

Monday, February 4, 2013 7:00 p.m.

A G E N D A

1. CALL TO ORDER

2. ROLL CALL: Village President Suzanne Branding, Trustee Jeff Halen, Trustee Terry Mastandrea, Trustee Tom Poynton, Trustee Dana Rzeznik, Trustee Jonathan Sprawka, and Trustee Rich Sustich

3. PLEDGE OF ALLEGIANCE

4. PUBLIC COMMENT

(This is an opportunity for residents to comment briefly on matters included on the agenda and otherwise of interest to the Board of Trustees.)

5. PRESIDENT'S REPORT

(This is an opportunity for the Village President to report on matters of interest to the Village.)

A. Community Update

6. CONSENT AGENDA

(These titles will be read by the Village Clerk and approved by a single Roll Call Vote. Any item may be pulled from the Consent Agenda for discussion by any member of the Board)

A. Minutes of the Village Board Meeting, January 21, 2013

B. Bond Reduction for Zurich Meadows

Summary: The Engineering staff has reviewed the submitted bond reduction request and has inspected and approved the completed site improvements. Based on the aforementioned analysis, the Engineering Department concurs with the request and recommends that Bond #105517108, in the amount of \$864,160.00, be reduced to \$86,416.00.

C. Final Acceptance of Meadow Wood Subdivision Public Improvements

Summary: The Engineering staff has reviewed the request from Pulte Homes for final acceptance of the public improvements and finds the improvements acceptable. The Engineering Department concurs with the request and recommends that Bond #5039298, in the amount of \$268,874.34 be returned. This reduction will conclude the two-year maintenance guaranty period.

D. Approval of Organizational Changes and Position Eliminations

Summary: Staff is recommending organizational and structural changes that are reflective of the Board's goal to increase operational efficiency and reduce operational expenditures. The following positions will be reclassified: Assistant Finance Director (Grade 12) to Accounting Supervisor (Grade 10); Executive Assistant (Grade 8) to Management Analyst (Grade 8); Parks Director (Grade 17) to Recreation Manager (Grade 13); and Planning Manager (Grade 12) to Village Planner (Grade 8). The following positions will be eliminated: Network Administrator and MIS Assistant. The total budgetary impact of all changes is an approximate annual cost savings of \$115,000.

Recommended Action: Motion to approve the Consent Agenda as presented. (Roll Call Vote)

7. OLD BUSINESS

(This agenda item includes matters for action by the Board of Trustees.)

No old business at this time.

8. NEW BUSINESS

(This agenda item includes matters coming to the Board of Trustees for discussion and possible action.)

A. Ordinances Approving a Zoning Code Text Amendment and Special Use Permit for 715-717 Rose Road (The Fine Canine) (Trustee Mastandrea)

Summary: Monica Bedrosian is the business owner for the proposed dog training business at 717 Rose Road. The Applicant filed an application with the Village of Lake Zurich seeking the following approvals: (i) Zoning Code text amendment to permit SIC #0752 – Animal Specialty Services, Except Veterinary in the industrial zoning districts. (ii) Special use permit to allow Animal Specialty Services, Except Veterinary on the Subject Property. The Lake Zurich Plan Commission conducted a public hearing on January 23, 2013, and unanimously recommended that the Board of Trustees approve the Application, subject to the conditions stated in the approval ordinance.

Recommended Action: Motion to approve “An Ordinance Approving a Zoning Code Text Amendment to Add New Special Use for Animal Specialty Services and Facilities” and An Ordinance Approving and Granting Special Use Permit for 715-717 Rose Road (The Fine Canine)” (Roll Call Vote) Assign ORD. #2013-02-879 & #2013-02-880.

B. Courtesy Review for the proposed Craft Distillery at 532 W. IL Route 22 (Trustee Mastandrea)

Summary: Jose L. Hernandez, the Applicant for proposed Copper Fiddle Distillery at 532 W. Il Route 22, requested a courtesy review with the Village of Lake Zurich seeking referral to the Plan Commission for the following approvals: (i) Zoning Code text amendment and (ii) Special use permit.

C. Ordinance Granting Zoning Variation for Linden Subdivision Lots 4, 5, and 6 (Trustee Mastandrea)

Summary: Michael and Kimberly Schroeder are the applicants and owners of the vacant property of Lots 4, 5 and 6 in the Linden Subdivision. The Applicants filed an application with the Village of Lake Zurich seeking the following zoning code variations: (i) reduction of required corner side yard along Honey Lake Road for Lot 4 from 30 feet to 20 feet; (ii) allowance for driveway encroachment on conservancy soils on Lots 5 and 6. The Lake Zurich ZBA conducted a public hearing on January 17, 2013, and unanimously recommended that the Board of Trustees approve both applications for relief with the following condition; the Application for reduction of corner side yard requirements on Lot 4 reduce the side yard setback from 30 feet to 25 feet and not to 20 feet as requested.

Recommended Action: Motion to approve "An Ordinance Granting Variations for Lots 4, 5 and 6 Linden Subdivision." (Roll Call Vote) Assign ORD. #2013-02-881.

D. Ordinance Approving Water Rate Increase for 2013 and 2014 (Trustee Rzeznik)

Summary: Following discussion of the need for water and sewer rate increases from the January 7, 2013 board meeting, staff has prepared an ordinance to increase water and sewer rates on May 1, 2013 and May 1, 2014. These increases will result in total rate increases for combined water and sewer service of 7.4% for the increase in 2013 and 8.0% for the increase in 2014. The increases are necessary to fund the operations of the water and sewer service and more significantly, critical repairs and maintenance of the aging infrastructure as identified in the 2013 Capital Improvement Plan.

Recommended Action: Motion to approve "An Ordinance Amending the Lake Zurich Municipal Code Related to Water and Sewer Rates" (Roll Call Vote) Assign ORD. 2013-02-882.

E. Toshiba Business Systems Copier Lease Agreement (Trustee Rzeznik)

Summary: Staff published an RFP document for multi-function copiers and received 11 responses. An analysis of the materials and discussion with various vendors as well as a check of references determined that Toshiba Business Systems offered a 5-year lease for 11 copiers for \$1,265.25 per month, a 50% savings over the previous lease.

Recommended Action: Motion to approve a Resolution authorizing the Village to enter a lease and maintenance agreement with Toshiba Business Systems. (Roll Call Vote) Assign RES. #2013-02-08A.

F. Agreement to Provide Police Dispatch Services to the Village of Island Lake (Trustee Sustich)

Summary: The Village of Island Lake was exploring the possibility of outsourcing their dispatch services. In an analysis of the Island Lake Police Department's activity, it was determined that the Lake Zurich PSAP could accommodate the

increased activity without the need for expansion of facilities or hiring additional staff.

Recommended Action: Motion to approve the agreement with the Village of Island Lake to provide Police Dispatch Services. (Roll Call Vote)

- G. Semi-Monthly Warrant Register Dated February 4, 2013, Totaling \$436,579.74**
(Trustee Rzeznik)

Recommended Action: Motion to approve the semi-monthly warrant register dated February 4, 2013, totaling \$436,579.74 (Roll Call Vote)

9. TRUSTEE REPORTS

(This is an opportunity for Trustees to report on matters of interest to the Board of Trustees.)

10. VILLAGE MANAGER'S REPORT

(This is an opportunity for the Village Manager to report on matters of interest to the Board of Trustees.)

- A.** Bi-weekly Departmental reports as of January 25, 2013

11. ATTORNEY'S REPORT

(This is an opportunity for the Village Attorney to report on legal matters of interest to the Board of Trustees.)

12. DEPARTMENT HEAD REPORTS

(This is an opportunity for department heads to report on matters of interest to the Board of Trustees.)

- A.** Fire Chief : Earthquake Preparedness

- B.** Building and Zoning Director: 4th Quarter Vacancy Report

13. EXECUTIVE SESSION (5 ILCS 120/2(c)(1)), (5 ILCS 120/2(c)(11)), and (5 ILCS 120/2(c)(21)) to discuss personnel and litigation, and approval of Executive Session minutes.

- A.** Executive Session Minutes, December 3, 2012

- B.** Executive Session Minutes, December 17, 2012

14. ADJOURNMENT

Attachments:

1. Tree Commission Meeting minutes, January 8, 2013.
2. Foreign Fire Insurance Board agenda, January 23, 2013.
3. Tree Commission Meeting agenda, February 5, 2013.
4. Zoning Board of Appeals Canceled meeting, February 21, 2013.
5. Calendar for February, 2013.

The Village of Lake Zurich is subject to the requirements of the Americans with Disabilities Act of 1990. Individuals with disabilities who plan to attend this meeting and who require certain accommodations so that they can observe and participate in this meeting, or who have questions regarding the accessibility of the meeting or the Village's facilities, should contact the Village's ADA Coordinator at 847.438.5141 (TDD 847.438.2349) promptly to allow the Village to make reasonable accommodations for those individuals.

**UNAPPROVED
VILLAGE OF LAKE ZURICH BOARD OF TRUSTEES
REGULAR MEETING
Board of Trustees
70 East Main Street**

Monday, January 21, 2013, 7:00 p.m.

1. **CALL TO ORDER** by Village President Suzanne Branding at 7.00pm.
2. **ROLL CALL:** Village President Suzanne Branding, Trustee Jeff Halen, Trustee Tom Poynton, Trustee Jonathan Sprawka, and Trustee Rich Sustich. Trustee Terry Mastandrea and Trustee Dana Rzeznik were absent and excused. Also present: Village Manager Jason Slowinski, Asst. Village Manager Roy Witherow, Village Attorney Scott Uhler, Building/Zoning Dir. Dan Peterson, I/T Dir. Michael Duebner, Public Works General Services Superintendent Mike Brown, Police Chief Pat Finlon, Fire Chief Dave Wheelock and Interim Park and Rec. Dir. Kathy Katz.
3. **PLEDGE OF ALLEGIANCE**
4. **PUBLIC COMMENT**
There were none.
5. **PRESIDENT'S REPORT**
 - A. Proclamation honoring Dr. Martin Luther King, Jr. Day of Service
 - B. Community Update. IDOT has a new app. for smart phones and the website is available on the Village of Lake Zurich's website.
6. **CONSENT AGENDA**
 - A. Minutes of the Village Board Meeting, January 7, 2013
 - B. Bid Award for HVAC System at 70 E. Main St.
Summary: The HVAC System at the Village Hall (Lower Levels-1st Floor and Basement) 70 East Main Street is over 20 years old and antiquated. It does not conform to the current energy code and does not meet today's Illinois Energy Code. On December 20th, Public Works Department went out to bid to removal and replace the Heating and Air Conditioning units at 70 East Main Street. The low responsible bidder was 1 Source Mechanical, Inc., 700 North Peach Road in Dekalb, Illinois in the amount of \$19,925.00. The low bid is about \$25,075 under the anticipated budget. Staff recommends the Board award the HVAC Replacement and disposal of the old equipment to 1 Source Mechanical, Inc. in the amount of \$19,925.00.
Recommended Action: Motion made by President Branding, seconded by Trustee Sustich, to approve the Consent Agenda as presented.
AYES: 4 Trustees Halen, Poynton, Sprawka, Sustich.
NAYS: 0
ABSENT: 2 Trustees Mastandrea, Rzeznik.
MOTION CARRIED.
7. **OLD BUSINESS**
 - A. No old business to discuss at this time.

8. NEW BUSINESS

- A. Semi-Monthly Warrant Register Dated January 21, 2013, Totaling \$664,756.70 (Trustee Sustich)**

Recommended Action: Motion made by Trustee Sustich, seconded by Trustee Poynton, to approve the semi-monthly warrant register dated January 21, 2013, totaling \$664,756.70.

AYES: 4 Trustees Halen, Poynton, Sprawka, Sustich.

NAYS: 0

ABSENT: 2 Trustees Mastandrea, Rzeznik.

MOTION CARRIED.

- B. Courtesy Review of Zoning Application for the Fine Canine at 717 Rose Road. (Trustee Sprawka)**

Summary: Monica Bedrosian is the business owner for the proposed dog training business at 717 Rose Road. The Applicant filed an application with the Village of Lake Zurich seeking the following approvals: (i) Zoning Code text amendment to permit SIC #0752 - Animal Specialty Services, Except Veterinary in the industrial zoning districts. (ii) Special use permit to allow Animal Specialty Services, Except Veterinary on the Subject Property. This application for a Zoning Code text amendment merits a hearing and consideration by the Lake Zurich Plan Commission.

Building/Zoning Dir. Dan Peterson stated the application merits a hearing and introduced Ms. Bedrosian who was in attendance. The Board agreed to move this application to the Plan Commission.

- C. Courtesy Review of the proposed Planed Unit Development (PUD) at 440 South Rand Road**

Summary: Greg Van Landingham, the contract purchaser of the property commonly known as 440 South Rand Road, requested for a courtesy review with the Village of Lake Zurich seeking referral to the Plan Commission for the following approvals: (i) Planned Unit Development (PUD) for a 12,600-square-foot retail building, and (ii) Special use permit to allow a drive-through facility. This courtesy review request merits a hearing and consideration by the Lake Zurich Plan Commission.

This request was withdrawn by the petitioner.

9. TRUSTEE REPORTS

There were none.

10. VILLAGE MANAGER'S REPORT

- A.** Bi-weekly Departmental reports as of January 11, 2013
B. Financial Report for Month of November, 2012

11. ATTORNEY'S REPORT

There was none.

12. DEPARTMENT HEAD REPORTS

- A.** No matters to discuss at this time.

13. ADJOURNMENT

Motion to adjourn made by Trustee Poynton, seconded by Trustee Sprawka.

AYES: 4 Trustees Halen, Poynton, Sprawka, Sustich.

NAYS: 0

ABSENT: 2 Trustees Mastandrea, Rzeznik.

MOTION CARRIED.

Meeting adjourned at 7.11pm.

Respectfully submitted: Kathleen Johnson, Village Clerk.

Approved by:

Suzanne K. Branding

Date

70 E. Main Street
Lake Zurich, IL 60047



Phone: (847)438-5141
Fax: (847) 540-1768
Web: www.volz.org

MEMORANDUM

Date: January 22, 2013
To: Jason Slowinski, Village Manager
From: Kurt J. Kaszuba, Engineering
Subject: Agenda item for Village Board Meeting on February 4, 2013

Issue: Bond reduction for the Zurich Meadows Sr. Housing.

Analysis: The Engineering staff has reviewed the bond reduction request dated January 18th, 2013 from Brian Kinney of Ryan Companies. A Final Inspection of the improvements has been completed and the Certificate of Occupancy was issued on May 17th 2012.

Recommendation: Based on the aforementioned analysis the Engineering Department finds the reduction to be acceptable. Therefore, we concur with the request and recommend that Bond #105517108 in the amount of \$864,160.00 be reduced to \$86,416.00. Should the existing bond not be able to be reduced by the lender, a new bond or letter of credit in the amount of \$86,416.00 will need to be submitted to the Village as a surety, prior to the release of the original Bond #105517108.

w/Attachments: Developer's request dated January 18, 2013. (1 page)

RYAN COMPANIES US, INC.
111 Shuman Boulevard, Suite 400
Naperville, IL 60563-8490



WWW.RYANCOMPANIES.COM

630-328-1100 *tel*
630-328-1300 *fax*

January 18, 2013

Mr. Jason Slowinski
Village of Lake Zurich
70 E. Main Street
Lake Zurich, IL 60047

RE: Zurich Meadows Sr. Apartments
Mohawk Trail

VIA EMAIL

Dear Mr. Slowinski,

This letter is to request that the Village of Lake Zurich reduce the amount of the outstanding Subdivision Bond for Mohawk Trail to 10% of the original amount. This 90% reduction would be a value of \$777,744.00 leaving a revised bond amount of \$86,416.00.

This work was completed in 2012, and Village Engineer, Kurt Kaszuba, has certified the work complete as of 5/11/12. We understand that the bond for the balance of 10% has to remain in place until 5/11/13.

We thank you in advance for approval of this letter and if you could sign below and return this letter, we would greatly appreciate it.

Please do not hesitate to contact me should you have any questions regarding this matter.

Sincerely,

RYAN COMPANIES US, INC.

Brian Kinney
Team Leader

Cc: Ryan – Gidget Wegener, Ryan Ritchie, Jim Herbst, Carefree Development – Phil Moeller, VOLZ – Kurt Kaszuba, File

I hereby authorize the reduction of the Village of Lake Zurich Mohawk Trail Subdivision Bond to be reduced to 10% of the original bond value. Ryan Companies will issue revised Subdivision Bond for Mohawk Trail in the amount of \$86,416.00

Jason Slowinski, Village Manager, Village of Lake Zurich, IL.

70 E. Main Street
Lake Zurich, IL 60047



Phone: (847)438-5141
Fax: (847) 540-1768
Web: www.volz.org

MEMORANDUM

Date: January 15, 2013
To: Jason Slowinski, Village Manager
From: Kurt J. Kaszuba, Engineering
Subject: Agenda item for Village Board Meeting on February 4, 2013

Issue: Final acceptance of the public improvements for the Meadow Wood Subdivision.

Analysis: The Engineering staff has reviewed the request from Pulte Homes for final acceptance of the public improvements.

Recommendation: Based on the aforementioned review and an inspection of the improvements after the two year maintenance period, the Engineering Department finds the improvements to be acceptable. Therefore, we concur with the request and recommend that Bond #5039298, in the amount of \$268,874.34 be returned. This reduction will conclude the two year maintenance guaranty period.

w/Attachments: Developer's request dated November 15, 2012. (1 page)



November 15, 2012

Mr. Jason Slowinski – *via e-mail*
Village Administrator
Village of Lake Zurich
70 East Main Street
Lake Zurich, Illinois 60047

RE: Meadow Wood – Request for Final Acceptance of Public Improvements

Dear Mr. Slowinski:

Pulte Homes is formally requesting final Village Acceptance of the public improvements within the Meadow Wood Subdivision and full release of associated performance bond. The repair work noted on the September 18, 2012 deficiency list, as prepared by the Village of Lake Zurich, has been completed to the satisfaction of Village staff.

Please let me know if you have any questions/concerns pertaining to this request.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Marx", with a large, stylized flourish extending from the end of the signature.

Joe Marx
Land Development Manager
Pulte Homes

CC: Kurt Kaszuba, Village of Lake Zurich – *via e-mail*

Pulte Home Corporation
1901 N. Roselle Road
Suite 1000
Schaumburg, IL 60195
847-230-5400
www.pulte.com

70 E. Main Street
Lake Zurich, IL 60047

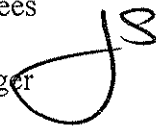


Phone: (847)438-5141
Fax: (847) 540-1768
Web: www.volz.org

MEMORANDUM

Date: January 30, 2013

To: Mayor and Village Board of Trustees

From: Jason T. Slowinski, Village Manager 

Subject: Organizational Changes and Position Eliminations

Issue: This item is presented for action based on previous discussion and information provided to the Board in accordance with Board direction to review the organizational structure of the Village's operations and make recommendations to enhance efficiencies and reduce expenditures.

Analysis: Based on previous analysis and discussion distributed to the Village Board regarding possible organizational changes, the following position changes and eliminations are presented for Board action:

- Elimination of the Assistant Finance Director position (Grade 12: total compensation \$115,300) in the Finance Department and creation of an Accounting Supervisor position (Grade 10: total compensation \$91,900) in the Finance Department. The net annual budgetary impact provides a cost savings of approximately \$23,400.
- Elimination of the Executive Assistant position (Grade 8: total compensation \$103,450) in the Village Manager's Office and creation of a Management Analyst position (Grade: total compensation \$84,750) in the Village Manager's Office. The net annual budgetary impact provides a cost savings of approximately \$18,700.
- Elimination of the Network Administrator position (Grade 12: total compensation \$129,000) and the MIS Assistant position (Grade 7: total compensation \$78,000) in the IT Department. With the recent hire of an IT Director and planned outsourcing of other technology functions, the net annual budgetary impact provides a cost savings of approximately \$10,000.
- Elimination of the Parks Director position (Grade 17: total compensation \$128,800) in the Parks & Recreation Department and creation of a Recreation Manager position

RE: Organizational Changes and Position Eliminations

January 30, 2013

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(Grade 13: total compensation \$101,900) in the Parks & Recreation Department. The net annual budgetary impact provides a cost savings of approximately \$26,900.

With the recent resignation of the Planning Manager in the Building & Zoning Department, staff met to discuss the needs of the Department and of the position. This position is the key staff liaison to the Zoning Board of Appeals and the Plan Commission and is a necessary component to providing effective zoning review of applications as well as consideration of long-term community planning needs. However, after review by staff it was determined that the position does not require the level of supervisory functionality as previously structured. As such, a Village Planner position is a more appropriate position to meet the needs of the Department.

Thus, the following additional recommendation is offered with the support of the Department Director and Human Resources Manager:

- Elimination of the Planning Manager position (Grade 12: total compensation of \$123,500) in the Building & Zoning Department and creation of a Village Planner position (Grade 8: total compensation of \$87,500) in the Building & Zoning Department. The net annual budgetary impact provides a cost savings of \$36,000.

The total net annual budgetary impact of all of the changes as outlined above totals approximately \$115,000. Provided the Village Board approves of the changes as described above, Human Resources will begin the process of recruiting for the newly created positions. The actual position control will be adjusted for and approved in the FY 2014 Budget.

Recommendation: Staff recommends the organizational and structural changes that are outlined above as they are reflective of the Board's goal to increase operational efficiency and reduce operational expenditures.

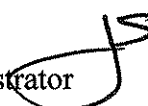
70 E. Main Street
Lake Zurich, IL 60047




Phone: (847) 438-5141
Fax: (847) 540-1768
Web: www.volz.org

MEMORANDUM

Date: January 14, 2012

To: Jason T. Slowinski, Village Administrator 

From: Daniel Peterson, Director of Building & Zoning 

Subject: Zoning Application for The Fine Canine at 717 Rose Road

Issue: Monica Bedrosian (the "*Applicant*") is the business owner for the proposed dog training business at 717 Rose Road. The Applicant filed an application with the Village of Lake Zurich dated December 17, 2012, (the "*Application*") seeking the following approvals:

1. Zoning Code text amendment to permit SIC #0752 – Animal Specialty Services, Except Veterinary in the industrial zoning districts.
2. Special use permit to allow Animal Specialty Services, Except Veterinary *on the Subject Property*.

The Subject Property is currently in the Village's I-1 Limited Industrial District.

Analysis: The Lake Zurich Plan Commission conducted a public hearing on January 23, 2013, and unanimously recommended that the Board of Trustees approve the Application, subject to the conditions stated in the attached ordinance.

Recommendations:

1. Approval of Zoning Code Text Amendment. The President and Board of Trustees, pursuant to the authority vested in them under the laws of the State of Illinois and Chapters 18 of the Lake Zurich Zoning Code, hereby approve an amendment to add 'SIC # 0752- Animal Specialty Services, except Veterinary' limited to the following uses only in I-1 and I-2 Industrial Districts:

Boarding kennels
Dog grooming
Dog pound
Showing of pets and other animals specialties
Training of pets and other animal specialties

2. Approval of a Special Use Permit for Animal Specialty Services, except Veterinary. The President and Board of Trustees, pursuant to the authority vested in them under the laws of the State of Illinois and Chapters 19 of the Lake Zurich Zoning Code, hereby approve the special use permit for Animal Specialty Services, except Veterinary, subject to the conditions set forth in the attached ordinance.

w/Attachments: An Ordinance Approving a Zoning Code Text Amendment and Special Use Permit for 715-717 Rose Road (The Fine Canine)

ORDINANCE NO. 2013-02-879

AN ORDINANCE APPROVING
A ZONING CODE TEXT AMENDMENT TO ADD NEW SPECIAL USE FOR
ANIMAL SPECIALTY SERVICES AND FACILITIES

WHEREAS, Monica Bedrosian (the "*Applicant*"), the owner of the property located on 715-717 Rose Road, in the Village of Lake Zurich (the "*Subject Property*"), filed an application with the Village on December 17, 2012, (the "*Application*") seeking approval of a zoning code text amendment to the current Zoning Ordinance of the Village of Lake Zurich (the "*Code*") for a new special use category in the Industrial Zoning Districts to permit the operation of a facility providing special services for animals, including grooming, kennel and pound provisions, animal showings and training; and

WHEREAS, the Subject Property of the applicant is currently located within and classified under the Code under the I-1 Limited Industrial District: and

WHEREAS, the Lake Zurich Plan Commission conducted a public hearing on January 23, 2013, to consider the Applicant's request for a text amendment to permit an amendment to the current Code and all of the applicable factors required under Subchapter 18-103 of the Code, in addition to all relevant facts and circumstances related to the addition of such a new special use in the Industrial Zoning Districts and, after the conclusion of the public meeting, the Plan Commission recommended that the Board of Trustees approve the Application for a text amendment; and

WHEREAS, the President and Board of Trustees of the Village of Lake Zurich have considered the findings and recommendations of the Plan Commission and have considered all of the facts and circumstances affecting the application and amendment, and the President and Board of Trustees have determined that the applicable standards set forth in Chapters 18 of the Code, particularly Subchapter 18-103 "STANDARDS FOR AMENDMENTS", related to the approval of a text amendment, have been met.

NOW, THEREFORE, BE IT ORDAINED by the President and Board of Trustees of the Village of Lake Zurich, Lake County and State of Illinois, as follows:

SECTION 1: RECITALS. The foregoing recitals are incorporated herein as the findings of the President and Board of Trustees which further find that the public good requires that this amendment be made, the amendment is consistent with the purposes of the Code and there is a community need for the amendment.

SECTION 2: APPROVAL OF TEXT AMENDMENT. The President and Board of Trustees, pursuant to the authority vested in them under the laws of the State of Illinois and Chapter 18 of the Lake Zurich Zoning Code, hereby approve an amendment to Chapter 6 of Title 9 of the Village of Lake Zurich Municipal Code to

add the following new special use, as a text amendment adding a new subparagraph 2., to paragraph A of Subchapter 6-103 of Chapter 6, Title 9 of the Village of Lake Zurich Municipal Code, to add the provisions set forth in italics below:

Industrial Districts		
	I-1	I-2
A. Agricultural Services.		
1. Veterinary Services for Animal Specialties (0742)	S	S
2. <i>Animal Specialty Services, except Veterinary' Services, limited to the following uses (0752):</i>	<i>S</i>	<i>S</i>
• <i>Boarding kennels</i>		
• <i>Animal grooming</i>		
• <i>Shelter/pound for homeless/abandoned animals</i>		
• <i>Showing of pets and other animals</i>		
• <i>Training of pets and other animals</i>		

SECTION 3: EFFECTIVE DATE. This ordinance shall be in full force and effect from and after its adoption and publication in pamphlet form as provided by law.

SECTION 4: CONFLICTS. Any and all ordinances, sections or subsections of ordinances in conflict herewith are hereby repealed.

SECTION 5: SEVERABILITY. In the event any part or parts of this Ordinance shall be found to be unconstitutional by a court of competent jurisdiction, such unconstitutionality shall not affect the validity of the remaining parts of this Ordinance.

PASSED this ____ day of _____ 2013.

AYES:

NAYS:

ABSENT:

APPROVED this ____ day of _____ 2013.

