU. There will be a panel discussion after the film.

Trustee Dillard said that the Park Forest Housing Authority reports that one hundred forty families with vouchers are living in Park Forest. Seven families with Park Forest vouchers are living elsewhere. She added that the first ten on the waitlist have been processed with four eligible; the others are being screened due to past criminal activity. Mayor Ostenburg noted that the Board established a housing authority years ago to oversee the vouchers. He also said that vouchers issued by other authorities must be honored by our housing authority.

Trustee Kopycinski commended the Commission on Human Relations and the two Good Egg Award recipients. He was moved to see the family members at the ceremony supporting the award winners. He also commented on the Saturday tour of the Central Park Apartments. He was impressed by the professionalism of the owner and staff and the security and quality of their facilities.

**Citizens Comments, Observations, Petitions**

Katie Armstrong commented on the Village's plan to demolish the former Marshall Fields Building. She said that consultants' reports were never openly discussed and most recently the building was considered for the District 162 Charter School.

Mayor Ostenburg stated that some elements of Ms. Armstrong comments were inaccurate. He noted that all of the studies said that the cost of the making the conversions would be cost prohibitive. He added that the Village over the years has marketed the property to be used for a variety of purposes including education and housing. When the Village decided to demolish the building, they applied for various grants, saving tax dollars used to maintain the building. He added that this topic has been discussed for many years with considerable public input.

## **Consent Agenda**

Mayor Ostenburg called for a motion to approve the consent agenda. The consent agenda included the following items:

MOVED, that the Mayor and Board of Trustees approve the minutes of the Saturday Rules Meeting of August 7, 2010; the Minutes of the Rules Meeting of August 9, 2010 and the Minutes of the Regular Meeting of August 16, 2010

MOVED, that the Mayor and Board of Trustees adopt a Resolution Revising the Rules of Order and Procedure of the Mayor and Board of Trustees

MOVED, that the Mayor and Board of Trustees adopt a Resolution Approving a Village of Park Forest Application for Illinois Municipal Assistance Program Services; and authorize the expenditure of an amount not to exceed \$5,000 for the review and analysis.

MOVED, that the Manager be Authorize to Execute an Engineering Services Agreement Amendment #2 with Baxter and Woodman for Water Main Replacement

MOVED, that the Manager be Authorize to Execute a Contract for Water System Improvements with Trine Construction Corp., West Chicago, Illinois at a cost of \$2,825,096.50; contingent upon the Village receiving the award of the low interest loan from the IEPA Loan Program.

MOVED, that the Manager be Authorize to Execute an Engineering Services Agreement with Baxter and Woodman for Sanitary Sewer Rehabilitation Amendment #1 in an amount not to exceed \$69,000.

MOVED, that the Manager be Authorize to Execute a Contract for Sanitary Sewer Rehabilitation with American Pipe Liners, West Chicago, Illinois at a cost of \$538,988.00; contingent upon the Village receiving the award of the low interest loan from the IEPA Loan Program.

A Motion to Authorize the Manager to Execute an Engineering Services Agreement Amendment #1 with Baxter and Woodman for Excess Flow Treatment Facility Rehabilitation in an amount not to exceed \$62,000.00.

MOVED, that the Manager be Authorize to Execute to Contract for Excess Flow Treatment Facility with Concord Construction Services, Inc., Lake Zurich, Illinois at a cost of \$514,100.00; contingent upon the Village receiving the award of the low interest loan from the IEPA Loan Program.

Mayor Ostenburg asked if there any items that anyone wished removed from the consent agenda for further discussion. On a roll call vote called by Clerk McGann, the consent agenda was approved with the following results:

Ayes: 7  
Nays: 0  
Absent: 0

The consent agenda was approved with seven (7) ayes, no (0) nays and no (0) absent.

**Debatable Agenda**

Mayor Ostenburg noted that there were no items on the debatable agenda.

**Adjournment**

This concluded the regular Board meeting.

Mayor Ostenburg called for a motion to adjourn to executive session to discuss an ongoing criminal investigation. Motion was made by Trustee Kramer, seconded by Trustee Brandon, and a voice vote was taken with the following results:

Ayes: 7  
Nays: 0  
Absent: 0

The motion was adopted with seven (7) ayes, no (0) nays and no (0) absent.

Mayor Ostenburg adjourned the regular meeting at 8:32 p.m.

Respectfully submitted,  
Sheila McGann  
Village Clerk