Suzanne K. Branding,
Village President

ATTEST:

Kathleen Johnson,
Village Clerk

ORDINANCE NO. 2013-02-880

AN ORDINANCE APPROVING AND GRANTING SPECIAL USE PERMIT
FOR 715-717 ROSE ROAD
(THE FINE CANINE)

WHEREAS, Monica Bedrosian (the "*Applicant*"), is the owner of the property located on 715-717 Rose Road, in the Village of Lake Zurich, legally described in **Exhibit A** (the "*Subject Property*"), and has filed an application with the Village on December 17, 2012, (the "*Application*") seeking approval of a zoning code text amendment to the current Zoning Ordinance of the Village of Lake Zurich (the "*Code*") for a new special use category in the Industrial Zoning Districts to permit the operation of a facility providing special services for animals, including grooming, kennel and pound provisions, animal showings and training; and

WHEREAS, the Subject Property of the applicant is currently located within and classified under the Code under the I-1 Limited Industrial District; and

WHEREAS, the Lake Zurich Plan Commission conducted a public hearing on January 23, 2013, to consider the Applicant's request for a text amendment to permit an amendment to the current Code and all of the applicable factors required under Subchapter 18-103 of the Code, in addition to all relevant facts and circumstances related to the addition of such a new special use in the Industrial Zoning Districts and, after the conclusion of the public meeting, the Plan Commission recommended that the Board of Trustees approve the Application for a text amendment; and

WHEREAS, the President and Board of Trustees of the Village of Lake Zurich considered the findings and recommendations of the Plan Commission and considered all of the facts and circumstances affecting the application and amendment, and the President and Board of Trustees have determined that the applicable standards set forth in Chapters 18 of the Code, particularly Subchapter 18-103 "STANDARDS FOR AMENDMENTS", related to the approval of a text amendment, have been met; and

WHEREAS, the President and Board of Trustees of the Village of Lake Zurich have approved a text amendment to Chapter 6 of Title 9 of the Village of Lake Zurich Municipal Code to add a new special use category to the Industrial Zoning Districts for "Animal Specialty Services, except Veterinary Services, limited to boarding kennels, animal grooming, shelter/pound for homeless/abandoned animals, showing of pets and other animals, training of pets and other animals."

WHEREAS, the President and Board of Trustees of the Village of Lake Zurich have considered the findings and recommendations of the Plan Commission and considered all of the facts and circumstances affecting the application for a special use permit and the President and Board of Trustees have determined that the applicable standards set forth in Chapter 19 of the Code, particularly Subchapter 19-103 "STANDARDS FOR SPECIAL USE PERMITS", related to the approval of a text amendment, have been met.

NOW, THEREFORE, BE IT ORDAINED by the President and Board of Trustees of the Village of Lake Zurich, Lake County and State of Illinois, as follows:

SECTION 1: RECITALS. The foregoing recitals are incorporated herein as the findings of the President and Board of Trustees which further find that this proposed use at this location is desirable and will provide a needed public service for the community, that this location and space is well-suited for this proposed use and that this use at this location will be operated to minimize any adverse affects on the immediate vicinity.

SECTION 2: GRANT OF SPECIAL USE PERMIT. The President and Board of Trustees, pursuant to the authority vested in them under the laws of the State of Illinois and Chapter 19 of the Lake Zurich Zoning Code, hereby approve and grant a special use permit to the applicant at the approved location for "Animal Specialty Services, except Veterinary Services," limited to boarding kennels, animal grooming, shelter/pound for homeless/abandoned animals, showing of pets and other animals, training of pets and other animals, as provided in the Village Code. Approval of this special use permit is subject to the following specific conditions:

- A. *Special Use Permit.* Approval of the special use permit is conditioned upon having no more than 60 dogs at one time during daily operations.
- B. *No Authorization of Work.* This Ordinance does not authorize commencement of any work on the Subject Property. Except as otherwise specifically provided in writing in advance by the Village, no work may be commenced on the Subject Property pursuant to the approvals granted in this Ordinance until all conditions precedent of this Ordinance to such work have been fulfilled and after all permits, approvals, and other authorizations for such work have been properly applied for, paid for, and granted in accordance with applicable law.
- C. *Compliance with Approved Exterior Appearance Plans.* All development within the Subject Property must be undertaken in strict compliance with the exterior appearance plans approved pursuant to this Ordinance.
- D. *Code and Plan Compliance.* The Subject Property must be developed and maintained in compliance with all applicable federal, state, and

local ordinances and regulations, including without limitation the Village's Building Code and Zoning Code.

- E. *Building Permits.* Prior to commencing any work on the Subject Property, the Owner must submit all required building permit applications and other materials in a timely manner to the appropriate parties, which materials should be prepared in compliance with all applicable Village codes and ordinances.

SECTION 3: VIOLATION OF CONDITION OR CODE. Any violation of any term or condition stated in this Ordinance or any applicable code, ordinance, or regulation of the Village will be grounds for the rescission of the approvals made in this Ordinance. Other than as stated herein, applicant remains subject to all other applicable Codes and requirements of the Village of Lake Zurich.

SECTION 4: EFFECTIVE DATE. This ordinance shall be in full force and effect from and after its adoption and publication in pamphlet form as provided by law.

SECTION 5: CONFLICTS. Any and all ordinances, sections or subsections of ordinances in conflict herewith are hereby repealed.

SECTION 6: SEVERABILITY. In the event any part or parts of this Ordinance shall be found to be unconstitutional by a court of competent jurisdiction, such unconstitutionality shall not affect the validity of the remaining parts of this Ordinance.

PASSED this ____ day of _____ 2013.

AYES:

NAYS:

ABSENT:

APPROVED this ____ day of _____ 2013.

Suzanne K. Branding,
Village President

ATTEST:

Kathleen Johnson,
Village Clerk

EXHIBIT A

LEGAL DESCRIPTION OF SUBJECT PROPERTY

SCHOOL TRUSTEES SUBDIVISION: UNIT 715 AND 1.35% INT IN COMMON ELEMENTS IN THE 705-17 ROSE ROAD CONDO PER DOC 4910204, PT OF LOT 14 IN SECTION 16 TOWNSHIP 43 RANGE 10

SCHOOL TRUSTEES SUBDIVISION: UNIT 717 AND 1.35% INT IN COMMON ELEMENTS IN THE 705-17 ROSE ROAD CONDO PER DOC 4910204, PT OF LOT 14 IN SECTION 16 TOWNSHIP 43 RANGE 10

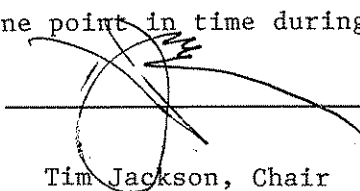
LAKE ZURICH PLAN COMMISSION
FINAL FINDINGS & RECOMMENDATIONS
FOR 717 ROSE ROAD

January 23, 2013

The Plan Commission hereby recommends approval of the Application PC 2013-01 #1, subject to and including the terms, conditions and findings contained in the Staff Report dated January 17, 2013 for this Application as follows:

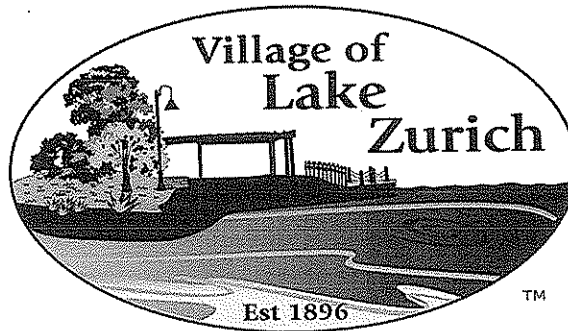
- ☐ Without any further additions, changes and modifications.
- ☒ With the following additions, changes and modifications.

Animal cap of 60 dogs at any one point in time during daily operations.



Tim Jackson, Chair

70 E. Main Street
Lake Zurich, IL 60047




Phone: (847) 438-5141
Fax: (847) 540-1768
Web: www.volz.org

MEMORANDUM

Date: January 17, 2012

To: Chairperson Jackson and Members of the Plan Commission

From: Daniel Peterson, Director of Building & Zoning
Vijay Gadde, Planning Manager 

Subject: **PC 2013-01 #1** Zoning Application for The Fine Canine at 717 Rose Road

Issue: Monica Bedrosian (the "*Applicant*") is the business owner for the proposed dog training business at 717 Rose Road legally described in Exhibit A attached hereto (the "*Subject Property*").

The Applicant filed an application with the Village of Lake Zurich dated December 17, 2012, (the "*Application*") seeking the following approvals:

1. Zoning Code text amendment to permit SIC #0752 – Animal Specialty Services, Except Veterinary in the industrial zoning districts.
2. Special use permit to allow Animal Specialty Services, Except Veterinary *on the Subject Property*.

The Subject Property is currently in the Village's I-1 Limited Industrial District.

Pursuant to public notice published on December 19, 2013, in *The Lake Zurich Courier*, a public hearing was scheduled with the Lake Zurich Plan Commission on January 23, 2013, to consider the Application. The Village posted a public hearing sign on the Subject Property.

Pursuant to Section 14-103 of the Zoning Code, the Applicant certified mailing the notice to all the tax payers of real estate within 250 feet from the Subject Property.

Analysis: Detailed staff reviews from the Building and Zoning Department, Public Works, Police Department, and Fire Rescue Department are attached.

The Applicant notes that under the proposed text amendment for 'SIC #0752 – Animal Specialty Services, Except Veterinary' she would like to have special use permit for the following uses:

Boarding kennels
Dog grooming
Dog pound (for future use)
Showing of pets and other animal specialties
Training of pets and other animal specialties

Staff has discussed the need for creating additional standards for introducing service uses in the industrial park at the Industrial Zoning Work Group meetings held in 2012. One of the standards suggested was to make sure they meet the same parking and loading requirements if they were to be located in a business district, which, in this case, requires 1 space for each 250 square feet of net floor area for service uses not otherwise listed. The Applicant noted that 10 parking spaces are assigned to employees in the rear. The front parking lot has 24 spaces including two handicap spaces. *The Applicant need to provide evidence that adequate parking is available both for the training of pets (current and future) as well as drop offs for boarding.*

The Applicant noted that Unit 717 can accommodate up to 50 dogs and would like to expand and provide services for up to 100 dogs in the future. Once again, the Applicant need to provide evidence that adequate parking is available for future additional drop offs. *If not, the Plan Commission may want to consider limiting the special use permit for Unit 717 only at 8,000 sq.ft.*

Recommendation: Your recommendation should be based on the standards included Section 18-103 for text amendments, and Section 19-103 for special use permits. The following is a preliminary recommendation to the Plan Commission:

1. Recommend the Zoning Code text amendment to add 'SIC #0752 – Animal Specialty Services, Except Veterinary' limited to the following uses only in the I-1 and I-2 Industrial Districts.

Boarding kennels
Dog grooming
Dog pound
Showing of pets and other animal specialties
Training of pets and other animal specialties

2. Recommend a special use permit for SIC #0752 – Animal Specialty Services, Except Veterinary' limited to the uses noted in Zoning Code text amendment at the Subject Property.

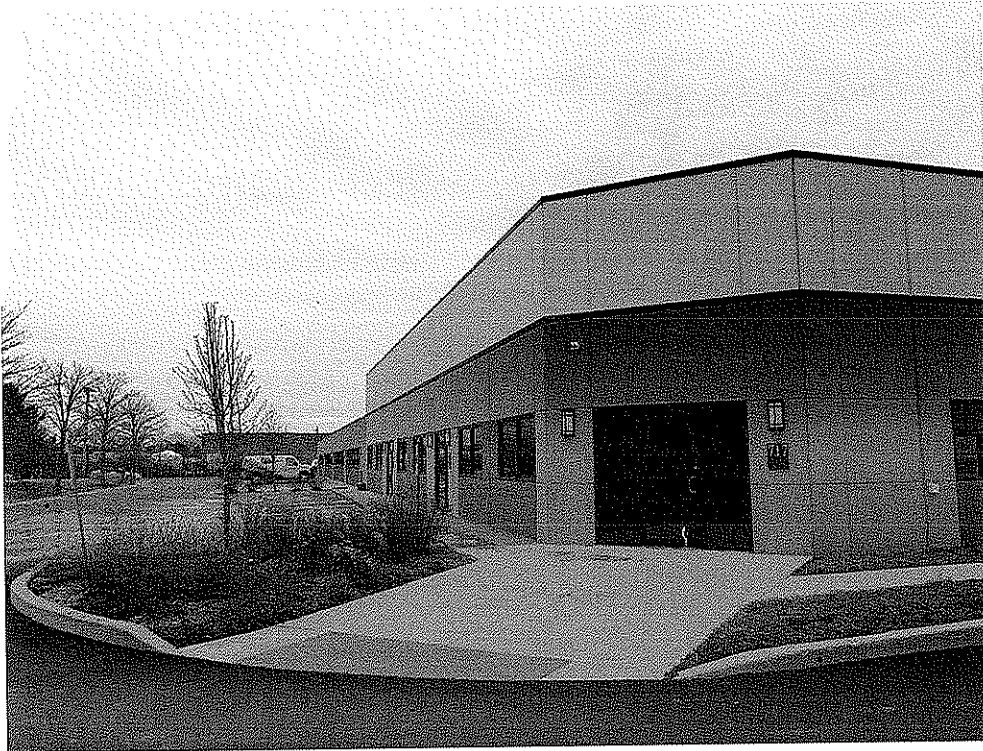
If recommending the special use permit, the Plan Commission may require additional terms and conditions to help meet standards of the special use permit.

Should you have any questions, please call me at 847-540-1698.

EXHIBIT A

LEGAL DESCRIPTION OF SUBJECT PROPERTY

SCHOOL TRUSTEES SUBDIVISION: UNIT 715 AND 1.35% INT IN COMMON ELEMENTS IN THE 705-17 ROSE ROAD CONDO PER DOC 4910204, PT OF LOT 14 IN SECTION 16 TOWNSHIP 43 RANGE 10



717 Rose Road: Parking spaces in the front



705-717 Rose Road: Employee parking in the rear

EXHIBIT B

REVIEW OF COMPLIANCE WITH ZONING STANDARDS FOR 717 ROSE ROAD

18-103 STANDARDS FOR AMENDMENTS

The wisdom of amending the Zoning Map or the text of this Code is a matter committed to the sound legislative discretion of the Board of Trustees and is not dictated by any set standard. However, in determining whether a proposed amendment should be granted or denied, the Board of Trustees should be guided by the principle that its power to amend this Code is not an arbitrary one but one that may be exercised only when the public good demands or requires the amendment to be made. In considering whether that principle is satisfied in any particular case, the Board of Trustees should weigh, among other factors, the following factors as they may be relevant to a particular application:

- A. The consistency of the proposed amendment with the purposes of this Code.

Staff Comment: This proposed change will add approximately 8,670 sq.ft. of animal specialty services, except veterinary in the Village's industrial districts. Zoning code text amendment is sought to add boarding, day care, showing and training of pets, and grooming for pets.

- B. The community need for the proposed amendment and for the uses and development it would allow.

Staff Comment: This proposed change will add animal specialty services, except veterinary in the Village.

- C. If a specific parcel of property is the subject of the proposed amendment, then the following factors:

(Please see the following section, 19-103, Standards for Special Use Permits, for parcel-specific standards.)

1. Existing Uses and Classifications. The existing uses and zoning classifications for properties in the vicinity of the subject property.
2. Trend of Development. The trend of development in the vicinity of the subject property, including changes, if any, in such trend since the subject property was placed in its present zoning classification.
3. Diminution of Values. The extent, if any, to which the value of the subject property is diminished by the existing zoning classification applicable to it.
4. Increase in Health, Safety, and Welfare. The extent, if any, to which any such diminution in value is offset by an increase in the public health, safety, and welfare.
5. Effects on Adjacent Properties. The extent, if any, to which the use and enjoyment of adjacent properties would be affected by the proposed amendment.
6. Value of Adjacent Properties. The extent, if any, to which the value of adjacent properties would be affected by the proposed amendment.

7. Future Development. The extent, if any, to which the future orderly development of adjacent properties would be affected by the proposed amendment.
8. Suitability. The suitability of the subject property for uses permitted or permissible under its present zoning classification.
9. Ingress and Egress. The availability, where relevant, of adequate ingress to and egress from the subject property and the extent to which traffic conditions in the immediate vicinity of the subject property would be affected by the proposed amendment.
10. Utilities and Services. The availability, where relevant, of adequate utilities and essential public services to the subject property to accommodate the uses permitted or permissible under its present zoning classification.
11. Length of Vacancy. The length of time, if any, that the subject property has been vacant, considered in the context of the pace of development in the vicinity of the subject property.

19-103

STANDARDS FOR SPECIAL USE PERMITS

- A. General Standards. No special use permit shall be recommended or granted pursuant to this Chapter unless the applicant shall establish that:
1. Code and Plan Purposes. The proposed use and development will be in harmony with the general and specific purposes for which this Code was enacted and for which the regulations of the district in question were established and with the general purpose and intent of the official Comprehensive Plan.

Staff Comment: The proposed use will be in harmony with the general and specific purposes for which this Code.
 2. No Undue Adverse Impact. The proposed use and development will not have a substantial or undue adverse effect upon adjacent property, the character of the area, or the public health, safety, and general welfare.

Staff Comment: The proposed use has no adverse impact on adjacent properties.
 3. No Interference With Surrounding Development. The proposed use and development will be constructed, arranged, and operated so as not to dominate the immediate vicinity or to interfere with the use and development of neighboring property in accordance with the applicable district regulations.

Staff Comment: The proposed use will not change or interfere with neighboring properties in accordance with applicable district regulations.
 4. Adequate Public Facilities. The proposed use and development will be served adequately by essential public facilities and services such as streets, public utilities, drainage structures, police and fire protection, refuse disposal, parks, libraries, and schools, or the applicant will provide adequately for such services.

Staff Comment: The proposed use and development will be served adequately by essential public facilities.

5. **No Traffic Congestion.** The proposed use and development will not cause undue traffic congestion nor draw significant amounts of traffic through residential streets.

Staff Comment: The proposed animal specialty services needs to provide evidence that adequate parking is available for future additional drop offs. The front parking space has 24 shared spots including two handicap spaces and 10 assigned parking spaces in the rear for employees.

6. **No Destruction of Significant Features.** The proposed use and development will not result in the destruction, loss, or damage of any natural, scenic, or historic feature of significant importance.

Staff Comment: The proposed animal specialty services, except veterinary will not result in the destruction, loss or damage of any natural, scenic or historic feature of significant importance.

7. **Compliance with Standards.** The proposed use and development complies with all additional standards imposed on it by the particular provision of this Code authorizing such use.

Staff Comment: The proposed special use and development complies with all additional standards imposed on it by the particular provision of the Code authorizing such use.

- B. **Special Standards for Specified Special Uses.** When the district regulations authorizing any special use in a particular district impose special standards to be met by such use in such district, a permit for such use in such district shall not be recommended or granted unless the applicant shall establish compliance with such special standards.

- C. **Considerations.** In determining whether the applicant's evidence establishes that the foregoing standards have been met, the Plan Commission and the Board of Trustees shall consider:

1. **Public Benefit.** Whether and to what extent the proposed use and development at the particular location requested is necessary or desirable to provide a service or a facility that is in the interest of the public convenience or that will contribute to the general welfare of the neighborhood or community.

Staff Comment: This proposed change will add animal specialty services for the community.

2. **Alternative Locations.** Whether and to what extent such public goals can be met by the location of the proposed use and development at some other site or in some other area that may be more appropriate than the proposed site.

Staff Comment: The Applicant needs to provide evidence that alternate locations in the Village's business districts have been investigated and provide an explanation why they did not materialize.

3. Mitigation of Adverse Impacts. Whether and to what extent all steps possible have been taken to minimize any adverse effects of the proposed use and development on the immediate vicinity through building design, site design, landscaping, and screening.

Staff Comment: There are no adverse effects of the proposed use of the space.

ZONING REVIEW

PROJECT: FINE CANINE - TEXT AMENDMENT/SPECIAL USE PERMIT FOR
DOG BOARDING/DOG DAYCARE AND GROOMING SERVICES
LOCATION: 717 ROSE ROAD
REVIEWED BY: MARY MEYER
DATE: JANUARY 15, 2013
DOCUMENT
REVIEWED: APPLICATION DATED 12/14/12 WITH ATTACHMENT,
ZONING CODE, LAND DEVELOPMENT CODE

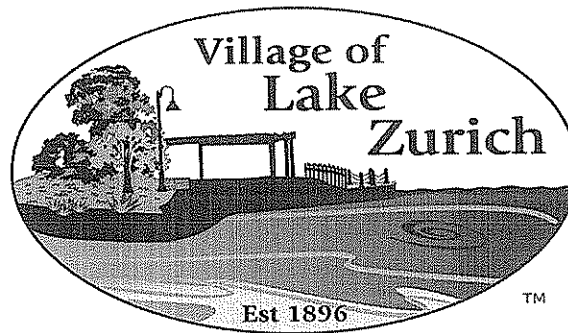
Monica Bedrosian proposes a Text Amendment/Special Use permit to operate a pet services business in the industrial park on Rose Road. Review is as follows:

- 1) Zoning: I-2 General Industrial
- 2) Use: Dog boarding/dog daycare/pet therapy and grooming services (SIC #0752) – Text Amendment sought to allow use in I-2 via Special Use permit; Special Use permit sought to allow at 717 Rose Road
- 3) Parking: Indicate parking spaces allocated to this business. The cover letter notes that the facility will permit up to 125 dogs. Indicate how number was derived so that parking can be verified.
- 4) Outdoor Use: Indicate any outdoor use/s proposed – play yard, walking area, training, etc. How often will area/s been cleaned of animal waste?
- 5) Adjacent Occupants: Indicate if the adjacent occupants of the building have been notified of proposed use and any issues discussed – sound barrier wall created etc.
- 6) Swimming Pool: Indicate the proposed uses of the swimming pool and the decking/securing around the swimming pool. Who will occupy the pool with the pets – trainers, pet owners etc?

Conclusion


- Consideration for Text Amendment to allow dog boarding/dog daycare/pet therapy and grooming services (SIC #0752) via Special Use permit in the I-2 district shall be based on standards outlined in Zoning Code 18-103.
- Consideration for Special Use permit to allow dog boarding/dog daycare/pet therapy and grooming services (SIC #0752) at 717 Rose Road shall be based on standards outlined in Zoning Code 19-103.
- Clarify in writing items 3-6 above.

70 E. Main Street
Lake Zurich, IL 60047



Phone: (847)438-5141
Fax: (847) 540-1768
Web: www.volz.org

MEMORANDUM

Date: January 8, 2013
To: Building and Zoning Department
From: Kurt J. Kaszuba, Engineering 
Subject: Agenda item for the January 16th Plan Commission meeting.

Issue: Special Use Permit for 717 Rose Road.

Analysis: The Engineering Department has reviewed the submitted information regarding the proposed animal specialty services facility at the above address.

Recommendation:

Based on the aforementioned analysis the Engineering Department does not have any objection with granting the special use permit at this time. This plan review is based on the plan information submitted at the time of the review and does not relieve the developer from meeting all codes and requirements of the Village.

Memo

To: Vijay Gadde, Planning Manager
From: Betty Harrison, EQC Supervisor
CC:
Date: January 3, 2013
Re: Staff Review – January 16th Plan Commission Meeting

1. The Fine Canine – 717 Rose Road

No changes to existing water or sewer service. 2-inch backflow device on domestic service for the complex (713-717 Rose Road) is current for annual certification.

Submitted overall site/geometric plan denotes pool; plumbing changes would require approval by plumbing inspector.

Zoning Code text amendment okay.



Village of Lake Zurich Fire Rescue Department

Fire Prevention Bureau

1075 Old McHenry Road, Lake Zurich, Illinois 60047

Phone: 847.540.5073 •www.lzfirerescue.org

Guy A. Trayling Sr., Asst. Fire Marshal

December 28, 2012

Daniel Peterson, Director
Building & Zoning Department
70 E. Main St.
Lake Zurich, IL 60047

Re: PR12-296 The Fine Canine –Zoning amendment

The Fire Prevention Bureau has reviewed the proposed plans for The Fine Canine to be located at 717 Rose Road in Lake Zurich, IL. The following items have been noted in this review.

1. State law requires a stamped technical submittal from a licensed fire protection engineer to be submitted prior to issuance of the permit. Plans and specifications for the modification of the sprinkler protection system shall be submitted for review and approval. A permit needs to be obtained before any work on the sprinkler system can begin.

225 ILCS 325 3d
LZBC: 903.2

2. Plans and specifications for the modification of the existing fire alarm system need to be submitted for review and approval. Visual indicating devices shall be required in the bathrooms. An exterior visual device (an amber strobe) shall be provided at an approved location for each space within a multi-occupancy structure that will indicate the actuation of the sprinkler system.

LZBC: 903.4

3. Village Ordinance 2009-01-609 requires that all Fire System Contractors working on a fire protection system register. An application for registration will be sent with this review. Completion of the registration application, copies of required certification or license, and the fee for registration are required prior to issuance of any permit.
4. Emergency lighting and exit signs shall be provided for all exiting requirements including toilet rooms. Emergency lighting is required for all exit discharge areas immediately adjacent to exit doors in occupancies that require two or more exits. Final approval of exit sign placement and emergency lighting shall be subject to a field inspection.

Village of Lake Zurich Fire Rescue Department

321 S. Buesching Road, Lake Zurich, Illinois 60047-3226

Phone: 847.540.5070•www.lzfirerescue.org

David P. Wheelock, Fire Chief/Director

IFC 1006.1

5. A minimum 2A 10BC portable fire extinguisher shall be provided for every 3,000 square feet with no more than 75 feet of travel distance to reach an extinguisher.

IFC 906

6. Two sets of keys for tenant space shall be provided for placement in the Knox box for emergency access. Keyed access shall be provided through all rear doors. All exterior doors shall be equipped with hardware that allows exterior access with the use of a master key.

LZBC 506.1

7. Sprinkler and/or zone maps shall be provided to display all new modifications to systems by the buildout.

Based on the information provided, the plans **COMPLY as noted.**

Please contact the Bureau office at (847) 540-5073, if you have any questions or comments.

Sincerely,

Guy A. Trayling, Sr.
Assistant Fire Marshal
Fire Prevention Bureau

70 E. Main Street
Lake Zurich, IL 60047



Phone: (847) 438-5141
Fax: (847) 540-1768
Web: www.volz.org

MEMORANDUM

Date: January 28, 2013

To: Jason T. Slowinski, Village Administrator *JS*

From: Daniel Peterson, Director of Building & Zoning *DP*
Ryan Slattery, Economic Development Assistant *RS*

Subject: Courtesy Review for the proposed Craft Distillery at 532 W. IL Route 22

Issue: Request for Courtesy Review for a zoning code text amendment and special use permit for a Craft Distillery at 532 W. IL Route 22, Suite 110 (the "Subject Property").

Analysis: Jose L. Hernandez (the "*Applicant*") is seeking referral to the Plan Commission for the following approvals:

1. Zoning Code text amendment to allow for the proposed Craft Distillery
2. Special Use Permit for the proposed Craft Distillery at the Subject Property

The Subject Property is currently in the Village's B-1 Local and Community Business.

The State of Illinois currently allows Craft Distilleries to manufacture up to 15,000 gallons of spirits per year and storage of such spirits with a Manufacturing Liquor License (Class 9: Craft Distiller). The applicant will also seek a new liquor license category to allow them to sell spirit products produced at the Subject Property if the Board approves the text amendment and special use permit.

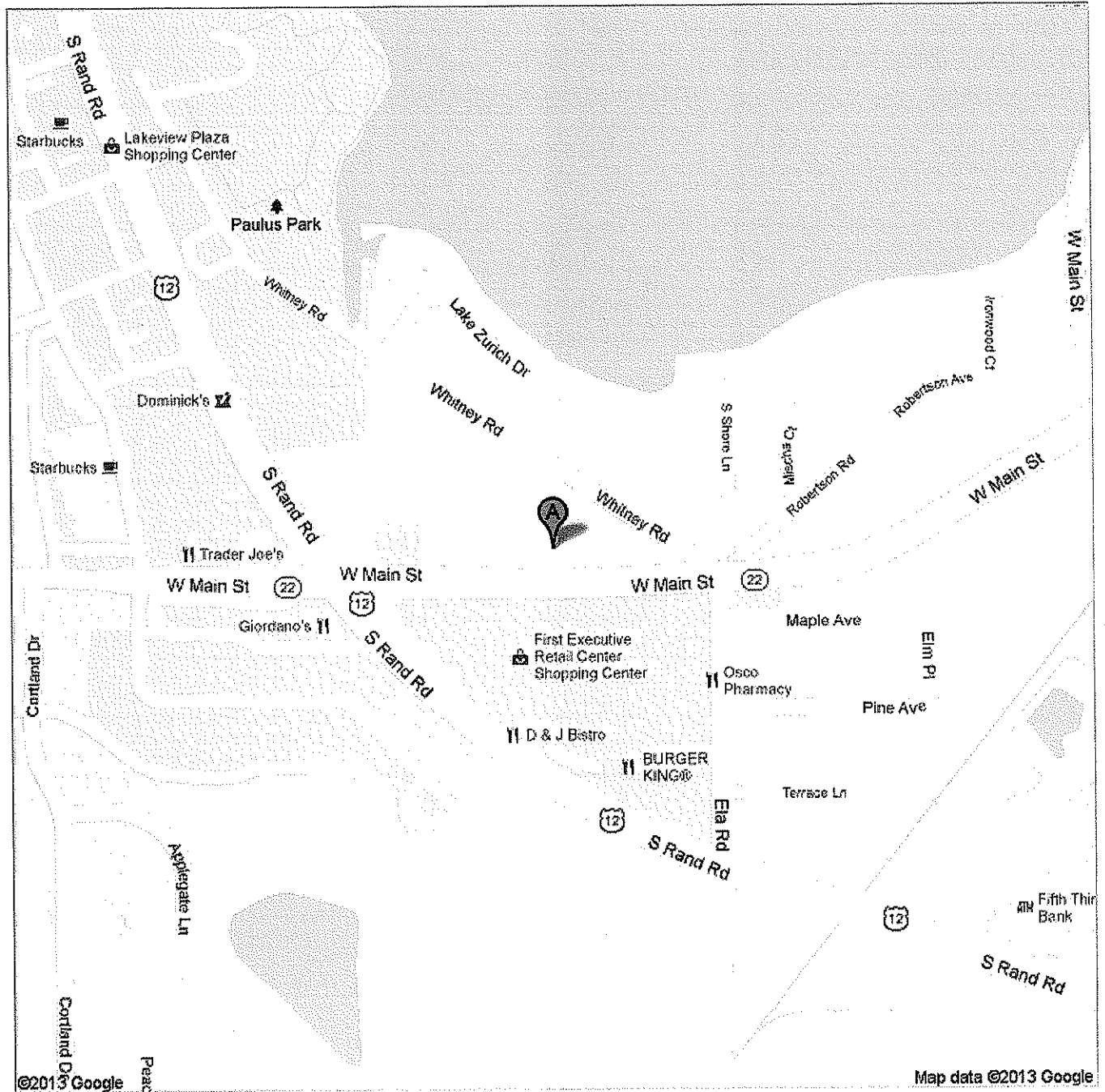
Recommendation: This request for a Zoning Code text amendment and a special use permit merits a hearing and consideration by the Lake Zurich Plan Commission.

Should you have any questions, please call me at 847-540-1698.

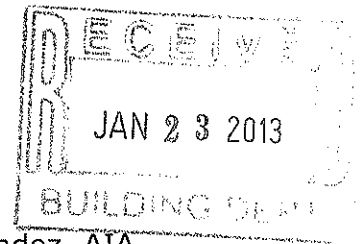


Address 532 Illinois 22
Lake Zurich, IL 60047

A- Proposed Location of Craft Distillery



January 23, 2013



Jose L. Hernandez, AIA
Partner
Copper Fiddle Distillery
189 Boxwood Dr.
Hawthorn Woods, IL 60047

Mr. Daniel A. Peterson
Director of Building and Zoning
Village of Lake Zurich
70 E. Main Street
Lake Zurich, IL 60047

**Re: Proposed Craft Distillery; 532 W IL Route 22, Suite 110
Lake Zurich, IL 60047**

Dear Mr. Peterson:

The partnership of a new business, Copper Fiddle Distillery, is proposing to locate at 532 W IL Route 22, Suite 110, Lake Zurich, IL 60047. The partnership currently consists of:

Jose L. Hernandez, AIA
189 Boxwood Drive
Hawthorn Woods, IL

and

Fred Robinson
12 Middletree Lane
Hawthorn Woods, IL

The current use of the property is Zone B-1. The intended use of the property will remain as B-1 with a Craft Distillery being able to operate within the B-1 Zone. Since a "Craft Distillery" is not listed in any part of the Village of Lake Zurich zoning codes, uses, or liquor license categories, we are proposing the following amendments to the Village of Lake Zurich Zoning, Use and Liquor License Categories:

1. A text change to the B-1 Zone description
2. A new category of Liquor License
3. A Special Use Permit

Attached to this cover letter is a business description which details the reasons why we feel this new use as appropriate for the B-1 zoning district being applied for.

We have detailed in length the characteristics of how the business operates and how it fits within the current use district, and have provided examples of other craft distilleries in the state that are in the same if not similar use districts. The available streets and utilities are adequate to serve the proposed business at this location.

In addition to the attached business description, we have included a Concept Plan of the proposed tenant location along with Appendix photographs and the Illinois State Craft Distiller License description.

The partnership of Copper Fiddle Distillery looks forward to The Village Board courtesy review and to becoming part of the Village of Lake Zurich Business community.

Respectfully Submitted,
Copper Fiddle Distillery

A handwritten signature in black ink, appearing to read 'J. L. Hernandez', with a stylized flourish at the end.

Jose L. Hernandez, AIA

Cc Vijay Gadde, VOLZ Planning Manager
Fred Robinson, CFD
File

Copper Fiddle Distillery

Courtesy Review Application

Village of Lake Zurich, Illinois 60047

Proposed Business Location

Copper Fiddle Distillery
532 W IL Route 22, Suite 110
Lake Zurich, IL 60047

Zone B-1

Application Request

Copper Fiddle Distillery is applying for the following, to be allowed to conduct business within the Village of Lake Zurich.

1. A text change to the B-1 Zone. The business wants to operate at the following address:

Copper Fiddle Distillery
532 W IL Route 22, Suite 110
Lake Zurich, IL 60047
Zone B-1

This address is in Zone B-1. "Liquor Stores" are not allowed to operate within this zone. Copper Fiddle Distillery does not fall into the category of a "Liquor Store". Per the new State of Illinois Craft Distillery License & Illinois Liquor Control Commission, this business may only sell the product that it produces at its location and no other liquor brands. In many respects, this business is similar to a bakery business within the B-1 Zone.

2. A new category of Liquor License. As a Craft Distillery selling only its product at its place of business, this business does not fall into any current category of Liquor License. The new license category will allow for the distillery to sell only spirit products produced at this location.

Copper Fiddle Distillery

3. Special Use Permit. As indicated in the above (2) two points, this business is currently not identified in any of the Village of Lake Zurich's Use category's. Therefore a Special Use Permit is required and being applied for.

As a reference for the Village Board, the following is a list of Craft Distilleries currently in operation within the State of Illinois within their known building zone:

- | | |
|--|---------------------------------------|
| 1. Quincy Street Distillery
39 East Quincy Street
Riverside, IL 60546 | <u>Central Business District; B-2</u> |
| 2. Few Distillery
918 Chicago Ave.
Evanston, IL 60202 | <u>Commercial Mixed-Use; C-1a</u> |
| 3. Southern Sisters Distillery
444 Wood Road
Carbondale, IL | <u>Unknown</u> |
| 4. Koval Distillery
5121 N Ravenswood Ave.
Chicago, IL 60640 | <u>Manufacturing; M1-2</u> |
| 5. Koeth Distillery
5152 N Ravenswood Ave.
Chicago, IL 60640 | <u>Manufacturing; M1-2</u> |
| 6. North Shore Distillery
28913 North Herky Drive #308
Lake Bluff, IL 60044 | <u>Unknown</u> |
| 7. Mastermind Vodka
4262 State Hwy 162
Pontoon Beach, IL 62040 | <u>Unknown</u> |

Business Description

Being proposed is a craft distillery, located in the Village of Lake Zurich that will be capable of producing up to (15,000) gallons of distilled spirits under the new Illinois Craft Distillers Law and Licensing Program. This business will only be the 8th craft distillery to become licensed in the State of Illinois, the 2nd distillery in Lake County, and the 1st distillery in Lake County to produce Whiskey as its primary product. As the last 30 years have witnessed the explosive growth of micro-brewing businesses nationally, craft distilling is only in its infancy throughout the United States and is rapidly becoming a significant growth industry. This business model is inherently a destination and tourist location supplemented by product production which the public seeks out to visit and enjoy. In the process, other local businesses and the Village benefit by increased business traffic and revenue that spills over from visitors and shoppers to the craft distillery. By participating in this exciting new national business trend, the Village of Lake Zurich will establish itself in the forefront of communities that support local craft distillers and the craft distilling industry. For reference, a current U.S. map of craft distillers is attached.

In addition to distilling production, Copper Fiddle Distillery will also be providing public educational tours of the distilling operation in conjunction with tastings of the company's products. These tastings are controlled under State of Illinois Law to limit the taste of an individual product to a ¼ ounce pour per person. Public tours/tastings are anticipated be held throughout the week in groups of about twenty people per tour/tasting, with each tour/tasting lasting approximately one hour. Private group tours/tastings can also be scheduled. It is understood that a local liquor license will be required from the Village of Lake Zurich.

Production of the product with an occasional sale of product and accessories will be conducted during normal retail business hours. From Monday thru Friday, occasional deliveries of supplies will occur along with finished product pick-up from the liquor distributors.

In addition to tour/tastings, the business will also sell miscellaneous monogrammed logo items such as glassware, clothing accessories, bar ware and specialty products.

Attached in the Appendix is a floor plan layout of the Copper Fiddle Distillery, along with photos of key equipment used for production.

Copper Fiddle Distillery

Anticipated Hours of Operation

Monday thru Friday	Open for production, public business, tours and tastings Tours/tastings from 1:00PM to 4:00PM
Saturday	Open for production, public business, tours and tastings Tours/tastings from 11:00AM to 5:00PM
Sunday	Tours/tastings from 12:00PM to 3:00PM

Anticipated Number of Employees

(2) Owners and up to (5) part-time employees

The Production Process

The production process to make a distilled spirit product is simple and safe. In the case of Copper Fiddle Distillery the primary product will be Whiskey and derivative Whiskey products. The process is as follows:

1. Raw ingredients include grains such as corn, malted barley, rye and occasionally other lesser grains dependent on final product formulas. Additional ingredients include distillers yeast, purified water, RO (reverse osmosis) water, natural enzymes, American white oak barrels and oak tank staves.
2. The grains are crushed in a small grain mill in preparation for liquid mashing.
3. The mashing process mixes the grains with purified water and natural enzymes to convert the grain starch into fermentable sugar water. This process lasts approximately 90 minutes and utilizes hot water in the range of 150 degrees F. The 100 gallon stainless steel mash-tun's are held at this temperature by electric drum heaters during the mash-in process. The mash drums are then cleaned and rinsed and readied for the next cycle. No pressurization is involved in this process.

The remaining grain solids left over from the mash process are donated to local horse stables and animal farms for feed consumption.

4. Once the mash process is complete the resulting liquid is separated from the grain solids and transferred to 55 gallon stainless steel fermenter drums. The liquid is cooled to 70 degrees F and distillers yeast is added to initiate fermentation and conversion of the

Copper Fiddle Distillery

sugars to alcohol. This fermentation process lasts approximately (7) days and requires monitoring and control of temperature. The only byproduct from fermentation is simple CO₂ (carbon dioxide) that is vented thru the top of the sealed drums via an airlock. Fermentation temperature never goes higher than 80 degrees F. The final alcohol content of the fermentation process yields at approximately 9% by volume. No pressurization is involved in this process.

5. After fermentation is complete, the yeast sediments are settled out and the remaining wash liquid is transferred to the 140 gallon copper pot still for distillation. The fermentation tanks are then cleaned and rinsed and readied for the next cycle. The copper pot still is direct-fire type and sits above an enclosed fire-box that contains (2) two propane burners that are hard piped to a thermocouple, regulator, shut-off valves and exterior commercial propane tank (approximately 150 to 250 gallons). The fire-box is completely enclosed by a structural frame, welded sheet steel and grating with intake air vents and an exhaust flue to outside the building. The pot still is heated to no more than 202 degrees F. The distilled alcohol is evaporated in the still, then re-condensed and recovered into a 55 gallon stainless steel drum. The remaining water liquid in the pot still is now nothing more than non-alcoholic beer. This liquid is drained into the sanitary system. The still is cleaned and rinsed and readied for the next cycle. No pressurization is involved in the distillation process.
6. The alcohol product from the pot still is diluted with RO water to several percent over final drinking proof, and either sent to oak barrels for aging, to infusion tanks, or to final proof adjustment, filtering, bottling and labeling.

Infusion tanks are a new method of faster aging of whiskey involving a high surface contact area with specially prepared American white oak tank staves.

7. Once the barreling and/or infusion process is complete the product is re-tested for proof, taste, color, and then adjusted by further dilution to final drinking proof.
8. The product is now filtered thru a coarse media plate filter, bottled, labeled and cased for distribution.

Anticipated Launch Product Line

1. Clear pot still product; 85 Proof
2. Spirit Whiskey product; 90 Proof
3. Barreled Whiskey product; 93 Proof (Limited Release)
4. Honey/Whiskey product; 75-80 Proof (Limited Release)

Other distilled spirit products will be in development

Anticipated Water Use and Disposal

For Single Production Run

1. 200 Gallons; for the mash process
2. 15 Gallons; for cleaning mash equipment
3. 15 Gallons; for cleaning fermentation equipment
4. 15 Gallons; for cleaning still/equipment
5. 120 Gallons; for running still condenser @ (4) four hours/run

Total approximate use for single production run = 365 Gallons

Water to public sanitary system approximately (855) gallons, based on (3) production runs per/week.

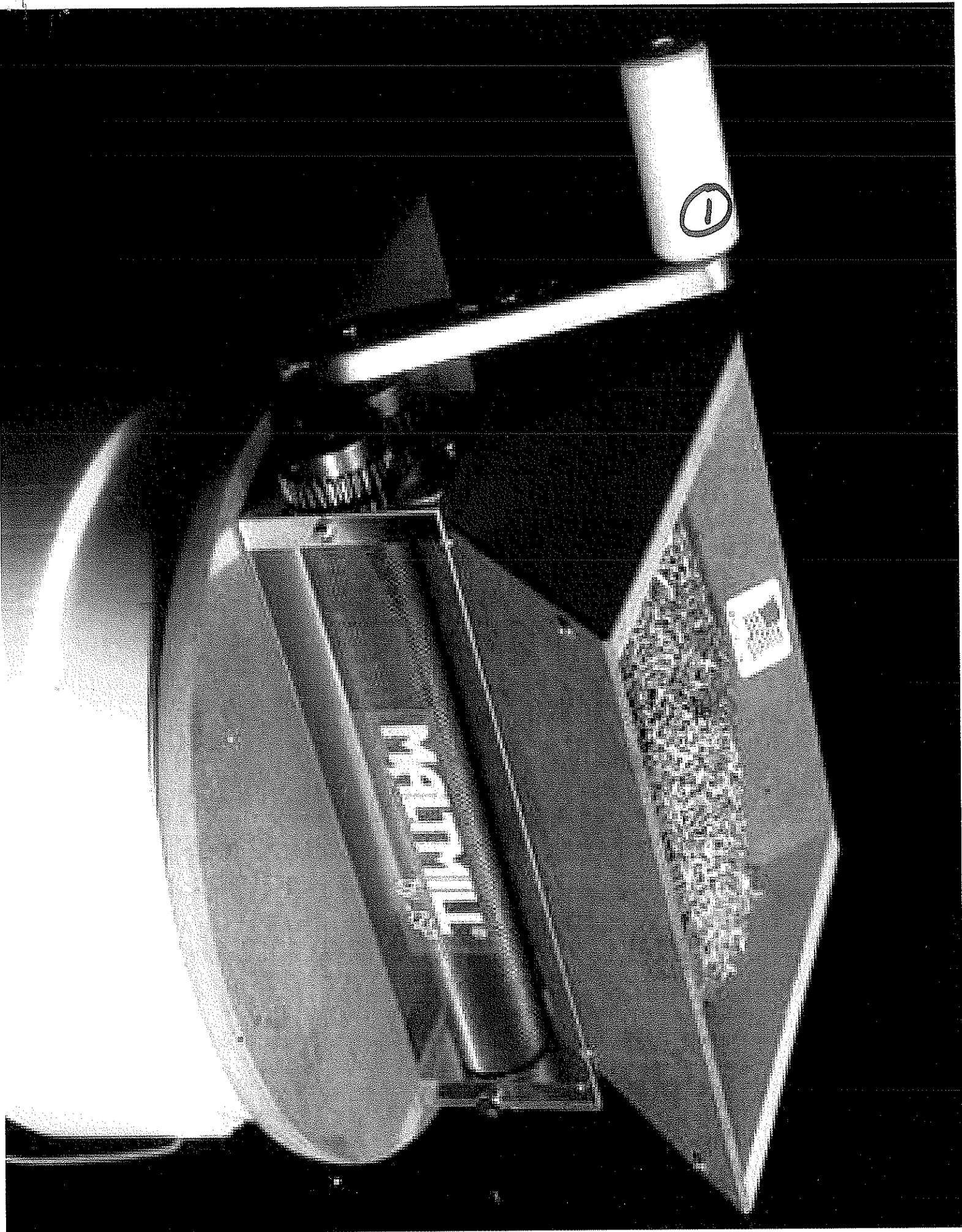
Average weekly per person water use is approximately 700 gallons per the US Government

APPENDIX

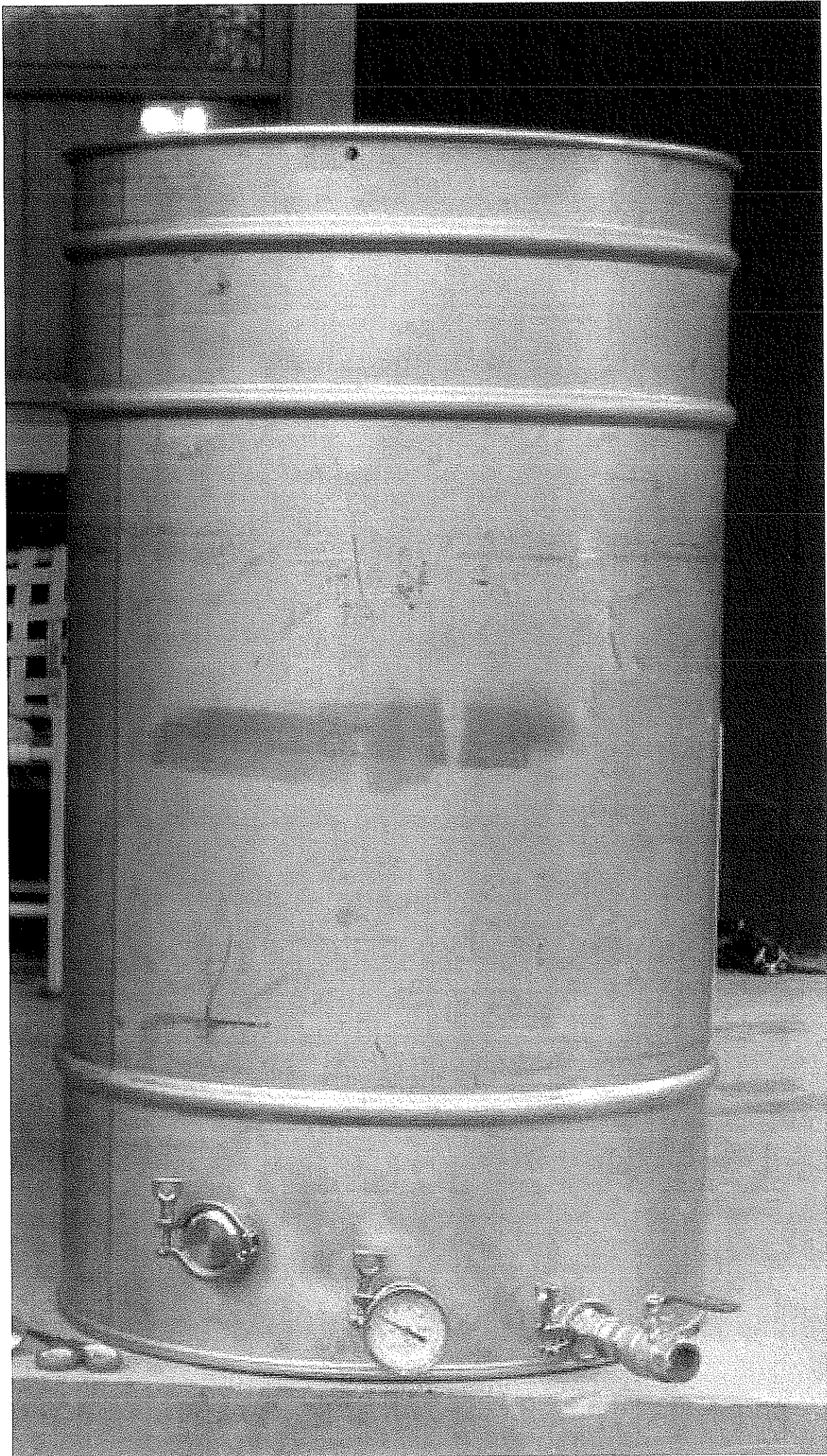
A. Distillery Concept Floor Plan (A-1)

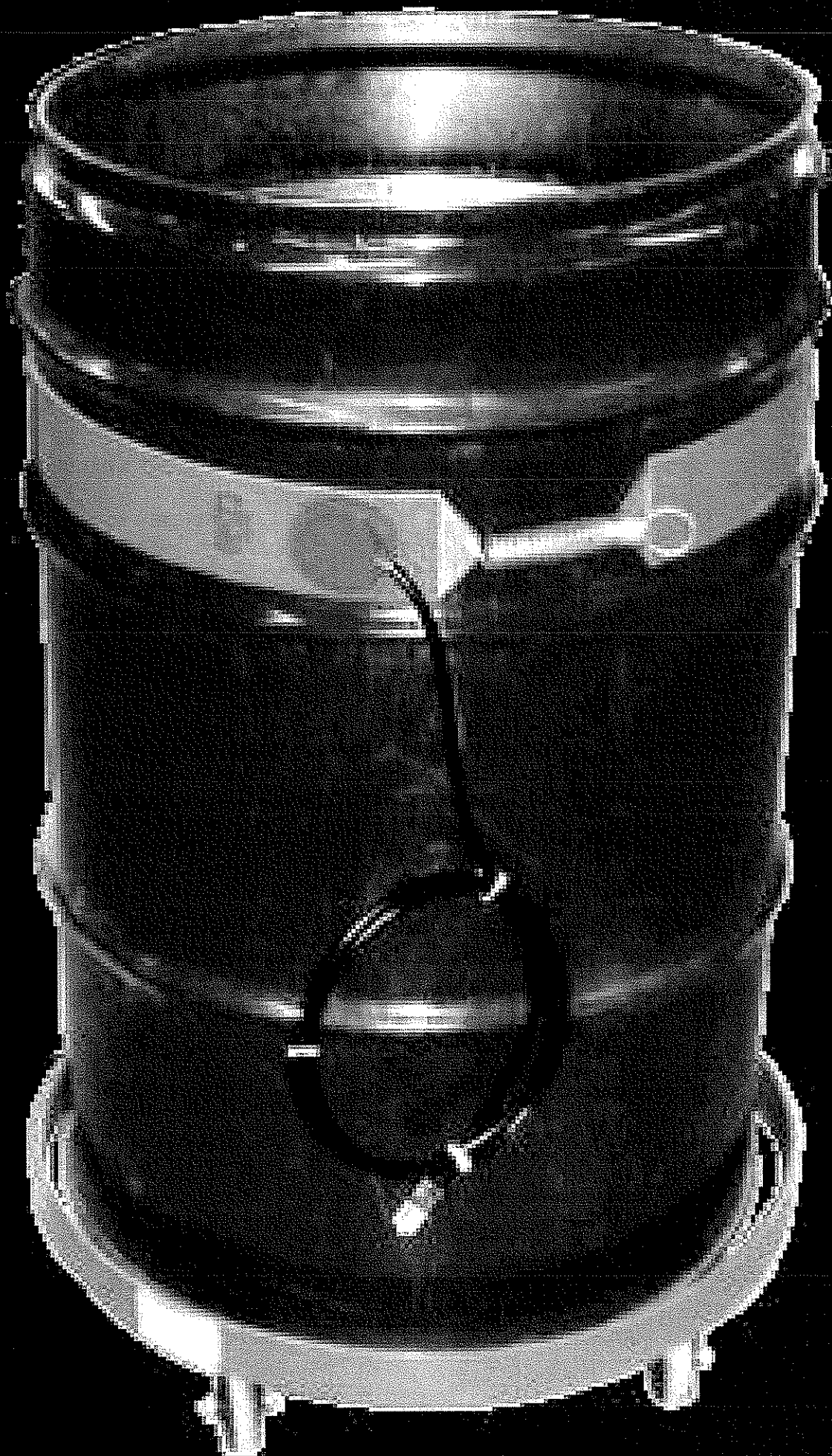
B. Photos/Maps/Illinois Craft License

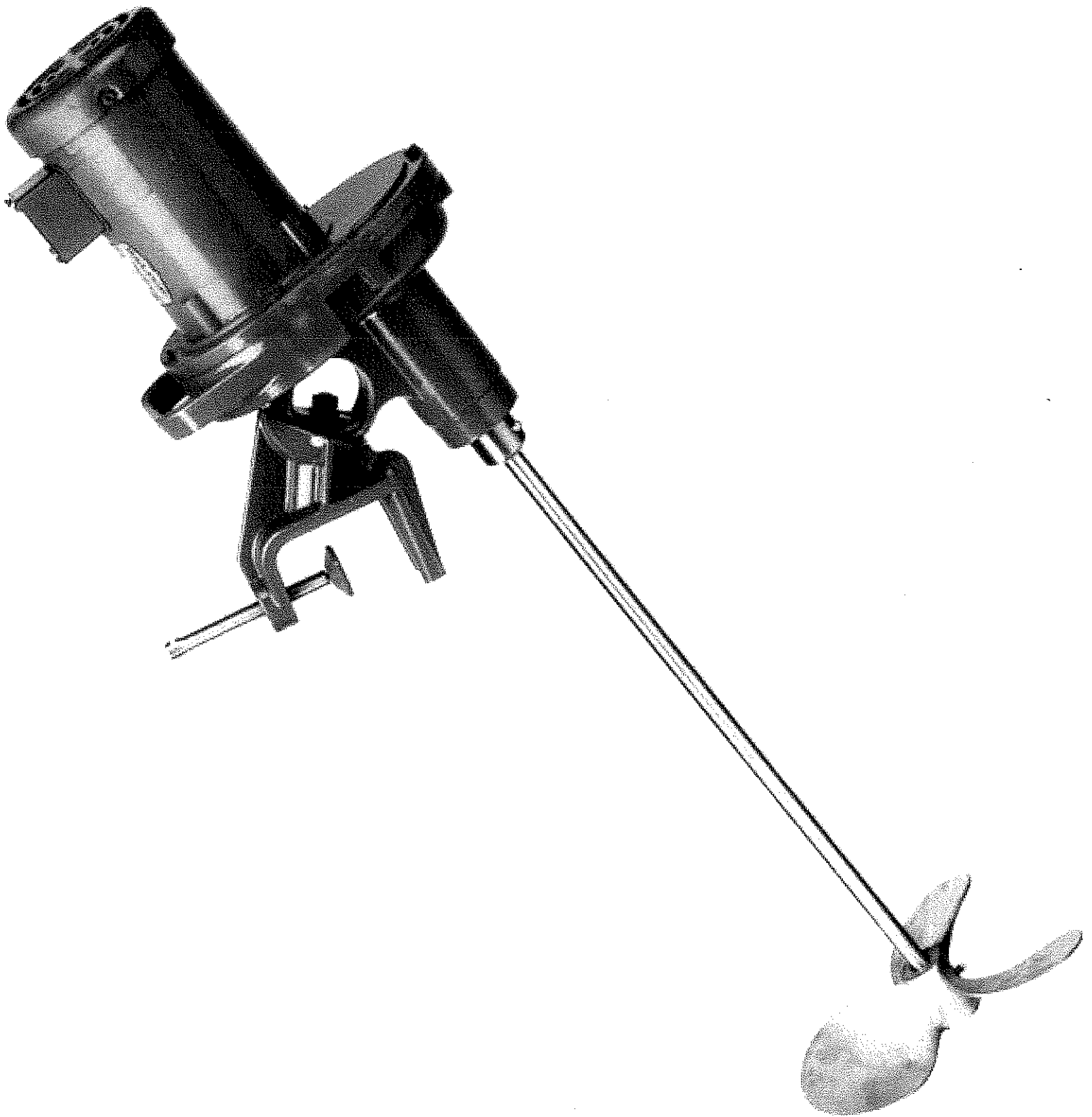
1. Grain Mill
2. Mash-Tun 100 gallon stainless steel drum
3. Mash-Tun Drum Heater
4. Mash-Tun agitator
5. 55 gallon stainless steel drum used for fermentation, alcohol collection and infusion tank
6. 140 gallon copper pot still
7. 140 gallon copper pot still installed in Branson, MO, on fire-box with flue, hard piped to exterior propane tank and controls
8. Hard piped pot still burners (2), regulated with valves, starter and thermocouple
9. Proposed exterior building area for propane tank location
10. Proposed inside screened area for propane tank location
11. Commercial exterior propane tank (150-250) gallon
12. (53) gallon oak barrels, stacked for aging with steel racking
13. Plate filter
14. Bottling filler machine
15. Bottle label machine
16. Proposed front entrance to distillery
17. National map of craft distillers
18. Illinois statute description for "Craft Distiller License"
19. Location Map of Proposed Distillery



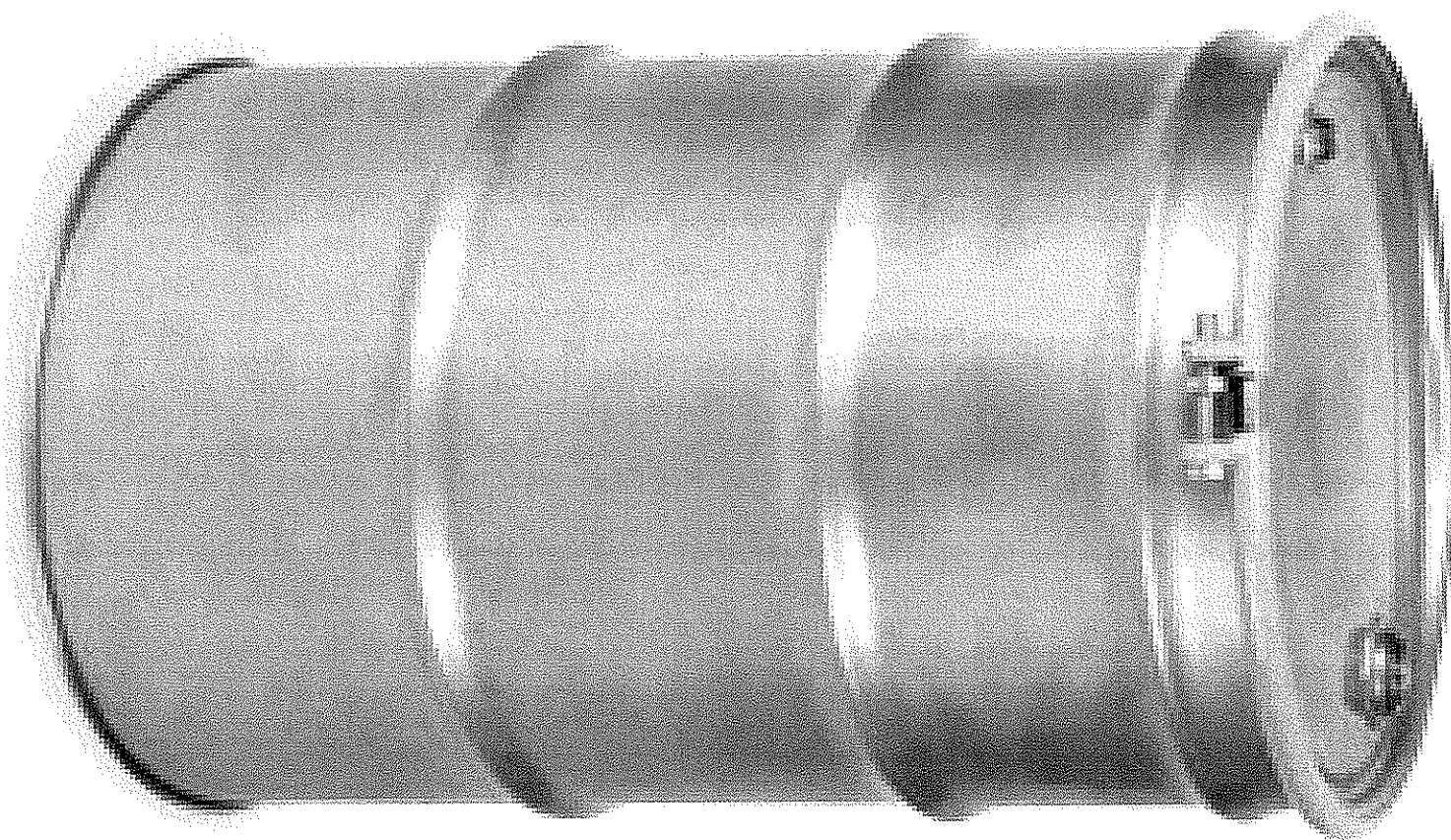
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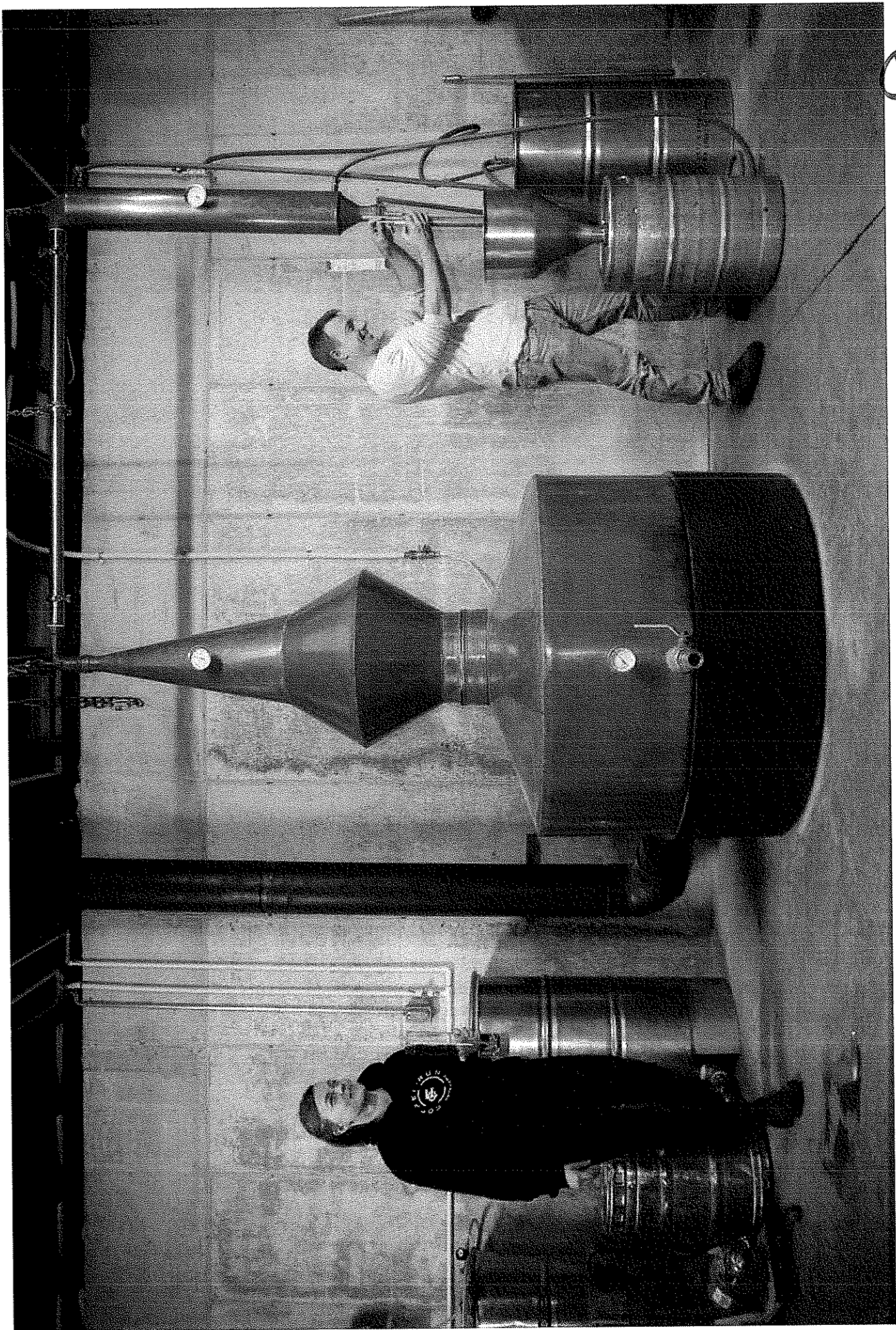


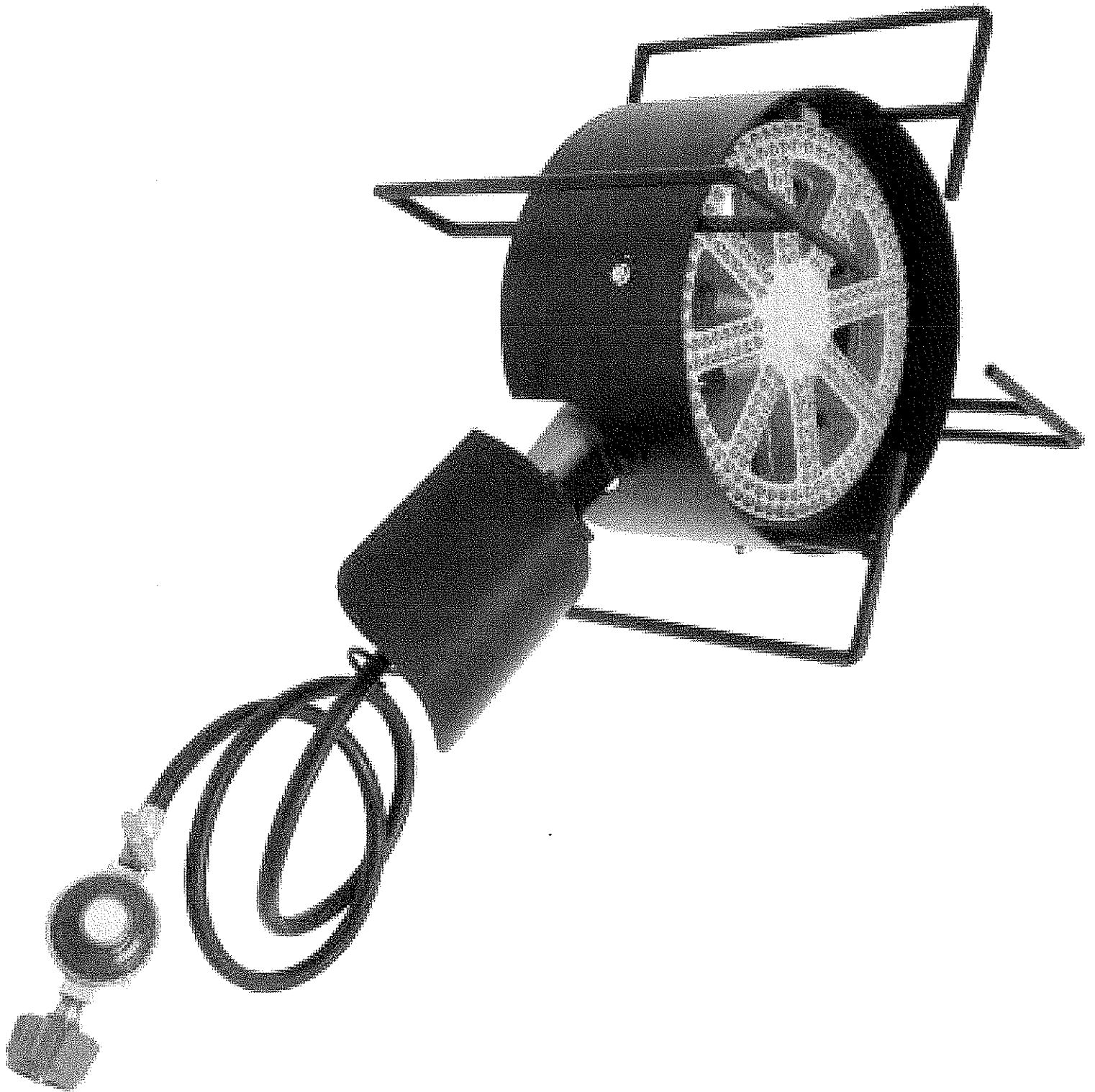
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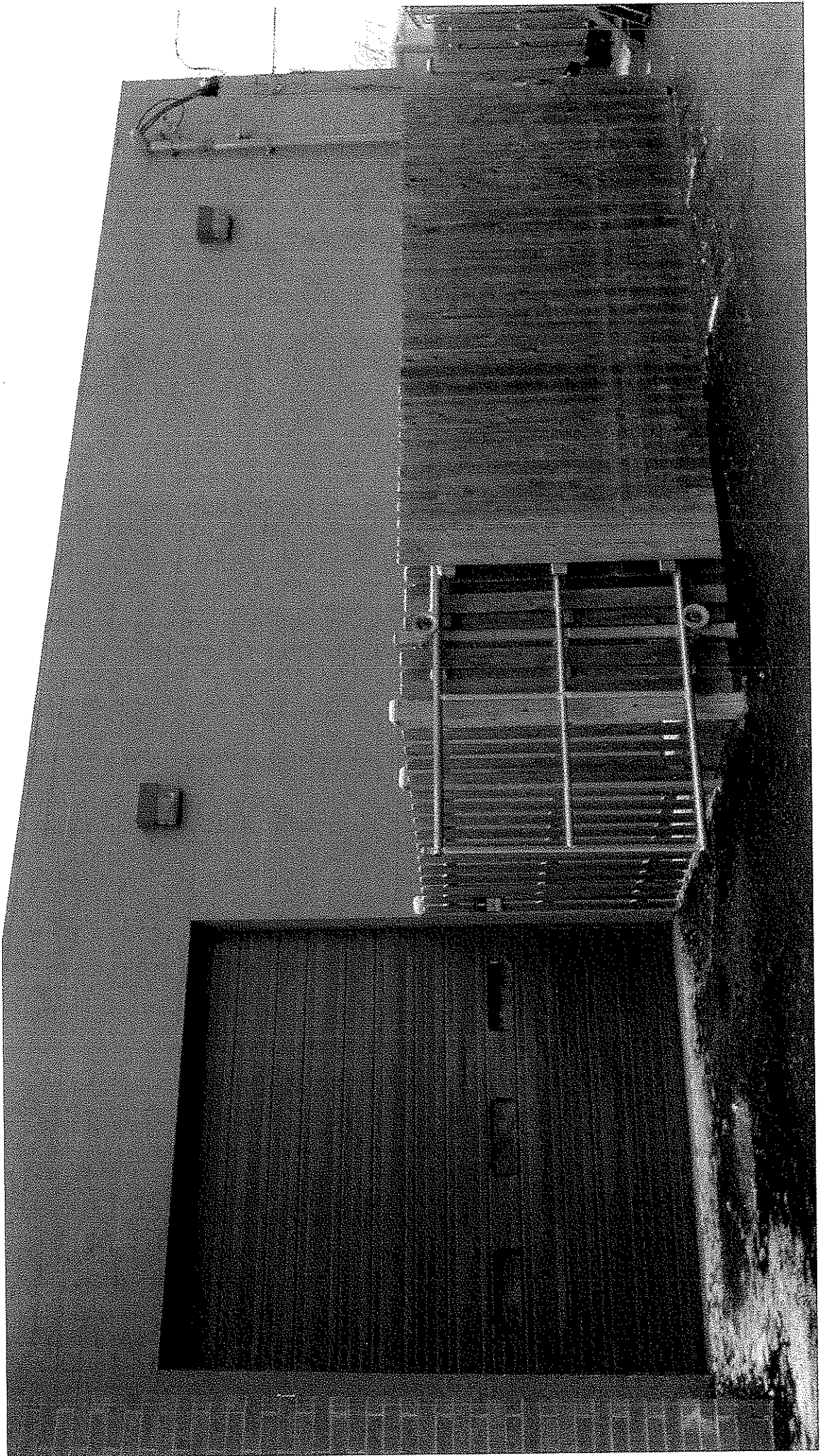


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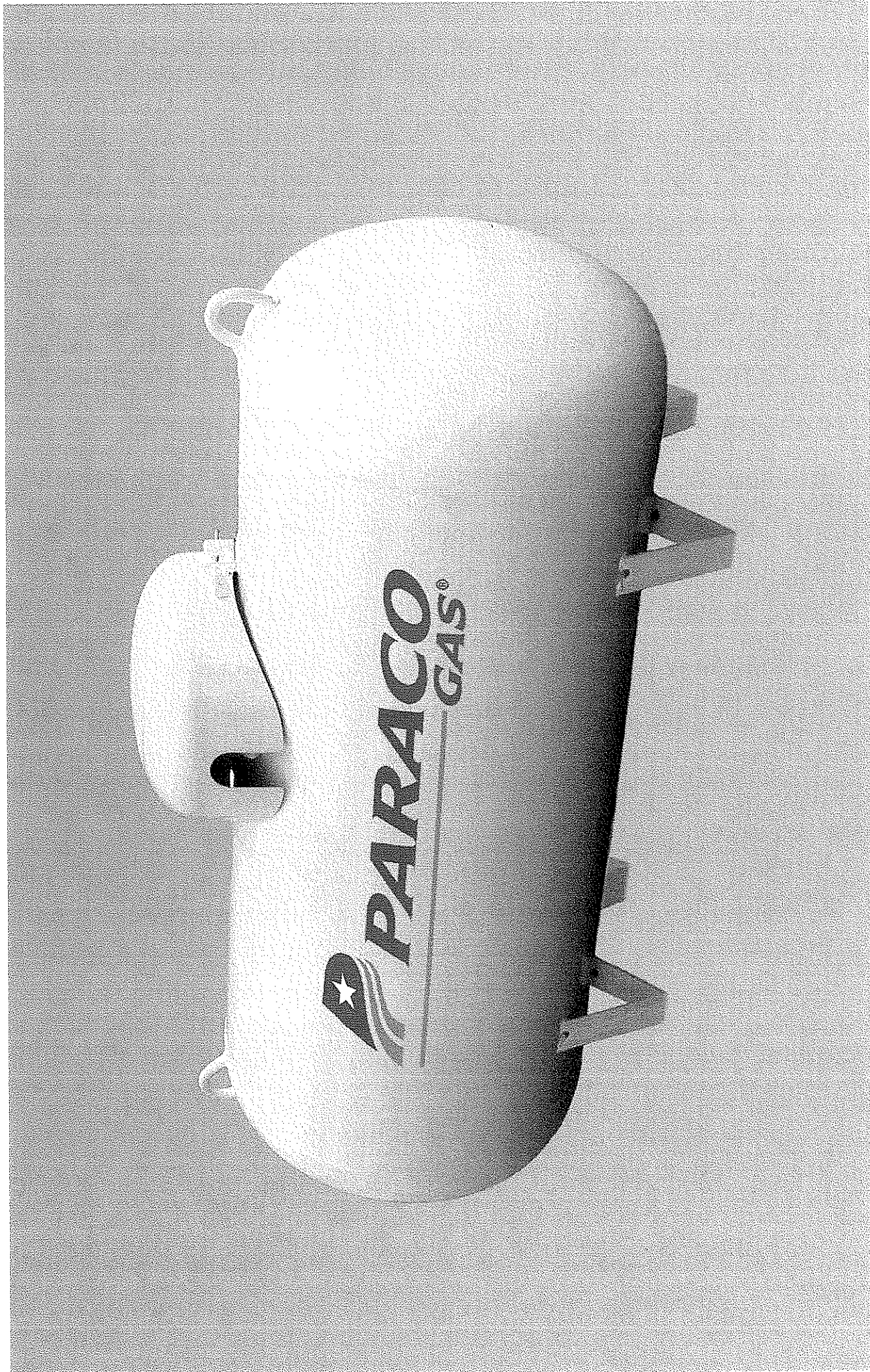




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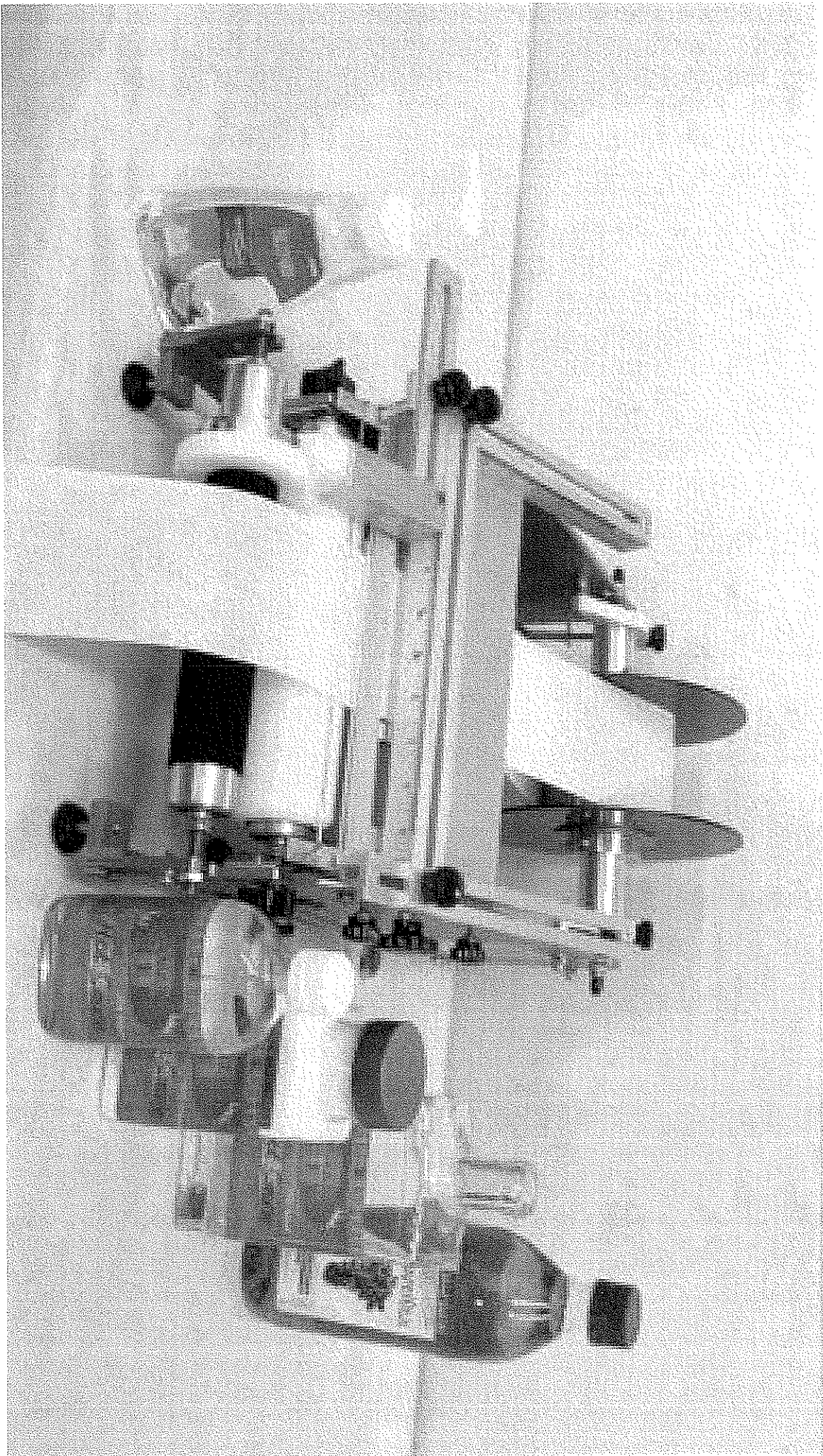


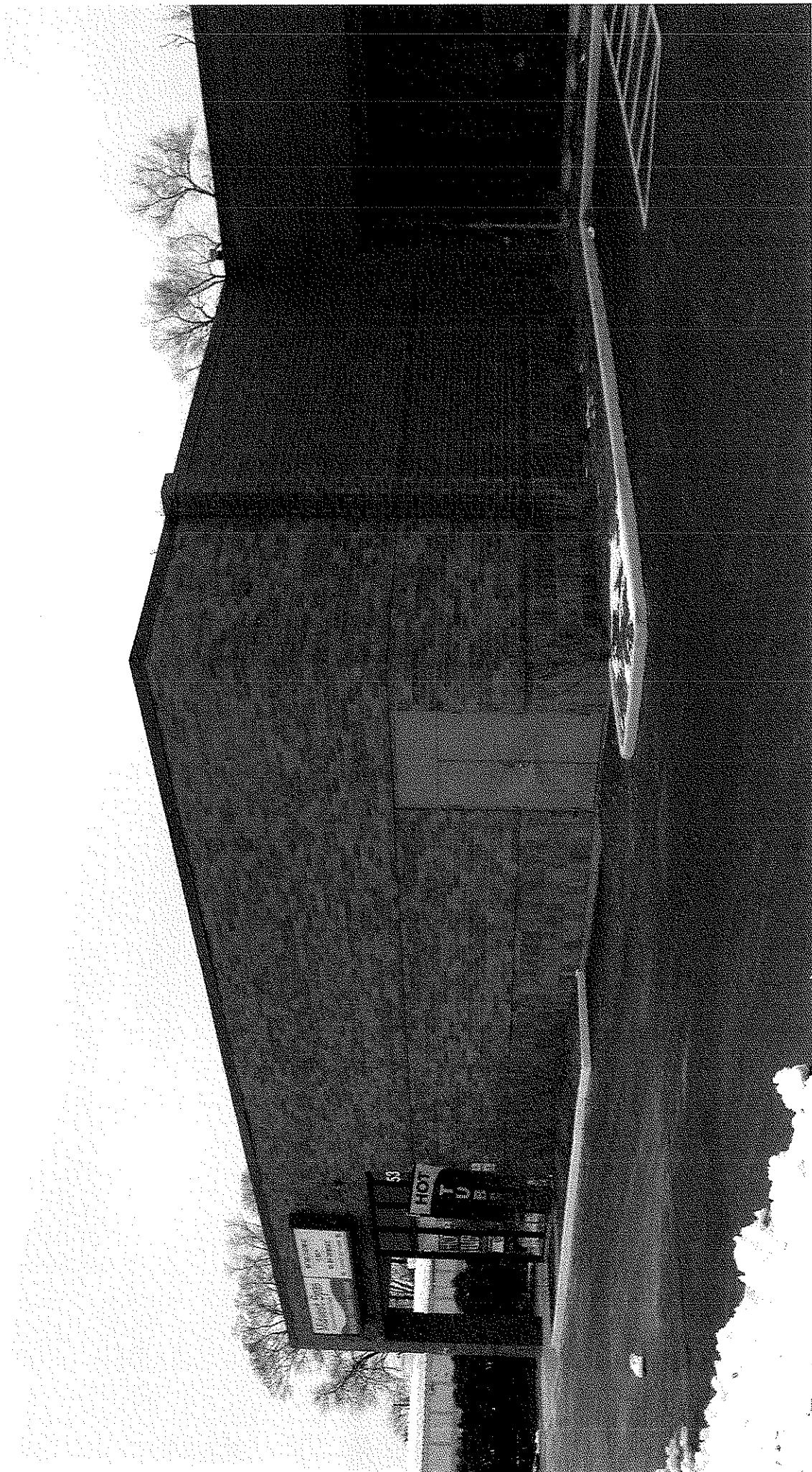


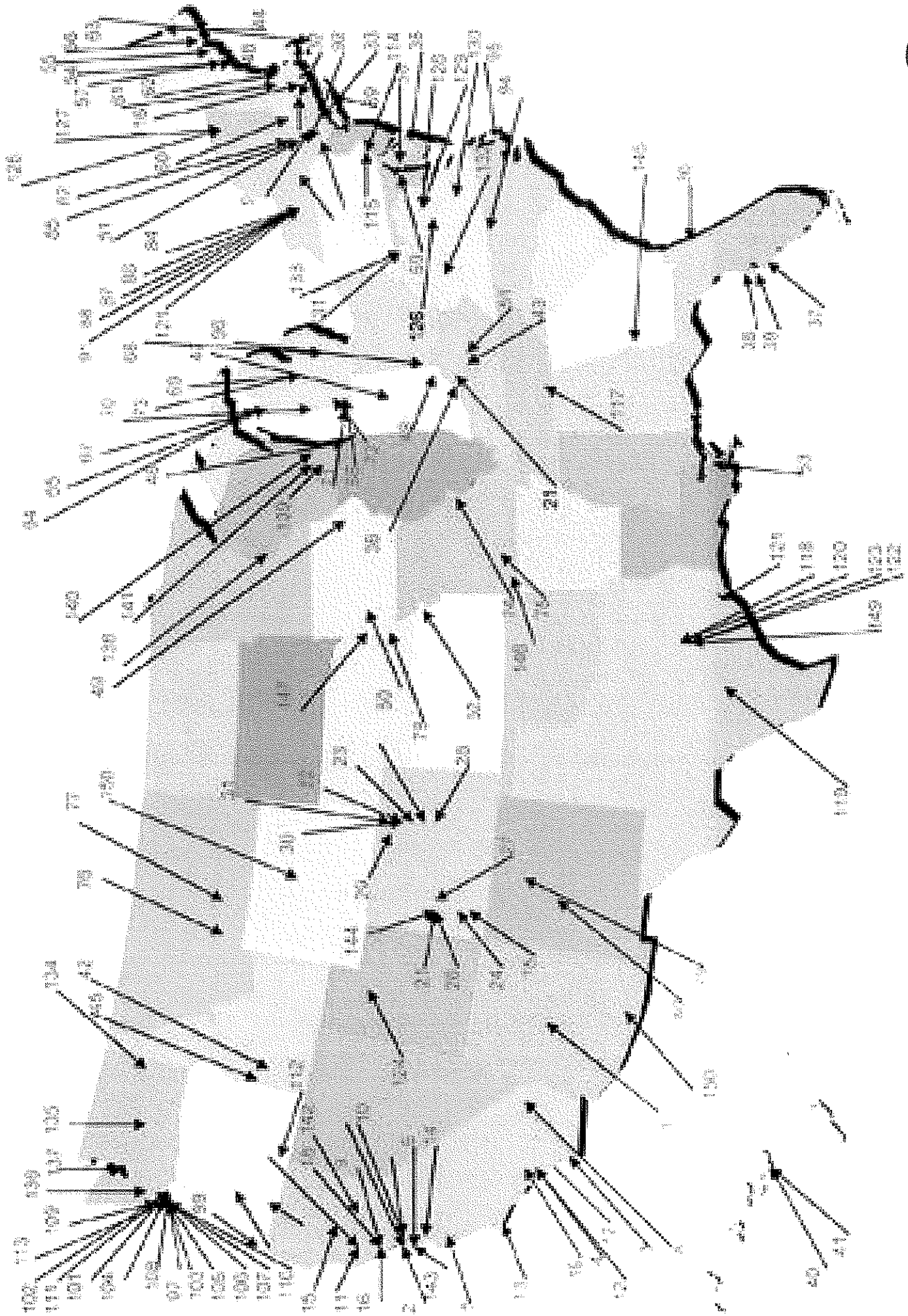
13











Craft Distilleries of the United States

(click on the image for interactive map)

**Illinois Liquor Control
Commission**



**Pat Quinn
Governor**

2ND PAGE

100 W. RANDOLPH ST, SUITE 7-801
CHICAGO, ILLINOIS 60601
PH: 312-814-2206 FAX: 312-814-2241
TDD: 312-814-1844

101 W. JEFFERSON ST, SUITE 3-525
SPRINGFIELD, ILLINOIS 62702
PH: 217-782-2136 FAX: 217-524-1911
WEB SITE: www.state.il.us/LCC

APPLICATION FOR STATE OF ILLINOIS MANUFACTURER'S LIQUOR LICENSE

DEFINITIONS: A manufacturer is every brewer, fermenter, distiller, rectifier, wine maker, blender, processor, bottler or person who fills or refills an original package, whether for himself or for another, and others engaged in brewing, fermenting, distilling, rectifying or bottling alcoholic liquors as above defined. To manufacture means to distill, rectify, ferment, brew, make, mix, concoct, process, blend, bottle or fill an original package with an alcoholic liquor, whether for oneself or for another, and includes blending but does not include the mixing or other preparation of drinks for serving by those persons authorized and permitted in this Act to serve drinks for consumption on the premises where sold. All containers or packages of blended alcoholic liquors shall have affixed thereto a label setting forth and stating clearly the names of all ingredients which the blended alcoholic liquors offered for sale shall contain.

☐ **CLASS 1: DISTILLER**

FEE: \$3,600.00

A Distiller is a person who distills, ferments, brews, makes, mixes, concocts, processes, blends, bottles or fills an original package with any alcoholic liquor. A distiller may make sales and deliveries of alcoholic liquor to distillers, rectifiers, importing distributors, distributors, and non-beverage users and to no other licensees. This includes a manufacturer of wine, but does not include a manufacturer of beer or bottler of wine. **SUPPORTING DOCUMENTS REQUIRED:**

- ENCLOSED REGISTRATION STATEMENT;
- COPY OF FEDERAL LABEL APPROVAL(S). VISIT WWW.TTB.GOV TO DOWNLOAD THE F 5100.31 APPLICATION FORM;
- TAX BOND ACQUIRED BY ONE OF THE FOLLOWING ENCLOSED FORMS:
a) RL-1 TAX STATEMENT OF LIABILITY; b) REG-4-A (LIQUOR GALLONAGE TAX BOND) CERTIFICATE OF DEPOSIT; or c) REG-4-D LETTER OF CREDIT BOND.

IF APPLICABLE, ENCLOSED STATEMENT OF REPRESENTATION—
REGISTRATION OF MANUFACTURER'S AGENT (IL 567-0054).

IF APPLICABLE, ENCLOSED APPLICATION FOR REGISTRATION—
MANUFACTURER'S REGISTERED AGENT (IL 567-0053).

SEE SECTION 8 FOR DEFINITION

☐ **CLASS 2: RECTIFIER**

FEE: \$3,600.00

A Rectifier is any person who rectifies, ferments, brews, makes, mixes, concocts, processes, blends, bottles or fills an original package with any alcoholic liquor, other than by original or continuous distillation. **SUPPORTING DOCUMENTS REQUIRED:**

- ENCLOSED REGISTRATION STATEMENT;
- COPY OF FEDERAL LABEL APPROVAL(S). VISIT WWW.TTB.GOV TO DOWNLOAD THE F 5100.31 APPLICATION FORM;
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SEE SECTION 8 FOR DEFINITION

☐ **CLASS 3: BREWER**

FEE: \$900.00

A Brewer is any person who is engaged in the manufacture of beer. A brewer may make sales and deliveries of beer to importing distributors and distributors, in accordance with the provisions of the Illinois Liquor Control Act. **SUPPORTING DOCUMENTS REQUIRED:**

- ENCLOSED REGISTRATION STATEMENT;
- COPY OF FEDERAL LABEL APPROVAL(S). VISIT WWW.TTB.GOV TO DOWNLOAD THE F 5100.31 APPLICATION FORM;
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SEE SECTION 8 FOR DEFINITION

☐ **CLASS 4: FIRST-CLASS WINE MANUFACTURER**

FEE: \$600.00

A wine-manufacturer means a person who is engaged in the manufacture of wine. A first-class wine-manufacturer may make sales and deliveries of up to 50,000 gallons of wine to manufacturers, importing distributors and distributors, and to no other licensees. **REQUIRED DOCUMENTS:**

- ENCLOSED REGISTRATION STATEMENT;
- COPY OF FEDERAL LABEL APPROVAL(S). VISIT WWW.TTB.GOV TO DOWNLOAD THE F 5100.31 APPLICATION FORM;
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SEE SECTION 8 FOR DEFINITION

☐ CLASS 5: SECOND-CLASS WINE MANUFACTURER**FEE: \$1,200.00**

A wine-manufacturer means a person who is engaged in the manufacture of wine. A second-class wine-manufacturer may make sales and deliveries of more than **50,000** gallons of wine to manufacturers, importing distributors and distributors and to no other licensees.

SUPPORTING DOCUMENTS REQUIRED:

- ENCLOSED REGISTRATION STATEMENT;
- COPY OF FEDERAL LABEL APPROVAL(S). VISIT WWW.TTB.GOV TO DOWNLOAD THE F 5100.31 APPLICATION FORM;
- TAX BOND ACQUIRED BY ONE OF THE FOLLOWING ENCLOSED FORMS:
 - a) RL-1 TAX STATEMENT OF LIABILITY; b) REG-4-A (LIQUOR GALLONAGE TAX BOND) CERTIFICATE OF DEPOSIT; or c) REG-4-D LETTER OF CREDIT BOND.

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REGISTRATION OF MANUFACTURER'S AGENT (IL 567-0054).

IF APPLICABLE, ENCLOSED APPLICATION FOR REGISTRATION—
MANUFACTURER'S REGISTERED AGENT (IL 567-0053).

SEE SECTION 8 FOR DEFINITION**☐ CLASS 6: FIRST-CLASS WINE MAKER****FEE: \$600.00**

A first-class wine-maker's license shall allow the manufacturer of up to **50,000** gallons of wine per year, and the storage and sale of such wine to distributors and retailers in the state and to persons without the State, as may be permitted by law. **SUPPORTING DOCUMENTS REQUIRED:**

- ENCLOSED REGISTRATION STATEMENT;
- COPY OF FEDERAL LABEL APPROVAL(S). VISIT WWW.TTB.GOV TO DOWNLOAD THE F 5100.31 APPLICATION FORM;
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SEE SECTION 8 FOR DEFINITION**☐ CLASS 7: SECOND CLASS WINE MAKER****FEE: \$1,200.00**

A wine-maker is a person engaged in the making of between 50,000 and 100,000 gallons of wine annually. A second-class wine-maker's license shall allow the manufacture of **between 50,000 and 100,000** gallons of wine per year, and the storage and sale of such wine to distributors in this State and to persons without the State, as may be permitted by law. A second class wine-maker's license shall allow the sale of no more than 10,000 gallons of the licensee's wine directly to retailers. **SUPPORTING DOCUMENTS REQUIRED:**

- ENCLOSED REGISTRATION STATEMENT;
- COPY OF FEDERAL LABEL APPROVAL(S). VISIT WWW.TTB.GOV TO DOWNLOAD THE F 5100.31 APPLICATION FORM;
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IF APPLICABLE, ENCLOSED APPLICATION FOR REGISTRATION—
MANUFACTURER'S REGISTERED AGENT (IL 567-0053).

SEE SECTION 8 FOR DEFINITION**☐ CLASS 8: LIMITED WINE MANUFACTURER****FEE: \$120.00**

A limited wine-manufacturer may make sales and deliveries **not to exceed 40,000** gallons of wine per year to distributors and to non-licensees in accordance with the provisions of the Illinois Liquor Control Act. A limited wine manufacturer uses only grapes, berries, other fruits, fruit products, honey and vegetables produced or grown in Illinois, except as defined in the Illinois Liquor Control Act, Section 5/1-3.31. **SUPPORTING DOCUMENTS REQUIRED:**

- ENCLOSED REGISTRATION STATEMENT;
- COPY OF FEDERAL LABEL APPROVAL(S). VISIT WWW.TTB.GOV TO DOWNLOAD THE F 5100.31 APPLICATION FORM;
- TAX BOND ACQUIRED BY ONE OF THE FOLLOWING ENCLOSED FORMS:
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IF APPLICABLE, ENCLOSED APPLICATION FOR REGISTRATION—
MANUFACTURER'S REGISTERED AGENT (IL 567-0053).

SEE SECTION 8 FOR DEFINITION**☐ CLASS 9: CRAFT DISTILLER****FEE: \$1,800.00**

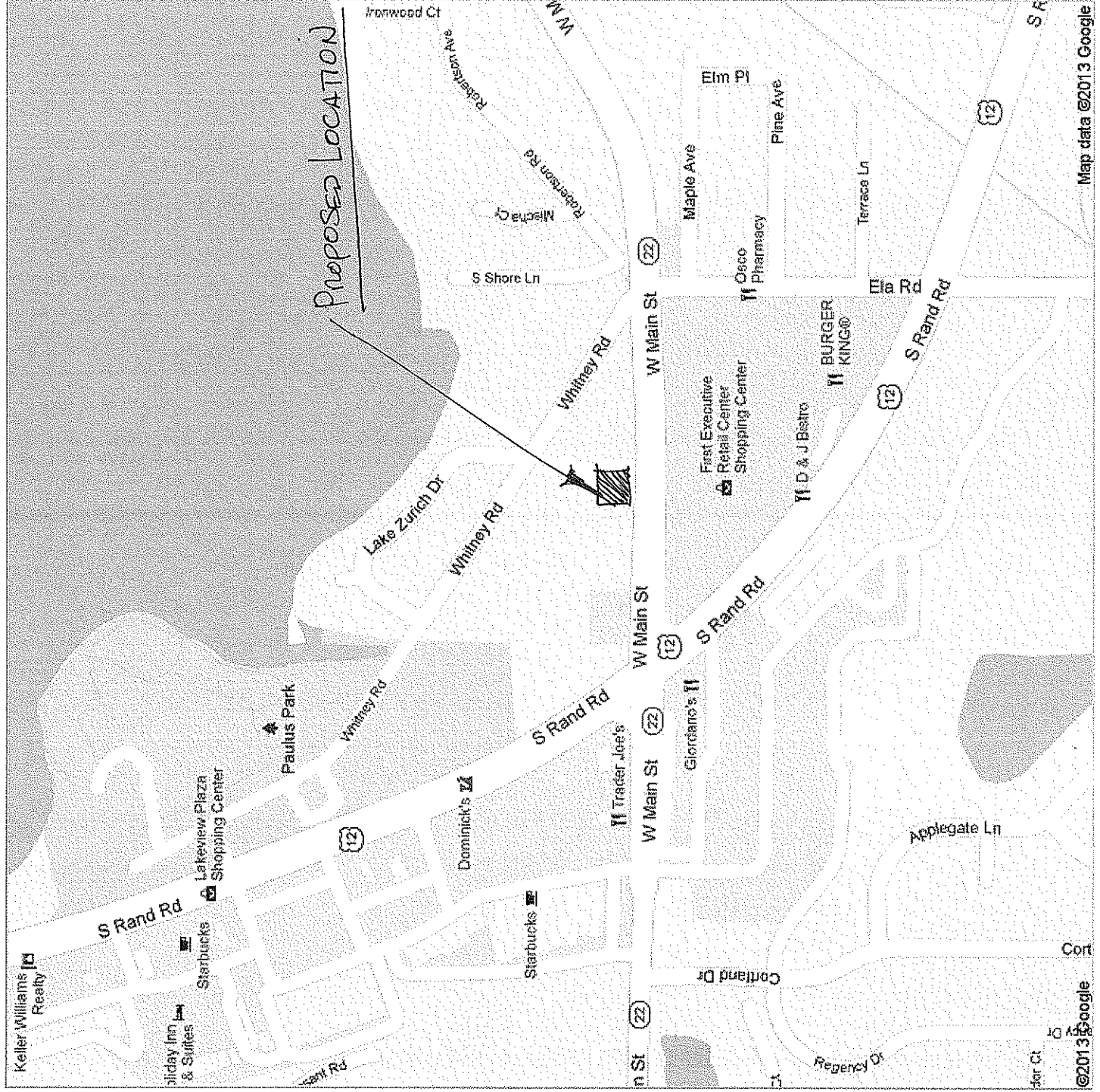
A craft distiller license shall allow the manufacture of up to **15,000** gallons of spirits by distillation per year and the storage of such spirits. If a craft distiller licensee is not affiliated with any other manufacturer, then the craft distiller licensee may sell such spirits to distributors in this State and non-licensees to the extent permitted by any exemption approved by the Commission pursuant to Section 6-4 of the Liquor Control Act. Any craft distiller licensed under this Act how who on the effective date (July 28, 2010) of this amendatory Act of the 96th General Assembly was licensed as a distiller and manufactured no more spirits than permitted by this Section shall not be required to pay the initial licensing fee. **SUPPORTING DOCUMENTS REQUIRED:**

- ENCLOSED REGISTRATION STATEMENT;
- COPY OF FEDERAL LABEL APPROVAL(S). VISIT WWW.TTB.GOV TO DOWNLOAD THE F 5100.31 APPLICATION FORM;
- TAX BOND ACQUIRED BY ONE OF THE FOLLOWING ENCLOSED FORMS:
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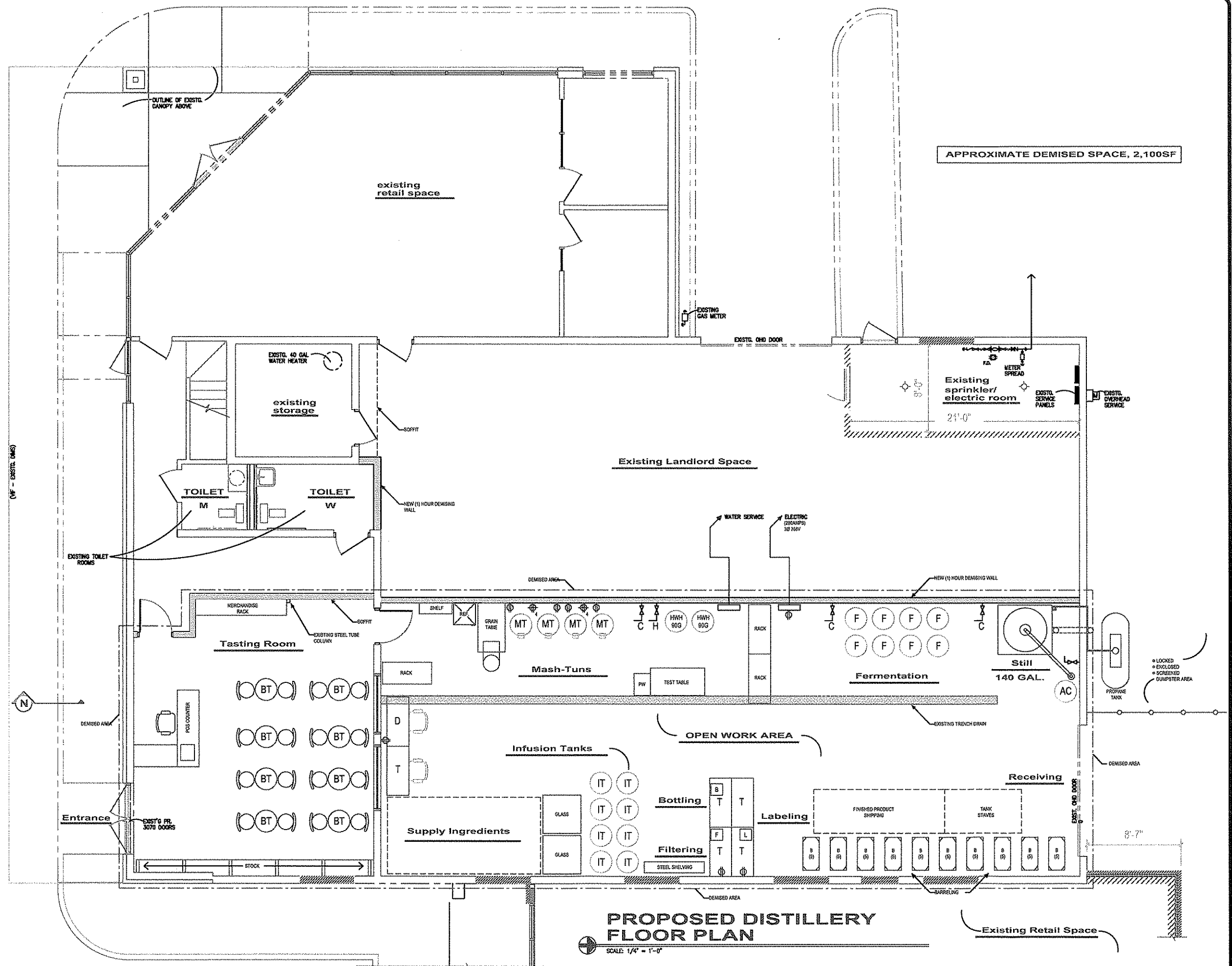
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SEE SECTION 8 FOR DEFINITION



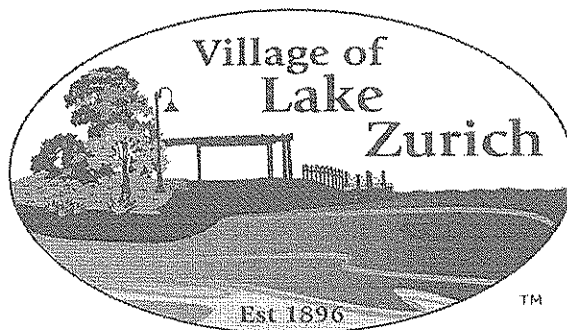
19



PROPOSED COPPER FIDDLE DISTILLERY
532 W. IL ROUTE 22, SUITE 110
LAKE ZURICH, ILLINOIS

DRAWN
CHECKED
DATE 12/21/2012
SCALE AS NOTED
SHEET
A-1

70 E. Main Street
Lake Zurich, IL 60047




Phone: (847) 438-5141
Fax: (847) 540-1768
Web: www.volz.org

MEMORANDUM

Date: January 29, 2013

To: Jason T. Slowinski, Village Administrator

From: Daniel A. Peterson, Director of Building & Zoning 

Subject: Zoning Application for Linden Subdivision Lots 4, 5 and 6

Issue: Zoning Code variation request for the vacant lots 4, 5 and 6 in the Linden Subdivision located at the northeast corner of Honey Lake Road and Linden.

Analysis: Michael and Kimberly Schroeder (the "*Applicants*"), the property owners of vacant lots 4, 5 and 6 in the Linden Subdivision are seeking relief from certain zoning code requirements allowing the lots to have additional buildable area. Relief by variation from the following two Zoning Code Sections are being sought by this application:

1. To reduce the minimum required corner side yard for Lot 4, pursuant to Subparagraph 3-111C1(b) of the Zoning Code, from 30 feet to 20 feet;
2. To allow driveway encroachments on conservancy soils on Lots 5 and 6 as restricted in Zoning Code Section 8-302.

The Subject Property is currently in the Village's R-5 Single Family Zoning District.

The Lake Zurich Zoning Board of Appeals (ZBA) conducted a public hearing on January 17, 2013, and unanimously recommended that the Board of Trustees approve the variations as conditioned.

1. Approve the variation for reduction of the corner side yard for Lot 4 from 30 feet to 25 feet, and not to 20 feet as requested. The primary reason that the relief was recommended to 25 feet was to ensure unobstructed driver's vision at the intersection of Linden and Honey Lake. The owners have submitted a letter seeking the original relief of a reduction from 30 feet to 20 feet.
2. Approve the variation for conservancy soils, subject to the conditions stated in the attached ordinance.

On January 28, 2013 the Village received a letter from the owner's stating that they would like the board to reconsider the request for the full 10' side yard setback relief as requested, from 30' to 20', and not accept the Zoning Board of Appeals recommendation. Mr. Schroeder will be present at the February 4, 2013 Village Board meeting.

Recommendations: Motion to approve an "Ordinance Granting Variations for Lots 4, 5 and 6 in the Linden Subdivision as recommended by the Lake Zurich Zoning Board of Appeals.

Attachments:

1. Draft Ordinance with exhibits
2. January 28, 2013 letter from Michael Schroeder
3. January 17, 2013 Zoning Board of Appeals application packet

ORDINANCE NO. 2013-02-881

An Ordinance Granting Variations for Lots 4, 5 and 6 Linden Subdivision

WHEREAS, Michael and Kimberly Schroder ("Applicants") are the owners of the property commonly known as Lots 4, 5 and 6 in the Linden Subdivision and legally described in Exhibit A attached hereto (the "Subject Property"); and

WHEREAS, the Applicants filed an Application with the Village of Lake Zurich dated November 14, 2012, ("Application") seeking the following approval for future development of 3 single family homes:

Reduction of the minimum corner side yard requirements along Honey Lake Road from 30 feet to 20 feet pursuant to Lake Zurich Zoning Code Subparagraph 3-111C1(b) for Lot 4;

and;

Allowance of driveway encroachments on conservancy soils as restricted in Zoning Code Section 8-302 for Lots 5 and 6.

WHEREAS, the Subject Property is zoned in the R-5 Single Family Residential District; and

WHEREAS, the Lake Zurich Zoning Board of Appeals conducted a public hearing on January 17, 2013, to consider the Application and all of the facts and circumstances affecting the application, including staff reports and recommendations, which the Zoning Board of Appeals has adopted as their own findings; and recommended approval subject to the conditions set forth in Section 2 of this Ordinance; and

WHEREAS, on February 4, 2013, the President and Board of Trustees have considered the findings and recommendations of the Zoning Board of Appeals and have considered the recommendations of the Zoning Board of Appeals and Village staff, have considered all of the facts and circumstances affecting the Application, and have determined that the Application satisfies the applicable standards in the Lake Zurich Zoning Code.

NOW, THEREFORE, BE IT ORDAINED by the President and Board of Trustees of the Village of Lake Zurich, Lake County, Illinois, as follows:

SECTION 1: The foregoing recitals are incorporated herein as findings of the President and Board of Trustees.

SECTION 2: The President and Board of Trustees does hereby approve the application and grant the variations for the Subject Property reducing the minimum required corner side yard for Lot 4, pursuant to Subparagraph 3-111C1(b) of the Zoning Code, from 30 feet to 25 feet and not to 20 feet as requested, and to allow driveway encroachments on conservancy soils on Lots 5 and 6 as restricted in Zoning Code Section 8-302 to allow development of 3 single family homes subject to the following terms and conditions:

- A. The grant of variations does not authorize any work on the Subject Property, but rather merely authorizes the filing and processing of permits that may be required for such work. The Applicants shall submit all applicable building plans, and all other required materials, in a timely manner to the appropriate parties, which

materials shall be prepared in compliance with all applicable Village codes and ordinances.

- B. The Subject Property shall be developed in strict compliance with all applicable building and zoning codes and regulations except only as varied specifically hereby.

SECTION 3: The findings, recommendations and conditions of the Zoning Board of Appeals and staff reports and filings provided to the Zoning Board of Appeals are hereby accepted as the Board's own and shall be made a part of the official record for the Application and are attached hereto as Exhibit B.

SECTION 4: The variations granted in Section 2 of this Ordinance may be revoked by the Board of Trustees on the violation of any term, restriction, or condition of this Ordinance or of any applicable Village code or regulation.

SECTION 5: This Ordinance shall be in full force and effect from and after its passage, approval, and publication in pamphlet form (which publication is hereby authorized) as provided by law.

PASSED this _____ day of _____ 2013.

Voting Aye:

Voting Nay:

Absent:

Abstain:

APPROVED this _____ day of _____ 2013.

Village President Suzanne K. Branding

ATTEST: _____
Village Clerk Kathleen Johnson

(SEAL)

Published: _____

EXHIBIT A
LEGAL DESCRIPTION

Lots 4, 5 and 6 Linden Subdivision

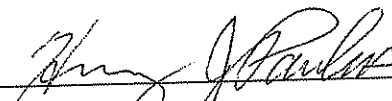
Lots 4, 5 and 6 of Linden Subdivision, being a subdivision of part of the southwest quarter of Section 18, Township 43 North, Range 10 East of the Third Principal Meridian in Lake County, Illinois

EXHIBIT B

LAKE ZURICH ZONING BOARD OF APPEALS
FINDINGS & RECOMMENDATIONS
SCHROEDER PROPERTY – LOTS 4, 5 & 6 LINDEN SUBDIVISION
January 17, 2013

The Zoning Board of Appeals recommends adoption of variations for Lots 4, 5 & 6 of Linden Subdivision, subject to and including the terms, conditions and findings contained in the attached Staff Reports dated January 11, 2013, January 10, 2013 and January 7, 2013 for this matter with the following additions, changes and modifications:

The Zoning Board of Appeals recommends the conservancy soils variation as requested on Lots
5 and 6. The Zoning Board of Appeals recommends the corner side yard setback variation for
Lot 4 along Honey Lake Road be reduced from 30 feet to 25 feet and not to 20 feet as the
applicant requested.


Henry Paulus, Vice Chairman

January 28, 2013

Village of Lake Zurich
70 East Main Street
Lake Zurich, IL 60047

Dear Village Board,

The February 4, 2013 Village Board agenda includes a request to approve two variances for three residential lots in Lake Zurich.

The first request is to allow two residential driveways to be built partially on conservancy soil for 1140 and 1110 Honey Lake Road, Lots 5 and 6. This request has been approved by the Village Engineering Department and The Zoning Board of Appeals. This request will also save many existing trees. I would appreciate your support for this conservancy soil variance.

The second request is to provide a side yard setback variance for 30 Linden Road, lot 4. This empty corner lot currently has a small building footprint due to dual 30 foot side and front yard setbacks. This creates an undesirable site for builders and home buyers. This request is to increase the building footprint by allowing for a 10 foot reduction to the side yard setback to the south property line along Honey Lake Road from 30 feet to 20 feet. This 10 foot reduction would allow a home to be built 44 feet from Honey Lake Road.

This request for a 10 foot reduction has been approved by the Village Engineering Department. The Zoning Board of Appeals approved the set back variance, but reduced it by 5 feet, from 20 feet to 25 feet.

Important details: Most residential lots in Lake Zurich start very close to the edge of the road. A 30 foot setback keeps the home 30 to 35 feet away from the road edge. Honey Lake Road is different. It is a wide road and has a very large 24 foot ditch from the edge of the road and the edge of the property line. This 24 feet plus the required 30 foot setback places a house 54 feet back from the edge of the road. This request for variance would reduce this by 10 feet, resulting in a home being 44 feet from the edge of Honey Lake Road. This is about 10 feet more than all other homes in Zurich Heights and most other subdivisions in Lake Zurich.

Some existing homes in Zurich Heights with 35 feet or less placement to the edge of the road: 1048 Wilmette, 1073 Wilmette, 146 Beech, 190 Beech, 153 Country Club, 93 Linden, 1040 Honey Lake Road
Some existing homes only 35 ft or less from Honey Lake Road: 1101 A Geneva, 1000, 980, 962, 946, & 930 Honey Lake Road.

Also, the prior blue house on this, lot that has since been torn down, was about 40 feet from the edge of Honey Lake Road.

I would appreciate your support for a 20 foot side yard variance.

Thank you for your consideration and cooperation.

Sincerely

Michael Schroeder
Owner and Lake Zurich Resident

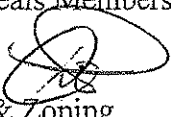
Building & Zoning Dept.
70 E. Main Street
Lake Zurich, IL 60047-3226



Phone: (847) 540-1698
Fax: (847) 540-1769
Web: www.volz.org

MEMORANDUM

TO: Chairman McCormack
Zoning Board of Appeals Members

FROM: Daniel A. Peterson 
Director of Building & Zoning

DATE: January 11, 2013

RE: Linden Subdivision – Lots 4, 5 & 6 – Schroeder Property

Michael and Kimberly Schroeder are the owners of 30 Linden, 1140 Honey Lake Road and 1110 Honey Lake Road – also known as Lots 4, 5 and 6 of the Linden Subdivision. They have experienced difficulties selling these lots due to the corner lot constraints on Lot 4 and the conservancy soils restrictions on Lots 5 & 6.

They have proposed a corner side yard reduction along Honey Lake Road from 30 feet to 20 feet for Lot 4, and allowance for driveway encroachment within conservancy soils on Lots 5 and 6.

The engineering department has reviewed the application and does not object to the variations requested subject to sightline distances be considered with house and landscape planning on Lot 4, and care taken to minimize disruption of the conservancy soils' natural condition outside of the driveway area on Lots 5 and 6.

Relief is sought from the following Zoning Code section:

- Zoning Code Subparagraph 3-111C1(b) to reduce the required corner side yard from 30 feet to 20 feet;
- Zoning Code Section 8-302 to allow driveway encroachments across conservancy soils.

I submit this application and all pertinent documentation to the Zoning Board of Appeals for review and recommendation.

Enclosures

11/14/12	Application with cover letter and attachments
1/7/13	Engineering review
1/10/13	Zoning review

ZONING REVIEW

PROJECT: SCHROEDER PROPERTY – LINDEN SUBDIVISION
FRONT YARD SETBACK ON LOT 4, CONSERVANCY SOILS
RELIEF FOR DRIVEWAY ENCROACHMENT ON LOTS 5 & 6
LOCATION: NORTHEAST CORNER OF LINDEN & HONEY LAKE ROADS
REVIEWED BY: MARY MEYER
DATE: JANUARY 10, 2013
DOCUMENTS
REVIEWED: APPLICATION DATED 11/14/12 WITH COVER LETTER AND
ATTACHMENTS, ZONING CODE, LAND DEVELOPMENT
CODE

Michael and Kimberly Schroeder own vacant lots 4, 5 and 6 in the Linden Subdivision. They are marketing these lots for sale and have noted difficulties due to the corner lot restrictions on Lot 4. Additionally, although Lots 5 and 6 are very deep lots, the conservancy soil creates difficulty with driveway/house placement. The owners have proposed an encroachment across the conservancy soils for the driveways only. Review is as follows:

- 1) Zoning: R-5 Single Family
- 2) Minimum Front Yard (Linden) Required: 30 feet
Proposed: 20 feet; 10 foot front yard variation sought for Lot 4;
- 3) Minimum Rear Yard: Required: 30 feet
Proposed: No change – 30 feet. Please clarify if conservancy soils variation is granted and Lot 4 is adjusted 13 feet to the east to match Lots 1, 2, and 3 if the front yard variation will still be sought.
- 4) Conservancy Soils: Relief is sought from conservancy soils requirements to allow driveway encroachments on Lots 5 and 6.

Conclusion

- Consideration for Variation to reduce the required front yard (along Linden) from 30 feet to 20 feet shall be based on standards outlined in Zoning Code 17-104.
- Consideration for Variation to allow driveway encroachment within conservancy soils on Lots 5 and 6 shall be based on standards outlined in Zoning Code 17-104.
- Clarify if the front yard relief will be sought should the rear lot line of Lot 4 shift eastward 13 feet.

70 E. Main Street
Lake Zurich, IL 60047



Phone: (847)438-5141
Fax: (847) 540-1768
Web: www.volz.org

MEMORANDUM

Date: January 7, 2013
To: Building and Zoning Department
From: Kurt J. Kaszuba, Engineering
Subject: Agenda item for Zoning Board of Appeals

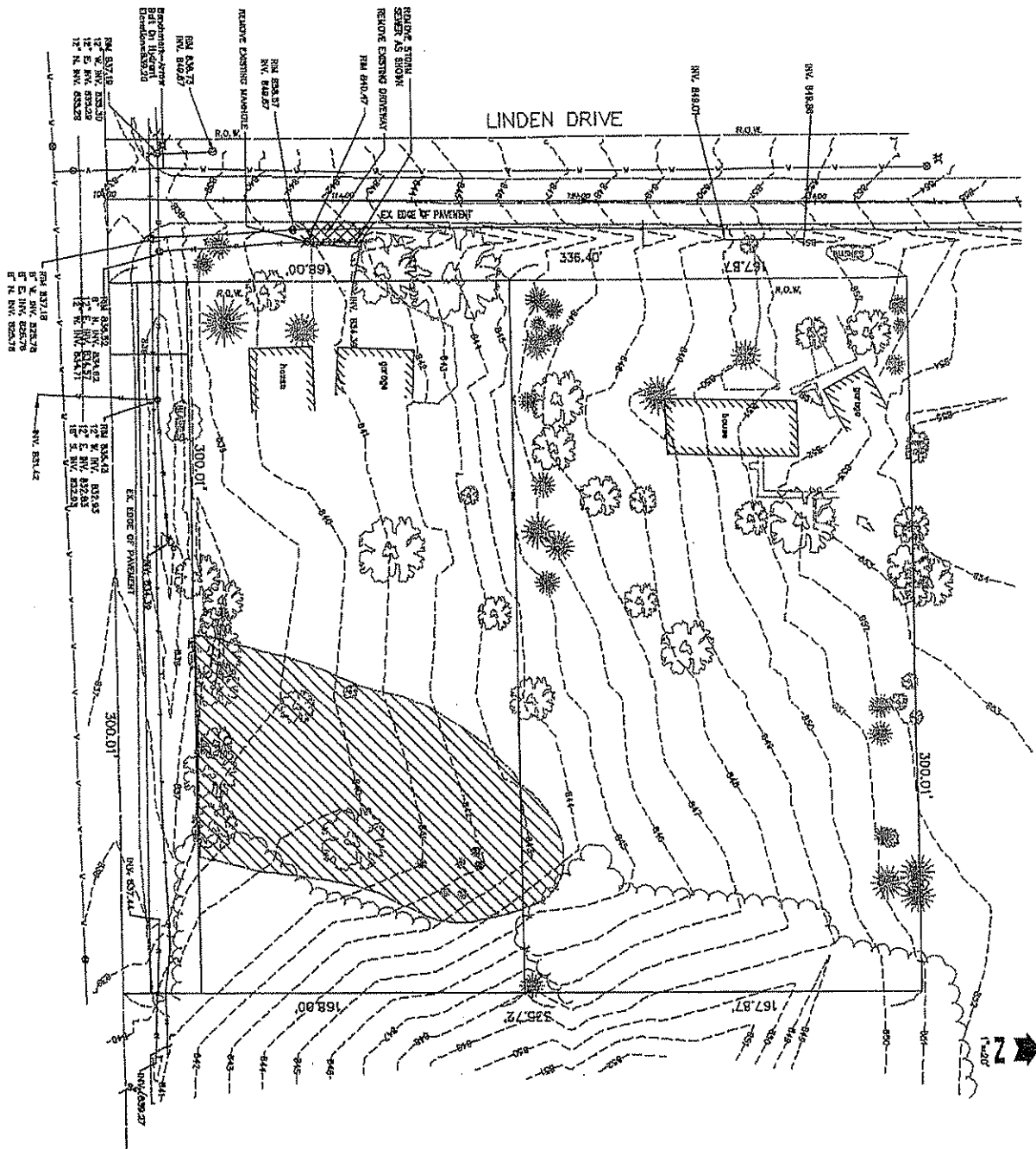
Issue: Variance for relief of Zoning Code 8-302 Section A – (Conservancy Soils) for lots 5 and 6 and also relief from Zoning Code 3-111 Section A – (Minimum Yard) for lot 4 of the Linden Subdivision.

Analysis: The Engineering Department has reviewed the submitted variance request and the existing file. A review of the file indicated that a site specific soil survey and delineation was conducted by John A. Raber and Assc. Inc. on June 1, 2005. This survey indicated the presence of Peotone soils which are considered hydric and a Class 2 Lowland Conservancy Soil. The delineation of these soils is depicted on the site plans for the Linden Subdivision. As per code, no impervious surface shall be developed on or within 20 feet of any Class 2 Soil without authorization of the Board of Trustees. Based on a review of information, site topography, and drainage, the Engineering Department does not foresee any adverse downstream drainage impacts by allowing a minor encroachment into the delineated conservancy soil area. Allowable minor encroachments would consist of the grading for, and construction of, the proposed driveway. Care should be taken to minimize the disruption of the natural condition of the conservancy soils outside of the driveway area.

Regarding the proposed setback request, consideration should be given to the future design of the residence to provide as much distance as possible from the driveway to Honey Lake Road. Preferably, the driveway should be on the north side of the property to lessen the possibility of conflicts with turning movements onto Linden from Honey Lake Road. Additionally, the sightline distances at the intersection should be considered with regards to the design and placement of any proposed landscaping, which may reduce the sightlines.

Recommendation: Therefore, based on the aforementioned analysis the Engineering Department supports the proposed variances to the Zoning Code with condition that the aforementioned comments are considered during permitting. This plan review is based on the plan information submitted at the time of the review and does not relieve the developer from meeting all codes and requirements of the Village.

w/Attachments: (Site plans with conservancy soils delineation - 2 pages)



BASE MAP SHOWING EXISTING
TOPOGRAPHICAL FEATURES PREPARED
BY LARSEN TECHNOLOGY INC.
CONSERVANCY SOLS DEMONSTRATION
BY
JOHN A. ROBERT & ASSOCIATES, INC.

CONSERVANCY
SOLS DEMONSTRATION

LINDEN SUBDIVISION: LINDEN DRIVE R.O.W. IMPROVEMENTS EXISTING SITE CONDITIONS/DEMOLITION PLAN

DEVERY
ENGINEERING, INC.
Consulting Engineers
144 Chestnut St. Box 2
Chapel Hill, NC 27514
P: (919) 548-4137
F: (919) 548-4138
E: info@deveryengineering.com

DATE	10-1-13
BY	JAR
CHECKED	JAR
APP'D	JAR
SCALE	AS SHOWN
PROJECT	LINDEN SUBDIVISION
CLIENT	JOHN A. ROBERT & ASSOCIATES, INC.
LOCATION	LINDEN DRIVE, CHAPEL HILL, NC
DATE	10-1-13

ZONING REVIEW

PROJECT: SCHROEDER PROPERTY – LINDEN SUBDIVISION
CORNER SIDE YARD SETBACK ON LOT 4, CONSERVANCY
SOILS RELIEF FOR DRIVEWAY ENCROACHMENT ON LOTS
5 & 6
LOCATION: NORTHEAST CORNER OF LINDEN & HONEY LAKE ROADS
REVIEWED BY: MARY MEYER
DATE: JANUARY 10, 2013
DOCUMENTS
REVIEWED: APPLICATION DATED 11/14/12 WITH COVER LETTER AND
ATTACHMENTS, ZONING CODE, LAND DEVELOPMENT
CODE

Michael and Kimberly Schroeder own vacant lots 4, 5 and 6 in the Linden Subdivision. They are marketing these lots for sale and have noted difficulties due to the corner lot restrictions on Lot 4. Additionally, although Lots 5 and 6 are very deep lots, the conservancy soil creates difficulty with driveway/house placement. The owners have proposed an encroachment across the conservancy soils for the driveways only. Review is as follows:

- 1) Zoning: R-5 Single Family
- 2) Minimum Corner Side
Yard (Honey Lake): Required: 30 feet
Proposed: 20 feet; 10 foot front yard variation sought for Lot 4;
- 3) Minimum Rear
Yard: Required: 30 feet
Proposed: No change – 30 feet. However, if the variations sought are approved, the owner may seek modification to the plat to shift Lot 4 east 13 feet to match the rear yards of Lots 1, 2, and 3.
- 4) Conservancy Soils: Relief is sought from conservancy soils requirements to allow driveway encroachments on Lots 5 and 6.

Conclusion

- Consideration for Variation to reduce the required corner side yard (along Honey Lake Road) from 30 feet to 20 feet shall be based on standards outlined in Zoning Code 17-104.
- Consideration for Variation to allow driveway encroachment within conservancy soils on Lots 5 and 6 shall be based on standards outlined in Zoning Code 17-104.

November 15, 2012

Vincent McCormack
Zoning Board of Appeals
Village of Lake Zurich
70 East Main Street
Lake Zurich, IL 60047

Dear Mr. McCormack

I currently own three residential lots located at 30 Linden Rd, 1110 Honey Lake Rd and 1140 Honey Lake Rd. I am requesting the following two variances be considered by the Village Boards and Staff per Section 17-104 of the Zoning Code.

The first variance is to reduce the side yard setback from 30 ft to 20 ft at 30 Linden for the potential building of a residential house. The current set back has been a major reason why home builders do not want to purchase/build on this lot. Also other homes in this area have less restricted side yard setbacks.

The second variance is to allow for the future potential building of residential drive ways across conservancy soil areas at 1140 and 110 Honey Lake Road. The current conservancy soil restriction has been a major reason why home builders do not want to purchase/build on this lot.

If the variances are approved then an amendment to the Linden Subdivision Plat would need to be approved as well to move the 30 Linden, rear lot line east 13 feet.

Enclosed is the package of information requested by Village staff.

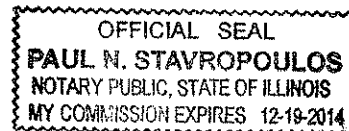
Thank you for your consideration and cooperation.

Sincerely

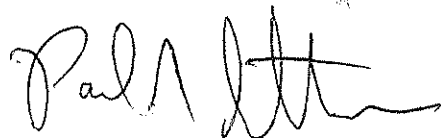


Michael Schroeder & Kimberly Schroeder

250 Whitney Road
Lake Zurich, IL 60047



CC: Vijay Gadde - VOLZ





OFFICIAL ANNEXATION AND ZONING APPROVAL APPLICATION

Building & Zoning Department
Planning & Development Division
70 E. Main Street
Lake Zurich, IL 60047
Phone: (847) 540-1698
Fax: (847) 540-1769

Daniel A. Peterson, Director

(Please Type or Print)

1. Address of Subject Property: 30 Linden Rd, 1110 + 1140 Honey Lake Rd.
2. Legal description: Lot 4,5,6 Block _____ Subdivision Linden Subdivision

Please attach complete legal description and email a copy to planning staff at gadde@volz.org (for PC packets) and to meyer@volz.org (for ZBA packets).

Property dimensions are: 78.4 ft. by 122 ft. = 9,565 square feet - 30 Linden Rd
76 ft. by 335 ft. = 25,460 each 1110 + 1140 Honey Lake Rd

If more than two acres, then give area in acres: _____

3. Property Identification number(s): 1418328004, 1418328005 + 6

4. Owner of record is: Michael + Kimberly Schroeder Phone: 847-927-2810

Fax: _____ E-Mail mike.schro@gmail.com

Address: 250 Whitney Rd., Lake Zurich

4. Applicant is (if different from owner): _____ Phone: _____

Fax: _____ E-Mail _____

Address: _____

6. Applicant's interest in the property: Owner
(owner, agent, contractor, Realtor, etc.)

7. THE FOLLOWING ACTION IS REQUESTED:

Please provide a detailed explanation in a separate cover letter, explaining each standard as it relates to the following applications. Attach additional pages as needed.

A. VILLAGE BOARD APPLICATION TO ANNEX CERTAIN TERRITORY

All land annexed to the Village is classified automatically after such annexation in the R-1\2 Single Family Residential District. The owner must file an application for a Zoning Map amendment if he or she desires a different zoning classification for the Subject Property.

- ☐ Petition to Annex certain Territory (Please complete attached petition)
- ☐ Application to Annex certain Territory

B. PLAN COMMISSION APPLICATIONS

☐ Zoning Code **Map** Amendment for _____

Zoning Code **Text** Amendment for _____

(See Section 18-103 of the Lake Zurich Zoning Code for specific standards. In general, The Plan Commission will evaluate the consistency of the proposed amendment with the purposes of the Zoning Code and the community need for the proposed amendment, uses, and development. **If a specific parcel is the subject of this amendment, then provide the additional information listed in Section 18-103C.)**

☐ Special Use Permit/Amendment for _____

(See Section 19-103 of the Lake Zurich Zoning Code for specific standards. The Plan Commission also will consider whether the proposed special use is deemed necessary for the public convenience at the particular location and whether alternative locations have been evaluated.)

☐ Site Plan Approval/Major Adjustment/Amendment

(See Section 20-103 of the Lake Zurich Zoning Code for specific standards.)

☐ Exterior Appearance/Amendment

(See Section 21-103 of the Lake Zurich Zoning Code for specific standards.)

☐ Planned Unit Development/Major Adjustment/Amendment

(Planned Unit Developments are a distinct category of special use and are intended to create a more desirable environment than through strict application of the zoning and subdivision regulations. See Section 22-105 of the Lake Zurich Zoning Code for specific standards. Please list all the 'modifications' requested in the cover letter. **Planned Unit Developments also require providing compensating amenities to the Village.)**

☐ Preliminary and Final Plat of Subdivision/Amendment

(See Sections 10-5-2 and 10-5-9 of the Land Development Code for specific standards.)

☐ Modification to the Land Development Code (includes retaining walls more than 2 feet in height)

(See Section 10-6-18 of the Land Development Code for specific standards.)

C. ZONING BOARD OF APPEALS APPLICATION

☒ Variation for 1. Set Back at 30 Linden Rd.
2. Conservancy Soil at 1110 + 1146 Honey Lake Rd.

(Illinois State Law requires that in order for a Variation to be granted a land-related hardship must be proven by a positive Finding of Fact for certain criteria. See Section 17-104 of the Lake Zurich Zoning Code for specific standards. **Please indicate what your specific hardships are in the cover letter.** Self-inflicted hardships are not eligible for a variance.)

D. COMPREHENSIVE PLAN APPLICATION

☐ Comprehensive Plan **Map** Amendment for _____

☐ Comprehensive Plan **Text** Amendment for _____

Please complete the following for all applications.

8. All existing uses and improvements on the property are: 30 Linden and
1110 + 1140 Honey Lake Rd.

9. The proposed uses on the property, if this application is approved are: _____
Residential

10. Covenants, Conditions, or Restrictions List any covenants, conditions, or restrictions concerning the type of improvements, setbacks, area, or height requirements placed on the Subject Property and now of record and the date of expiration of said restrictions:

None

11. Contract or Agreement Describe any contract or agreement of any nature relevant to the sale or disposal of the Subject Property:

None

12. Protected Soils: Identify all soils on the Subject Property that are subject to natural resource protection standards. (See Sections 8-302 and 8-303 of the Zoning Code.)

Conservancy Soil at 1110 + 1140 Honey Lake Rd.

13. List the owners of record of all properties located within 250 feet, excluding all Public Right-of-Ways of the Subject Property. (If property is held in a Trust, give the Trust Number and Bank name and address.)

These parties should be notified by the Applicant prior to the public hearing. (Refer to detailed instructions on Page 7.) Staff will provide the required notice to the Applicant. The required sign(s) will be erected by the Village of Lake Zurich.

Property Identification Number (PIN)	Owner's Name	Mailing Address
<u>See</u>	<u>Attached Sheet</u>	<u>→</u>

(if more space is needed, please attach a separate sheet of paper.)

THE APPLICANT'S SIGNATURE BELOW INDICATES THE INFORMATION CONTAINED IN THIS APPLICATION AND ON ANY ACCOMPANYING DOCUMENTS IS TRUE AND CORRECT.

THE APPLICANT ALSO ACKNOWLEDGES IF THE CONSULTANT EXPENSES EXCEED THE INITIAL ESCROW DEPOSIT, THE APPLICANT WILL REIMBURSE THE ACCOUNT IMMEDIATELY.

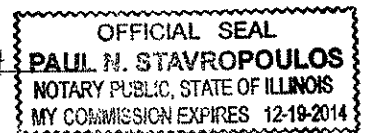
Michael Schroeder
(Name of applicant)

Michael Schroeder
(Signature of applicant)

Subscribed and sworn to before me this 15 day of Nov, 2012.

[Signature]
(Notary Public)

My Commission Expires 2/19/2014



(Name of Owner, if different)

(Signature of Owner, if different)

Subscribed and sworn to before me this _____ day of _____, 2012.

(Notary Public)

My Commission Expires _____

*****Official Use Only*****

Zoning Case Number: _____ Date of Public Hearing: _____

Application Fees: _____ Annexation Fees: _____

Escrow Deposit for consultant fees: _____

Is a Courtesy Review by the Village Board required? ☐ Yes ☐ No

Traffic study required? ☐ Yes ☐ No

Any impact fees/contributions required? ☐ Yes ☐ No

Compensation amenities required? ☐ Yes ☐ No

Application accepted by: _____ Date: _____

Linden Road Mailing List

Robert and Tina Ligas
59 Linden Rd
Lake Zurich Il 60047
Pin: 14 18 32 7001

Alex Litvo
47 Linden Rd
Lake Zurich Il 60047
Pin: 14 18 32 7002

Gerard and Lisa Gregoire
35 Linden Rd
Lake Zurich Il 60047
Pin: 14 18 32 7003

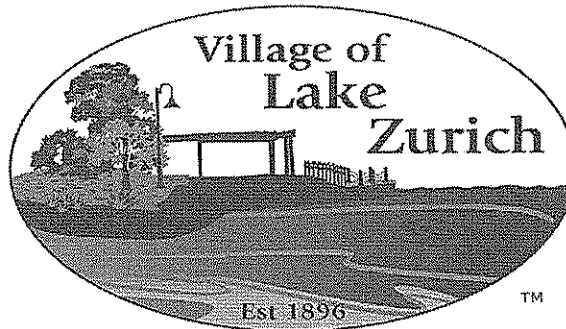
John
50 Linden Road
Lake Zurich, Il 60047
Pin: 14 18 32 8002

Robert Hummel
601 E Burnett Rd
Island Lake Il 60042
Pin: 14 18 32 7004

Jane Mc Creadie
1080 Honey Lake Road
Lake Zurich Il 60047
Pin: 14 18 30 0037

Robert Hummel
C &H Enterprises, LLC
601 E Burnett Rd
Island Lake Il 60042
Pin: 14 19 10 0001

70 E. Main Street
Lake Zurich, IL 60047



Phone: (847)438-5141
Fax: (847) 540-1768
Web: www.volz.org

MEMORANDUM

Date: January 28, 2013

To: Jason T. Slowinski, Village Manager

From: Jodie K. Andrew, Director of Finance

Subject: Water Rate Increases 2013 and 2014

Issue

The Water and Sewer Fund accounts for the revenues and expenses of providing water and sewer service to customers within Lake Zurich's service area, both residential and commercial. As previously reported on several occasions, the revenues for this fund are insufficient to support the expenses. Combining this fact with the aging infrastructure used to supply the water and sewer service, it is apparent that rate increases will be necessary to support the continued services.

Analysis

History

Water and sewer rates were last adjusted effective January 2012 with a 25% increase to the village controlled portion of the bill, an overall average increase of 15% to the total bill. Prior to that, the last adjustment was effective March 1, 2010. While the former finance director had requested a larger increase for 2012, a thorough financial review was necessary before more than the 25% increase would be granted. During the budget process for fiscal year 2013, the village board tentatively agreed to an increase of 10% to the operating and maintenance components of the water rates effective August 1, 2012, which was used in the revenue planning for the budget. Due to several factors, that increase was not brought forward for August. With fresh auditors and a new finance director, a decision to postpone the rate increase was made to allow for more updated, reliable financial information.

This past fall, staff from all departments collaborated on producing a comprehensive Capital Improvement Plan (CIP). For the Water & Sewer fund, staff from both Public Works and Finance worked together to forecast revenues compared with the impending infrastructure needs of the water and sewer system. From the volume and projected costs of the projects identified, it was clear the rates for providing the water and sewer service needed to be adjusted. Staff recognizes that the aging infrastructure costs would be extremely difficult to fund. To account for this, Public Works staff divided the projects into two categories: Critical (must be done in the near future) and Necessary (should be done in the near future, may become critical).

To fund both critical and necessary projects would require 25% increases to the operating and maintenance components for both May 2013 and May 2014, as well as a significant bond issuance to be repaid over the next decade or more. To fund only the critical projects requires a 15% increase to the operating and maintenance components for both May 2013 and May 2014 and a much smaller bond issuance. As some debt of the water and sewer fund is expiring in the next two years, a new bond issuance for water and sewer would not impact the fund negatively or cause a rate jump for the debt component of the billing structure. Leaving the debt components and Lake County Treatment Charge components constant, the total increase to rates would be 7.4% for May 2013 and 8% for May 2014.

Financial Status of Water & Sewer Fund

The water and sewer fund has been struggling financially to keep up with the demands of the aging infrastructure and the costs of providing these services. As of the end of fiscal year 2012, the fund had total net assets of \$42,346,958, however the majority of this is tied up in the capital assets (infrastructure) related to water and sewer service. After adjusting for the infrastructure, the unrestricted net assets were \$593,365 as of April 30, 2012. While the net asset number was positive, the working capital of the fund was not. The net assets figure represents total assets minus total liabilities, including any long term debt and infrastructure. Working capital is a more relative number, as it measures only current assets (cash, receivables) minus current liabilities (accounts payable, payroll). As of April 30, 2012, the working capital of this fund was a negative \$216,261. This means that the fund cannot meet its immediate cash demands to keep operations going.

Preliminary forecasting for fiscal year 2013 shows the fund operating close to expected during the budget process. Revenues and expenses are both trending slightly lower than budgeted, with a possible surplus of about \$60,000 compared to the budgeted \$71,808. Revenues from water billing were higher than expected during the summer months due to the drought conditions and have almost made up for not increasing the water rate last August as planned. Expenses have been kept to a minimum, especially related to infrastructure as the working capital is still negative; however some system repairs were required for continuity of service. **Even with this surplus, the fund is still expected to have a negative working capital balance at the end of fiscal 2013** as the \$60,000 from this year will only reduce the negative \$216,000 from fiscal 2012 to about a negative \$156,000.

Impact to Customers

The proposed increases will have an impact on all customers in the service area. An average household with 2 members using 5,000 gallons per month would pay an additional \$4.30 per month for fiscal 2014. An average household with 4 members using 8,000 gallons per month would pay an additional \$6.88 per month for fiscal 2014.

Water Rates of Other Communities

Comparing Lake Zurich's water rates to other communities in the area is difficult, as most of the other communities either get their water directly from Lake Michigan or from a provider who uses Lake Michigan Water. The costs incurred in pumping up the water from below ground is far more expensive and difficult to maintain than those communities that have access to lake water. Despite the difficulty in comparing rates, water customers will still compare their rates to those of other towns, so it is important to be aware of the other rates.

Below is a summary of water and sewer rate information provided by a survey from the Northwest Municipal Conference conducted January 2013.

		Water Rate per 1,000 Gallons	Sewer Rate per 1,000 Gallons	Combined Service per 1,000 Gallons	Additional Flat Rate per Month - Residential	Bill for 7,000 Gallons
1	Buffalo Grove	\$ 4.05	\$ -	\$ 4.05	\$ -	\$ 28.35
2	Northbrook	4.08	0.80	4.88		34.16
3	Cary	4.01	1.00	5.01	1.00	36.07
4	Arlington Heights	4.25	0.80	5.05	5.20	40.55
5	Winnetka	3.98	1.39	5.37	9.46	47.05
6	Lake Zurich - CURRENT*	4.48	3.08	7.56	-	52.92
7	Hoffman Estates	6.72	1.04	7.76	-	54.32
8	Schaumburg	6.36	1.32	7.68	2.60	56.36
10	Elk Grove	6.50	2.00	8.50	-	59.50
9	Evanston	2.34	5.27	7.61	6.24	59.51
11	Lake Forest	4.99	1.16	6.15	20.00	63.05
12	Wheeling	5.28	1.31	6.59	20.96	67.09
13	Lincolnshire	4.43	5.27	9.70	-	67.90
14	Carpentersville	4.43	4.60	9.03	7.50	70.71
15	Streamwood	10.79	-	10.79	-	75.53
16	Rolling Meadows	8.11	2.63	10.74	2.00	77.18

*Does not include \$4.00 Lake County Treatment Charge

As shown by the chart above, Lake Zurich's current water rate, without the \$4 per thousand Lake County Treatment Charge (LCTC), places 6th out of 16. With the proposed rate for 2013, Lake Zurich's ranking in the same list would increase to 10th place with a village bill for 7,000 gallons at \$58.94. If the LCTC is included, Lake Zurich would place 16th on this list, both with current rates and the proposed rates for fiscal 2013 at \$80.92 and \$86.94 respectively for 7,000 gallons.

Recommendation:

Considering the financial situation of the water and sewer fund, the impending major capital projects critical to maintaining the infrastructure and continuity of service, staff recommends increasing the rates as indicated. A sample rate comparison has been included as Exhibit A. The proposed increases have an overall impact to water and sewer rates for customers in-village of 7.4% for fiscal 2014 and 8% for fiscal 2015, assuming Lake County does not increase the LCTC. These increases, paired with a small bond issuance to be discussed later in 2013, will provide the funding required for continuous quality water and sewer service by maintaining the infrastructure critical to delivering these services.

The recommendation is for the Village Board to approve the attached ordinance amending the Lake Zurich Municipal Code related to Water and Sewer Rates.

w/Attachments: Exhibit A – Water Rates, Historical and Proposed
Ordinance 2013-02-882 – An Ordinance Amending the Lake Zurich Municipal
Code Related to Water and Sewer Rates

Village of Lake Zurich
Water Rates - Historical and Proposed

Exhibit A

IN-VILLAGE	HISTORICAL			PROPOSED			
	03/01/10	01/01/12	% Change	05/01/13	% Change	05/01/14	% Change
Combined Rates							
Village Control							
Water O&M	2.80	3.56	27%	4.09	15%	4.70	15%
Water Debt	0.78	0.92	18%	0.92	0%	0.92	0%
Sewer O&M	1.78	2.17	22%	2.50	15%	2.88	15%
Sewer Debt	0.68	0.91	34%	0.91	0%	0.91	0%
Sub-Total	6.04	7.56	25%	8.42	11.4%	9.41	11.8%
Lake County Treatment	4.00	4.00	0%	4.00	0%	4.00	0%
Combined Total Per 1,000 Gallons	10.04	11.56	15%	12.42	7.4%	13.41	8.0%
Minimum Bill							
Based on 2,000 Gallons	20.08	23.12	15%	24.84	7%	26.82	8%
Senior Discount - Flat Rate	11.20	14.24	27%	14.24	0%	14.24	0%
Irrigation Only							
Water O&M	2.80	3.61	29%	4.09	13%	4.70	15%
Water Debt	1.56	1.84	18%	1.84	0%	1.84	0%
Sub-Total	4.36	5.45	25%	5.93	9%	6.54	10%
Sewer Only Flat Charge (Sewer fees x 7,000 Gallons)	45.22	49.56	10%	51.87	5%	54.53	5%

OUTSIDE OF VILLAGE	HISTORICAL			PROPOSED			
	03/01/10	01/01/12	% Change	05/01/13	% Change	05/01/14	% Change
Combined Rates							
Village Control							
Water O&M	5.60	7.06	26%	8.12	15.0%	9.34	15.0%
Water Debt	0.78	0.92	18%	0.92	0.0%	0.92	0.0%
Sewer O&M	3.56	4.33	22%	4.98	15.0%	5.73	15.0%
Sewer Debt	2.09	2.73	31%	2.73	0.0%	2.73	0.0%
Sub-Total	12.03	15.04	25%	16.75	11.4%	18.71	11.7%
Lake County Treatment	4.00	4.00	0%	4.00	0.0%	4.00	0.0%
Combined Total Per 1,000 Gallons	16.03	19.04	19%	20.75	9.0%	22.71	9.5%
Minimum Bill							
Based on 2,000 Gallons	32.06	38.08	19%	41.50	9.0%	45.43	9.5%
Water Only							
Water O&M	5.60	7.06	26%	8.12	15.0%	9.34	15.0%
Water Debt	0.39	0.92	136%	0.92	0.0%	0.92	0.0%
Sub-Total	5.99	7.98	33%	9.04	13.3%	10.26	13.5%
Sewer Only - Metered							
Sewer O&M	3.56	4.33	22%	4.98	15.0%	5.73	15.0%
Sewer Debt	2.09	2.73	31%	2.73	0.0%	2.73	0.0%
Lake County Treatment	4.00	4.00	0%	4.00	0.0%	4.00	0.0%
Sub-Total	9.65	11.06	15%	11.71	5.9%	12.46	6.4%
Sewer Only Flat Charge (Un-Metered)	48.00	69.00	44%	72.45	5.0%	76.10	5.0%

VILLAGE OF LAKE ZURICH

ORDINANCE NO. 2013-02-882

AN ORDINANCE AMENDING THE LAKE ZURICH
MUNICIPAL CODE RELATED TO WATER AND SEWER RATES

WHEREAS, after careful study, including review of recommendations from the Village staff, the President and Board of Trustees of the Village of Lake Zurich have determined that it is necessary, useful, appropriate, and in the best interests of the Village to amend certain provisions of Title 7, Chapter 5 of the Lake Zurich Municipal Code related to water and sewer rates and payments in the manner provided in this Ordinance:

NOW, THEREFORE, BE IT ORDAINED by the Present and Board of Trustees of the Village of Lake Zurich, Lake County and State of Illinois, as follows:

Section 1. Recital. The foregoing recital is incorporated into this Ordinance as a finding of the President and Board of Trustees.

Section 2. Amendment of Section 7-5-11. Section 7-5-11, titled "Service Charges for Residents," of the Lake Zurich Municipal Code shall be, and it is hereby, amended and replaced in its entirety with the following provisions so that said Section 7-5-11 shall hereafter be and read as follows:

7-5-11: SERVICE CHARGES FOR RESIDENTS: Subject to the provisions of this Section, the following charges shall apply for water and sewer services provided by the Village to residents of the Village:

A. Water and Sewer Service Basic Charge:

1. Effective May 1, 2013, every resident user of combined water and sewer service shall pay \$12.42 per 1,000 gallons or fraction thereof of all water and sewer services used, calculated as follows:
 - a. Water Services: The price per 1,000 gallons metered water consumption shall be \$5.01 which shall include (i) \$.92 for interest, principal, and coverage of outstanding bonds and loans and (ii) \$4.09 for operation, maintenance, and replacement costs.
 - b. Sewer Services: The price per 1,000 gallons metered water consumption shall be \$7.41 which shall include (i) \$4.00 for the charge imposed by the County of Lake for sewage treatment services, (ii) \$.91 for interest, principal, and coverage of outstanding bonds and loans, and (iii) \$2.50 for operation, maintenance, and replacement costs.

2. Effective May 1, 2014, every resident user of combined water and sewer service shall pay \$13.41 per 1,000 gallons or fraction thereof of all water and sewer services used, calculated as follows:
 - a. Water Services: The price per 1,000 gallons metered water consumption shall be \$5.62 which shall include (i) \$.92 for interest, principal, and coverage of outstanding bonds and loans and (ii) \$4.70 for operation, maintenance, and replacement costs.
 - b. Sewer Services: The price per 1,000 gallons metered water consumption shall be \$7.79 which shall include (i) \$4.00 for the charge imposed by the County of Lake for sewage treatment services, (ii) \$.91 for interest, principal, and coverage of outstanding bonds and loans, and (iii) \$2.88 for operation, maintenance, and replacement costs.
3. The charges established in this Subsection A shall be adjusted automatically from time to time in accordance with Subsection B of this Section.

B. Automatic Adjustment of Basic Charge:

The basic charge established in Subsection A of this Section includes the charge assessed to the Village by the County of Lake for sewage treatment services provide by the County of Lake. The basic charge established in Subsection A of this Section shall be adjusted automatically to reflect any increase or decrease in the County charge. The County charge for sewage treatment services is deemed to be \$4.00. If the County charge is increased from \$4.00 then the basic charge established in Subsection A of this Section shall increase automatically by an equal amount. If the County charge is decreased from \$4.00, then the basic charge established in Subsection A of this Section shall decreased automatically by an equal amount.

C. Minimum Basic Charge Per Billing Period:

Every resident user of combined water and sewer service shall pay a minimum basic charge each billing period based on a usage of 2,000 gallons of water and sewer services regardless of actual usage.

D. Sanitary Sewer Service Only Charge:

1. Effective May 1, 2013, every resident user of sanitary sewer service only shall pay \$51.87 per month for such service.
2. Effective May 1, 2014, every resident user of sanitary sewer service only shall pay \$54.53 per month for such service.

E. Reduced Rate For Senior And Disabled Citizens:

After written application, proof of eligibility, and a written finding of eligibility by the Director of Finance, any resident who owns and occupies, or

who leases and occupies, a dwelling unit for which he or she is liable for payment of the service charge for water service shall be entitled to the following discount for water service, if he or she has attained the age of 65 years or if he or she can establish that he or she is qualified for social security because of a physical handicap. Effective January 1, 2012, a discount of \$14.24 from each bill rendered.

F. Annual and Periodic Review Of Charges:

The adequacy of water and sewer service charges shall be reviewed not less than annually by certified public accountants for the village in their annual audit report. The water and sewer service charge shall be reviewed periodically to reflect and changes in operation, maintenance and replacement costs.

G. Penalty:

Payment of invoices for water and sewer services is due upon receipt of invoice. A ten percent (10%) penalty will be applied to any payment made fifteen (15) days past due from the monthly billing date.

Section 3. Amendment of Section 7-5-12. Section 7-5-12, titled "Service Charges for Non-Residents," of the Lake Zurich Municipal Code shall be, and it is hereby, amended and replaced in its entirety with the following revisions so that said Section 7-5-12 shall hereafter be and read as follows:

7-5-12: SERVICE CHARGES FOR NONRESIDENTS: Subject to the provisions of this Section, the following charges shall apply for water and sewer services provided by the Village to every user outside of the village's corporate limits:

A. Water and Sewer Service Basic Charge:

1. Effective May 1, 2013, every user of combined water and sewer services outside of the village's corporate limits shall pay \$20.75 per 1,000 gallons or fraction thereof of all water and sewer services used, calculated as follows:
 1. Water Services: The price per 1,000 gallons metered water consumption or any fraction thereof shall be \$9.04 which shall include (i) \$.92 for interest, principal, and coverage of outstanding bonds and loans and (ii) \$8.12 for operation, maintenance, and replacement costs.
 2. Sewer Services: The price per 1,000 gallons of metered water consumption shall be \$11.71 which shall include (i) \$4.00 for the charge imposed by the County of Lake for sewage treatment services, and (ii) \$2.73 for interest, principal, and coverage of outstanding bonds and loans, and (iii) \$4.98 for operation, maintenance, and replacement costs.

2. Effective May 1, 2014, every user of combined water and sewer services outside of the village's corporate limits shall pay \$22.71 per 1,000 gallons or fraction thereof of all water and sewer services used, calculated as follows:
 - a. Water Services: The price per 1,000 gallons metered water consumption or any fraction thereof shall be \$10.26 which shall include (i) \$.92 for interest, principal, and coverage of outstanding bonds and loans and (ii) \$9.34 for operation, maintenance, and replacement costs.
 - b. Sewer Services: The price per 1,000 gallons of metered water consumption shall be \$12.46 which shall include (i) \$4.00 for the charge imposed by the County of Lake for sewage treatment services, and (ii) \$2.73 for interest, principal, and coverage of outstanding bonds and loans, and (iii) \$5.73 for operation, maintenance, and replacement costs.
3. The charges established in this Subsection A shall be adjusted automatically from time to time in accordance with Subsection B of this Section.

B. Automatic Adjustment of Basic Charge:

The basic charge established in Subsection A of this Section includes the charge assessed to the Village by the County of Lake for sewage treatment services provide by the County of Lake. The basic charge established in Subsection A of this Section shall be adjusted automatically to reflect any increase or decrease in the County charge. The County charge for sewage treatment services is deemed to be \$4.00. If the County charge is increased from \$4.00 then the basic charge established in Subsection A of this Section shall increase automatically by an equal amount. If the County charge is decreased from \$4.00, then the basic charge established in Subsection A of this Section shall decreased automatically by an equal amount.

C. Minimum Basic Charge Per Billing Period:

Every user of combined water and sewer service outside of the village's corporate limits shall pay a minimum basic charge each billing period on a usage of 2,000 gallons of water and sewer services regardless of actual usage.

D. Water Service Only Charge:

1. Effective May 1, 2013, every user of water service only outside of the village's corporate limits shall pay \$9.04 per 1,000 gallons or fraction thereof for all water service used, which shall include i) \$0.92 for interest, principal, and coverage of outstanding bonds and loans and ii) \$8.12 for operation, maintenance, and replacement costs.
2. Effective May 1, 2014, every user of water service only outside of the village's corporate limits shall pay \$10.26 per 1,000 gallons or fraction thereof for all water service used, which shall include i) \$0.92 for interest, principal, and coverage of outstanding bonds and loans and ii) \$9.34 for operation, maintenance and replacement costs.

E. Minimum Basic Charge For Water Service:

Every user of a water service only outside of the village's corporate limits shall pay a minimum basic charge each billing period based on a usage of 2,000 gallons of water and sewer services regardless of actual usage.

F. Sanitary Sewer Service Only Charge:

1. Non-Metered Service

- a. Effective May 1, 2013, every user of non-metered sanitary sewer service only outside of the village's corporate limits shall pay \$72.45 per month for such service.
- b. Effective May 1, 2014, every user of non-metered sanitary sewer service only outside of the village's corporate limits shall pay \$76.10 per month for such service.

2. Metered Service

- a. Effective May 1, 2013, the price per 1,000 gallons of metered consumption shall be \$11.71 which shall include (i) \$4.00 for the charge imposed by the County of Lake for sewage treatment services, and (ii) \$2.73 for interest, principal, and coverage of outstanding bonds and loans, and (iii) \$4.98 for operation, maintenance, and replacement costs.
- b. Effective May 1, 2014, the price per 1,000 gallons of metered consumption shall be \$12.46 which shall include (i) \$4.00 for the charge imposed by the County of Lake for sewage treatment services, and (ii) \$2.73 for interest, principal, and coverage of outstanding bonds and loans, and (iii) \$5.73 for operation, maintenance, and replacement costs.

G. Annual And Periodic review Of Charges:

The adequacy of water and sewer service charges shall be reviewed not less than annually by certified public accountants for the village in their annual audit report. The water and sewer service charge shall be reviewed periodically to reflect and changes in operation, maintenance and replacement costs.

H. Penalty:

Payment of invoices for water and sewer services is due upon receipt of invoice. A ten percent (10%) penalty will be applied to any payment made fifteen (15) days past due from the monthly billing date.

Section 4. Amendment of Section 7-5-13. Section 7-5-13, titled "Irrigation Service Only," of the Lake Zurich Municipal Code shall be, and it is hereby, amended in its entirety so that said Section 7-5-13 shall hereafter be and read as follows:

7-5-13: IRRIGATION SERVICE ONLY:

- A. Irrigation only water supply services shall be permissible only for nonresidential users, and shall not be available for any dwelling unit.
1. Effective May 1, 2013, every user of irrigation service shall pay \$5.93 per 1,000 gallons for all irrigation service used, calculated as follows: (a) \$1.84 for interest, principal, and coverage of outstanding bonds and loans and (b) \$4.09 for operation, maintenance, and replacement costs.
 2. Effective May 1, 2014, every user of irrigation service shall pay \$6.54 per 1,000 gallons for all irrigation service used, calculated as follows: (a) \$1.84 for interest, principal, and coverage of outstanding bonds and loans and (b) \$4.70 for operation, maintenance, and replacement costs.

B. Minimum Basic Charge:

Every user of irrigation service only in the Village's corporate limits shall pay a minimum basic charge each billing period based on a usage of 2,000 gallons of services regardless of actual usage.

Section 5. Effective Date. This Ordinance shall be in full force and effect from and after its passage, approval, and publication in pamphlet form in the manner provided by law.

PASSED this ____ day of February, 2013

AYES:

NAYS:

ABSENT:

APPROVED this ____ day of February, 2013.

Suzanne K. Branding, Village President

SEAL

ATTEST:

Kathleen Johnson, Village Clerk

Published: _____

70 E. Main Street
Lake Zurich, IL 60047



Phone: (847) 438-5141
Fax: (847) 540-1768
Web: www.volz.org

MEMORANDUM

Date: January 16, 2012

To: Jason T. Slowinski, Village Manager *JS*

From: Michael Duebner, Director Information Technology *MD*

Subject: Village-wide Copier Lease Agreement

Issue: The Village routinely enters into 5-year leases for 11 copiers for various departments and locations. The current lease with Ricoh USA expired in 2012 and the equipment is due to be returned to the leasing company.

Analysis: Technology staff consulted with the operating departments in developing an RFP that reflects the needs of the department. It became clear that having a single color copier located at Fire Station 1 introduced inefficiencies into their workflow. Therefore the RFP allowed for responses that added color devices if the cost difference was minimal.

Staff received proposals from 11 vendors that were in compliance with the requirements to separate lease from maintenance charge. One additional vendor blended the two charges and was therefore excluded from the evaluation process.

Responses received for a 60-month lease for 11 color multi-function devices that copy, scan, print and fax range from \$1,270 to \$2,400 a month. By comparison the current lease of 10 monochrome and 1 color copier costs \$2,531 a month. Toshiba Business Systems provided the lowest qualified response at \$1,266.11 a month for 11 color devices with a cost per page of \$0.0055 for monochrome (BW) and \$0.041 for color. Staff continued discussions and arrived at a final configuration of 10 color and 1 monochrome device.

This new lease saves the Village approximately \$15,000 a year. Further savings will be achieved as standalone printers and faxes, which are more costly to use, are eliminated and staff transitions to these multi-function devices.

Recommendation: Staff is recommending that the Board authorize execution of a 60-month tax-exempt lease with US Bank Equipment Financing for 11 Toshiba copiers at \$1,265.25 per month. Staff further requests authorization for a maintenance agreement with Toshiba Business Systems for 11 Toshiba copiers that is based on actual usage, billed monthly, at \$0.0050 for monochrome and \$0.040 for color pages.

w/Attachments:

Resolution

Opinion of Legal Council (Resolution's Exhibit C)

US Bank Lease Agreement

Toshiba Business Systems Maintenance Agreement

RESOLUTION NO. 2013-02-08A

**RESOLUTION APPROVING
LEASE PURCHASE AGREEMENT
(US Bank Equipment Finance)**

WHEREAS, the Village of Lake Zurich (the "Village") has determined to enter into a 2 page Lease Purchase Agreement (the "Agreement") with U.S. Bank Equipment Finance to lease, with a purchase option, certain copier equipment (the "Equipment") described in the Property Schedule attached to the Agreement, said attached hereto and made a part hereof as **Exhibit A**; and

WHEREAS, the Village has determined that it has a current need for the Equipment, that the use of the Equipment is essential to the proper and efficient functioning of the Village and that the Equipment will be used only for authorized Village purposes; and

WHEREAS, the Village has followed all procedures to arrange for the Lease Purchase of this Equipment by properly convening a meeting of the Board to authorize such Agreement; and

WHEREAS, the Village has not, and reasonably anticipates that it will not issue, tax-exempt obligations in the face amount of more than \$10,000,000 during the current calendar year; and

WHEREAS, pursuant to the provisions of the Illinois Municipal Code and applicable law, the Village has the authority to enter into an Agreement for the lease purchase of the Equipment.

NOW THEREFORE BE IT RESOLVED, by the Village of Lake Zurich, Lake County, Illinois, as follows:

SECTION 1: That the recitals set forth hereinabove are hereby incorporated as findings of the Board of Trustees of the Village of Lake Zurich as if set forth herein.

SECTION 2: That the Board of Trustees of the Village of Lake Zurich hereby approves and affirms that two-page Tax-Exempt Lease/Purchase Agreement, attached hereto as **EXHIBIT 1**, with the following exhibits:

Exhibit A: Two-page Property Schedule to Tax-Exempt
Lease/Purchase Agreement with Property Description
(Quantity/Description/Serial Number)

Exhibit B: One-page Certificate of Acceptance

Exhibit C: One-page Opinion of Legal Counsel of Village.

Exhibit D: One-page Lessee's Certificate from the Village, verifying proper procedures and authority of Village to approve the Agreement.

Insurance Authorization and Verification:

A one-page Insurance Authorization and Verification

Other Documents and Items:

A one-page document entitled "Other Documents and Items" which includes the requirement for the completion and filing of IRS Form 8038-G

Payment and Amortization Schedule:

The two-page Payment and Amortization Schedule for the Agreement.

SECTION 3: That the corporate authorities of the Village of Lake Zurich hereby approve the execution of said Tax-Exempt Lease/Purchase Agreement attached hereto as **EXHIBIT 1** and authorizes the appropriation and payments set forth in the Payment and Amortization Schedule attached to said Agreement, plus any incidental or attendant costs, including applicable or required shipping, installation, rigging, packing and insurance.

SECTION 4: That the President of the Village of Lake Zurich be, and are hereby authorized and directed, on behalf of the corporate authorities of the Village of Lake Zurich, to execute the Agreement and above-referenced, attached Exhibits and attachments made part of or required by the Agreement, and the Village Clerk is authorized, empowered and directed to attest thereto. For any documentation requiring execution or acknowledgement by other than the individuals executing the Agreement itself, the Village Manager is hereby authorized and directed to sign such documents on behalf of the Board of Trustees.

SECTION 5: The corporate authorities of the Village of Lake Zurich hereby designate the Tax-Exempt Lease/Purchase Agreement attached hereto as **EXHIBIT 1** a "qualified tax-exempt obligation" within the meaning of Section 265 (b)(3)(B) of the Internal Revenue Code, as amended.

SECTION 6: This Resolution shall be effective immediately upon its passage.

PRESENTED, READ AND PASSED by the President and Board of Trustees of the Village of Lake Zurich, Illinois, on a roll call vote at a duly called regular meeting of the Board of Trustees on the _____ day of _____ 2012, and deposited and filed in the Office of the Clerk of said Village on said date.

ROLL CALL VOTE:

YEAS:

NAYS:

ABSENT

ABSTAIN:

APPROVED by the President of the Village of Lake Zurich, Illinois this _____ day of _____, 2012.

Village President

SEAL

ATTEST:

Village Clerk



EQUIPMENT FINANCE

DOCUMENT CHECKLIST

- **Tax-Exempt Lease Purchase Agreement** – Execute signature block at the top of the first page.
- **Addendum/Amendment to Tax-Exempt Lease Purchase Agreement** – This document must be executed in the presence of a witness/attestor. The attesting witness does not have to be a notary, just present at the time of execution. The witness/attestor will execute the signature block below the Purchaser's signature block at the bottom right of the page.
- **Property Schedule** - 1) If the transaction can be designated as a "bank qualified" transaction – one where the Lessee reasonably anticipates not issuing more than \$10 million in tax-exempt obligations in a calendar year – **then you should initial the line under item**; 2) Execute signature block at the bottom of the page.
- **Property Description – Exhibit A** - Execute signature block at the bottom of the page.
- **Acceptance Certificate and Bank Qualification– Exhibit B.** 1) The date that all equipment is delivered, installed and accepted is the date that should be placed on the "DATE" line; and 2) Execute signature block at the bottom of the page.
- **Lessee's Counsel's Opinion – Exhibit C.** This exhibit will need to be executed by your attorney, dated and placed on their letterhead. Your attorney will likely want to review the agreement prior to executing this opinion.
- **Lessee's Certificate – Exhibit D.** 1) Please fill in the person's title who will be executing the certificate in the first paragraph (note: the person who signs this exhibit can not be the same person as the executing official(s) for all other documents); 2) Please fill in the date that the governing body met in Line 1; 3) In the middle set of boxes, please print the name of the executing official(s) in the far left box, print their title(s) in the middle box and have the executing official(s) sign the line in the far right hand box; 4) Include in your return package a copy of the board minutes or resolution for our files; and 5) The exhibit should be executed by someone other than the executing official(s) named in the center box.
- **Insurance Authorization and Verification** – To be filled out by the Lessee and returned with executed documents.
- **Amortization Schedule** - Execute signature block at the bottom of the page.
- **Notification of Tax Treatment** – Please provide your State of Sales/Use tax Exemption Certificate, if applicable.
- **Form 8038-GC or G**– Blank form provided to Lessee. Please consult your local legal/bond counsel or tax consultant with questions.
- **Original Documents** – U.S. Bank Equipment Finance will require original documents prior to funding.



Application # 1681405

Tax-Exempt Lease/Purchase Agreement**Accepted by Lessor:**

U.S. Bank Equipment Finance, a division of U.S. Bank
National Association ("U.S. Bank Equipment Finance")
(the "Lessor")
1310 Madrid Street Ste 101
Marshall, MN 56258

By:

Date:

Sign & Date

Name:

Title: Documentation Analyst

Telephone: 800-328-5371

Agreed to by Lessee:

VILLAGE OF LAKE ZURICH (the "Lessee")
70 E MAIN ST
LAKE ZURICH IL 60047

By:

Date:

Name:

Title:

Telephone: 847-438-5141

AGREEMENT: Lessor hereby leases to Lessee and Lessee hereby leases from Lessor all the Property described in Property Schedule incorporated herein by reference, upon the terms and conditions set forth herein and as supplemented by the terms and conditions set forth in the Property Schedule. This Tax-Exempt Lease / Purchase Agreement together with the Property Schedule shall be defined as the Agreement.

LEASE TERM: The Lease Term of the Property listed in the Property Schedule shall commence as stated in the Certificate of Acceptance, attached as Exhibit B of the Property by Lessee and continue for the time period set forth in the Amortization Schedule attached to the Property Schedule. This Agreement cannot be canceled or terminated by Lessee except as expressly provided herein. This Agreement is a triple net lease.

LEASE PAYMENTS: Lessee shall pay rent to Lessor for the Property in the amounts, and on the dates specified, in the Amortization Schedule attached to the Property Schedule. Lessor and Lessee intend that the obligation of Lessee to pay Lease Payments hereunder shall not in any way be construed to be a debt of Lessee in contravention of any applicable constitutional or statutory limitations or requirements concerning the creation of indebtedness by Lessee, nor shall anything contained herein constitute a pledge of the general tax revenues, funds or monies of Lessee.

NO OFFSET: SUBJECT TO THE RIGHT TO NON-APPROPRIATE, SET FORTH BELOW, THE OBLIGATIONS OF LESSEE TO PAY THE LEASE PAYMENTS DUE UNDER THE PROPERTY SCHEDULE AND TO PERFORM AND OBSERVE THE OTHER COVENANTS AND AGREEMENTS CONTAINED IN THIS AGREEMENT SHALL BE ABSOLUTE AND UNCONDITIONAL IN ALL EVENTS WITHOUT ABATEMENT, DIMINUTION, DEDUCTION, SET-OFF OR DEFENSE, FOR ANY REASON, INCLUDING WITHOUT LIMITATION, ANY DEFECTS, MALFUNCTIONS, BREAKDOWNS OR INFIRMITIES IN THE PROPERTY OR ANY ACCIDENT, CONDEMNATION OR UNFORESEEN CIRCUMSTANCES. THIS PROVISION SHALL NOT LIMIT LESSEE'S RIGHTS OR ACTIONS AGAINST ANY VENDOR. Lessee shall pay when due all taxes, fees and governmental charges assessed or levied against or with respect to the Property.

LATE CHARGES: Should Lessee fail to duly pay any part of any Lease Payment or other sum to be paid to Lessor under this Agreement on the date on which such amount is due hereunder, then Lessee shall pay late charges on such delinquent payment from the due date thereof until paid at the rate of 12% per annum or the highest rate permitted by law, whichever is less.

MAINTENANCE OF PROPERTY: At all times during the Lease Term, Lessee shall, at Lessee's own cost and expense, maintain, preserve, and keep the Property in good working order, and condition, and from time to time make or cause to be made all necessary and proper repairs, replacements, and renewals to the Property, which shall become part of the Property. The Property is and will remain personal property.

INSURANCE OF PROPERTY: All risk of loss to the Property shall be borne by the Lessee. At all times during the Lease Term, Lessee shall, at Lessee's own cost and expense, cause casualty, public liability, and property damage insurance to be carried and maintained (or shall provide Lessor with a certificate stating that adequate self-insurance has been provided) with respect to the Property, sufficient to protect the full replacement value of the Property and to protect from liability in all events for which insurance is customarily available. Lessee shall furnish to Lessor certificates evidencing such coverage throughout the Lease Term. Any insurance policy to be carried and maintained pursuant to this Agreement shall be so written or endorsed as to make losses, if any, payable to Lessee and Lessor as their respective interests may appear. All such liability insurance shall name Lessor as an additional insured. Each insurance policy carried and maintained pursuant to this Agreement shall contain a provision to the effect that the insurance company shall not cancel the policy or modify it materially or adversely to the interest of the Lessor without first giving written notice thereof to Lessor at least 30 days in advance of such change of status.

QUIET ENJOYMENT AND TERMINATION OF LESSOR'S INTEREST: To secure Lessee's obligations hereunder, Lessor is granted a security interest in the Property, including substitutions, repairs, replacements and renewals, and the proceeds thereof, which is a first lien thereon. Lessee hereby authorizes Lessor to file all financing statements which Lessor deems necessary or appropriate to establish, maintain and perfect such security interest. Provided there does not exist an Event of Default as defined herein, the Lessee shall have the right of quiet enjoyment of the Property throughout the Lease Term. If Lessee shall have performed all of its obligations and no default shall have occurred and be continuing under this Agreement, and this Agreement shall not have been earlier terminated with respect to the Property, then, at the end of the Lease Term with respect to any item of Property, Lessor's interest in such Property shall terminate. Unless otherwise required by law, title to the Property shall be in the name of Lessee, subject to Lessor's interest hereunder.

TAX EXEMPTION: The parties contemplate that interest payable under this Agreement will be excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). The tax-exempt status of this Agreement provides the inducement for the Lessor to offer financing at the interest rate set forth herein. Therefore, should this Agreement be deemed by any taxing authority not to be exempt from taxation, Lessee agrees that the interest rate shall be adjusted, as of the date of loss of tax exemption, to an interest rate calculated to provide Lessor or its assignee an after tax yield equivalent to the tax exempt rate and Lessor shall notify Lessee of the taxable rate. Provided, however, that the provision of the preceding sentence shall apply only upon a final determination that the interest payments are not excludable from gross income under Section 103(a) of the Code, and shall not apply if the determination is based upon the individual tax circumstances of the Lessor, or a finding that the party seeking to exclude such payments from gross income is not the owner and holder of the obligation under the Code.

REPRESENTATIONS AND WARRANTIES OF LESSEE: Lessee hereby represents and warrants to Lessor that: (a) Lessee is a State, possession of the United States, the District of Columbia, or political subdivision thereof as defined in Section 103 of the Code and Treasury Regulations and Rulings related thereto. If Lessee is incorporated, it is duly organized and existing under the Constitution and laws of its jurisdiction of incorporation and will do or cause to be done all things necessary to preserve and keep such organization and existence in full force and effect. (b) Lessee has been duly authorized by the Constitution and laws of the applicable jurisdiction and by a resolution of its governing body (which resolution, if requested by Lessor, is attached hereto), to execute and deliver this Agreement and to carry out its obligations hereunder. (c) All legal requirements have been met, and procedures have been followed, including public bidding, in order to ensure the enforceability of this Agreement. (d) The Property will be used by Lessee only for essential governmental or proprietary functions of Lessee consistent with the scope of Lessee's authority and will not be used in a trade or business of any person or entity, by the federal government or for any personal, family or household use. Lessee's need for the Property is not expected to diminish during the term of the Agreement. (e) Lessee has funds available to pay Lease Payments until the end of its current appropriation period, and it intends to request funds to make Lease Payments in each appropriation period, from now until the end of the term of this Agreement. (f) The Lessee shall comply at all times with all applicable requirements of the Code, including but not limited to the registration and reporting requirements of Section 149, to maintain the federal tax-exempt status of the Agreement. The Lessee shall maintain a system with respect to this Agreement, which tracks the name, and ownership interest of each assignee who has both the responsibility for administration of, and ownership interest in this Agreement. (g) Lessee's exact legal name is as set forth on the first page of this Agreement. Lessee will not change its legal name in any respect without giving thirty (30) days prior written notice to Lessor.

RISK OF LOSS COVENANTS: Lessee shall not be required to indemnify or hold Lessor harmless against liabilities arising from the Agreement. However, as between Lessor and Lessee, and to the extent permitted by law, Lessee shall bear the risk of loss for, shall pay directly, and shall defend against any and all claims, liabilities, proceedings, actions, expenses, damages or losses arising under or related to the Property, including, but not limited to, the possession, ownership, lease, use or operation thereof, and the loss of federal tax exemption of the interest on any of the Lease Payments, except that Lessee shall not bear the risk of loss of, nor pay for, any claims, liabilities, proceedings, actions, expenses, damages or losses that arise directly from events occurring after Lessee has surrendered possession of the Property in accordance with the terms of the Agreement to Lessor or that arise directly from the gross negligence or willful misconduct of the Lessor.

NON-APPROPRIATION: If sufficient funds are not appropriated to make Lease Payments under this Agreement, this Agreement shall terminate and Lessee shall not be obligated to make Lease Payments under this Agreement beyond the then current fiscal year for which funds have been appropriated. Upon such an event, Lessee shall, no later than the end of the fiscal year for which Lease Payments have been appropriated, deliver possession of the Property to Lessor. If Lessee fails to deliver possession of the Property to Lessor, the termination shall nevertheless be effective but Lessee shall be responsible for the payment of damages in an amount equal to the portion of Lease Payments thereafter coming due that is attributable to the number of days after the termination during which the Lessee fails to deliver possession and for any other loss suffered by Lessor as a result of Lessee's failure to deliver possession as required. Lessee shall notify Lessor in writing within seven (7) days after the failure of the Lessee to appropriate funds sufficient for the payment of the Lease Payments, but failure to provide such notice shall not operate to extend the Lease Term or result in any liability to Lessee.

ASSIGNMENT BY LESSEE: Without Lessor's prior written consent, Lessee may not, by operation of law or otherwise, assign, transfer, pledge, hypothecate or otherwise dispose of the Property, this Agreement or any interest therein.

ASSIGNMENT BY LESSOR: Lessor may assign, sell or encumber all or any part of this Agreement, the Lease Payments and any other rights or interests of Lessor hereunder. Such assignees may include trust agents for the benefit of holders of certificates of participation. Lessee agrees that if Lessor sells, assigns or transfers this Agreement, the new Lessor will have the same rights and benefits that we have now and will not have to perform any of our obligations. Lessee agrees that the new Lessor will not be subject to any claims, defenses, or offsets that Lessee may have against us.

EVENTS OF DEFAULT: Lessee shall be in default under this Agreement upon the occurrence of any of the following events or conditions ("Events of Default"), unless such Event of Default shall have been specifically waived by Lessor in writing: (a) Default by Lessee in payment of any Lease Payment or any other indebtedness or obligation now or hereafter owed by Lessee to Lessor under this Agreement or in the performance of any obligation, covenant or liability contained in this Agreement and the continuance of such default for ten (10) consecutive days after written notice thereof by Lessor to Lessee, or (b) any warranty, representation or statement made or furnished to Lessor by or on behalf of Lessee proves to have been false in any material respect when made or furnished, or (c) actual or attempted sale, lease or encumbrance of any of the Property, or the making of any levy, seizure or attachment thereof or thereon, or (d) dissolution, termination of existence, discontinuance of the Lessee, insolvency, business failure, failure to pay debts as they mature, or appointment of a receiver of any part of the property of, or assignment for the benefit of creditors by the Lessee, or the commencement of any proceedings under any bankruptcy, reorganization or arrangement laws by or against the Lessee.

REMEDIES OF LESSOR: Upon the occurrence of any Event of Default and at any time thereafter, Lessor may, without any further notice, exercise one or more of the following remedies as Lessor in its sole discretion shall elect: (a) terminate the Agreement and all of Lessee's rights hereunder as to any or all items of Property; (b) proceed by appropriate court action to personally, or by its agents, take possession from Lessee of any or all items of Property wherever found and for this purpose enter upon Lessee's premises where any item of Property is located and remove such item of Property free from all claims of any nature whatsoever by Lessee and Lessor may thereafter dispose of the Property; provided, however, that any proceeds from the disposition of the Property in excess of the sum required to (i) pay to Lessor an amount equal to the total unpaid principal component of Lease Payments under the Property Schedule, including principal component not otherwise due until future fiscal years, (ii) pay any other amounts then due under the Property Schedule and this Agreement, and (iii) pay Lessor's costs and expenses associated with the disposition of the Property and the Event of Default (including attorneys fees), shall be paid to Lessee or such other creditor of Lessee as may be entitled thereto, and further provided that no deficiency shall be allowed against Lessee; (c) proceed by appropriate court action or actions to enforce performance by Lessee of its obligations hereunder or to recover damages for the breach hereof or pursue any other remedy available to Lessor at law or in equity or otherwise; (d) declare all unpaid Lease Payments and other sums payable hereunder during the current fiscal year of the Lease Term to be immediately due and payable without any presentment, demand or protest and / or take any and all actions to which Lessor shall be entitled under applicable law. No right or remedy herein conferred upon or reserved to Lessor is exclusive of any right or remedy herein or at law or in equity or otherwise provided or permitted, but each shall be cumulative of every other right or remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise, and may be enforced concurrently therewith or from time to time. Lessee agrees to pay to Lessor or reimburse Lessor for, in addition to all other amounts due hereunder, all of Lessor's costs of collection, including reasonable attorney fees, whether or not suit or action is filed thereon. Lessee and Lessor hereby irrevocably waive all right to trial by jury in any action, proceeding or counterclaim (whether based on contract, tort or otherwise) arising out of or relating to this Agreement.

NOTICES: All notices, and other communications provided for herein shall be deemed given when delivered or mailed by certified mail, postage prepaid, addressed to Lessor or Lessee at their respective addresses set forth herein or such other addresses as either of the parties hereto may designate in writing to the other from time to time for such purpose.

AMENDMENTS AND WAIVERS: This Agreement and the Property Schedule executed by Lessor and Lessee constitute the entire agreement between Lessor and Lessee with respect to the Property and this Agreement may not be amended except in writing signed by both parties.

CONSTRUCTION: This Agreement shall be governed by and construed in accordance with the laws of the Lessee's State. Titles of sections of this Agreement are for convenience only and shall not define or limit the terms or provisions hereof. Time is of the essence under this Agreement. This Agreement shall inure to the benefit of and shall be binding upon Lessor and Lessee and their respective successors and assigns. This Agreement may be simultaneously executed in counterparts, each shall be an original with all being the same instrument.



EQUIPMENT FINANCE

Application # 1681405

Property Schedule to Tax-Exempt Lease/Purchase Agreement


This **Property Schedule** is entered into pursuant to Tax-Exempt Lease/Purchase Agreement dated as of [REDACTED] between Lessor and Lessee.


1. **Interpretation.** The terms and conditions of the Tax-Exempt Lease/Purchase Agreement (the "Agreement") are incorporated herein.
2. **Property Description.** The Property subject to this Property Schedule is described in Exhibit A, attached hereto. It includes all replacements, parts, repairs, additions, accessions and accessories incorporated therein or affixed or attached thereto and any and all proceeds of the foregoing, including, without limitation, insurance recoveries.
3. **Term and Payments.** Lease Term and Lease Payments are per attached Amortization & Payment Schedule. If the Payment Due Dates are not defined, they shall be defined as stated in the Certificate of Acceptance, attached as Exhibit B, hereto. If the parties enter into an escrow agreement for the acquisition of the Property, then the escrow agreement shall be attached hereto as Exhibit E. In lieu of the Acceptance Date for commencement of Lease Payments, the date of deposit of the Property Cost into the escrow by Lessor shall be used. Lessee shall have the option to prepay the Lease Payments due under this Property Schedule by paying the Termination Amount shown on the attached Amortization Schedule, plus any other amounts due and owing at the time of prepayment, subject to per diem adjustment.
4. **Expiration.** Lessor, at its sole determination, may choose not to accept this Property Schedule if the fully executed, original Agreement (including this Property Schedule and all ancillary documents) are not received by Lessor at its place of business by 4-11-13.
5. **Property Cost.** The total principal amount under this Property Schedule for the acquisition cost of the Property is \$ 65349.94.
6. **Opinion of Counsel.** Lessee has provided the opinion of its legal counsel substantially in the form as attached as Exhibit C, hereto.
7. **Lessee's Certificate.** Lessee has provided the Lessee's Certificate in the form attached as Exhibit D, hereto.
8. **Bank Qualification.** Lessee designates this Agreement and Property Schedule as a "qualified tax-exempt obligation" as defined in Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended. Lessee reasonably anticipates issuing tax-exempt obligations (excluding private activity bonds other than qualified 501(c)(3) bonds and including all tax-exempt obligations of subordinate entities of the Lessee) during the calendar year this Agreement and Property Schedule was funded, in an amount not exceeding \$10,000,000.

Initial Here

____ Lessee initial here, only if Bank Qualification is applicable

IN WITNESS WHEREOF, Lessor and Lessee have caused this Property Schedule to be executed in their names by their duly authorized representatives.

Lessor: U.S. Bank Equipment Finance	Lessee: VILLAGE OF LAKE ZURICH
By: 	By:
Name:	Name:
Title:	Title:

	Attest:
	By:
	Name:
	Title:

ADDENDUM (ILLINOIS)

Tax-Exempt Lease/Purchase Agreement

THIS ADDENDUM, which is entered into as of [REDACTED] between U.S. Bank Equipment Finance ("Lessor") and VILLAGE OF LAKE ZURICH ("Lessee"), is intended to modify the Tax-Exempt Lease/Purchase Agreement between Lessor and Lessee dated as of [REDACTED] (the "Agreement"). Capitalized terms not otherwise defined herein shall have the meanings set forth in the Agreement.

In addition to the representations, warranties and covenants of Lessee set forth in the Agreement, Lessee, represents, warrants and covenants for the benefit of Lessor as follows:

(a) If Lessee is a county, the debt limitations applicable to Lessee, including but not limited to the limitations imposed by Ill. Ann. Stat. Ch. 55, §§5/5-1012, 5/5-1083 (which provide in substance that the total amount of Lease Payments payable, when aggregated with existing indebtedness, may not exceed 5.75 percent of the value of the taxable property of Lessee), have not been exceeded *[attach computation of such test]*.

(b) If Lessee is a municipality:

(i) The debt limitations applicable to Lessee, including but not limited to the limitations imposed by Ill. Ann. Stat. Ch. 65, §5/11-61-3 (which provides in substance that the total amount of Lease Payments payable, when aggregated with existing indebtedness, may not exceed 8.625 percent of the value of the taxable property of Lessee), have not been exceeded *[attach computation of such test]*;

(iii) The Property Schedule has been approved by two-thirds of the members of the governing body of Lessee.

(c) If Lessee is a school district, the Property Schedule has been approved by two-thirds of the members of the governing body of Lessee;

IN WITNESS WHEREOF, Lessor and Lessee have caused this Addendum to be executed in their names by their duly authorized representatives as of the date first above written.

Lessor: U.S. Bank Equipment Finance	Lessee: VILLAGE OF LAKE ZURICH
By: Sign Here	By:
Name:	Name:
Title:	Title:
Sign Here	
Attest:	
By:	
Name:	
Title:	



EQUIPMENT FINANCE

EXHIBIT A

Application # 1681405

Property Description

Vendor: TOSHIBA BUSINESS SOLUTIONS
Address: 3860 N VENTURA DR
City, State, Zip Code: ARLINGTON HEIGHTS IL 60004

<u>Quantity</u>	<u>Description</u>	<u>Serial Number</u>	<u>Equipment Location</u>
1	TOSHIBA ESTUDIO 6550CT		70 E MAIN ST LAKE ZURICH (1ST FL)
1	TOSHIBA ESTUDIO 5540CT		70 E MAIN ST LAKE ZURICH (2ND FL)
1	TOSHIBA ESTUDIO 3540C		321 S BUESCHING RD LAKE ZURICH (FS 1)
1	TOSHIBA ESTUDIO 3540C		1075 OLD MCHENRY RD LAKE ZURICH (FS 3
1	TOSHIBA ESTUDIO 4540C		200 MOHAWK TRL LAKE ZURICH (ADMIN)
1	TOSHIBA ESTUDIO 2540C		200 MOHAWK TRL LAKE ZURICH (INVEST)
1	TOSHIBA ESTUDIO 2540C		200 MOHAWK TRL LAKE ZURICH (PATROL)
1	TOSHIBA ESTUDIO 6550CT		200 MOHAWK TRL LAKE ZURICH (RECORDS)
1	TOSHIBA ESTUDIO 3540C		505 TESLER RD LAKE ZURICH (PW)
1	TOSHIBA ESTUDIO 4540C		200 S RAND RD LAKE ZURICH (P & R)
1	TOSHIBA ESTUDIO 306		675 OLD MILL GROVE RD LAKE ZURICH (P&R

Lessee: VILLAGE OF LAKE ZURICH

Sign Here

By:

Name:

Title:



EQUIPMENT FINANCE

AMORTIZATION & PAYMENT SCHEDULE

Term of Contract: 60 Months

Payment Structure: Monthly

Application #1681405

Payment No.	Lease Payment	Interest Portion	Principal Portion	Balance	Termination Amount (After Making Said Payment)
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Beginning
Balance

65,349.94

1	1,265.25	330.07	935.18	64,414.76	66,347.20
2	1,265.25	325.34	939.91	63,474.85	65,379.10
3	1,265.25	320.60	944.65	62,530.20	64,406.11
4	1,265.25	315.83	949.42	61,580.78	63,428.20
5	1,265.25	311.03	954.22	60,626.56	62,445.36
6	1,265.25	306.21	959.04	59,667.52	61,457.55
7	1,265.25	301.37	963.88	58,703.64	60,464.75
8	1,265.25	296.50	968.75	57,734.89	59,466.94
9	1,265.25	291.61	973.64	56,761.25	58,464.09
10	1,265.25	286.69	978.56	55,782.69	57,456.17
11	1,265.25	281.75	983.50	54,799.19	56,443.17
12	1,265.25	276.78	988.47	53,810.72	55,425.04
13	1,265.25	271.79	993.46	52,817.26	54,401.78
14	1,265.25	266.77	998.48	51,818.78	53,373.34
15	1,265.25	261.73	1,003.52	50,815.26	52,339.72
16	1,265.25	256.66	1,008.59	49,806.67	51,300.87
17	1,265.25	251.56	1,013.69	48,792.98	50,256.77
18	1,265.25	246.44	1,018.81	47,774.17	49,207.40
19	1,265.25	241.30	1,023.95	46,750.22	48,152.73
20	1,265.25	236.13	1,029.12	45,721.10	47,092.73
21	1,265.25	230.93	1,034.32	44,686.78	46,027.38
22	1,265.25	225.70	1,039.55	43,647.23	44,956.65
23	1,265.25	220.45	1,044.80	42,602.43	43,880.50
24	1,265.25	215.18	1,050.07	41,552.36	42,798.93
25	1,265.25	209.87	1,055.38	40,496.98	41,711.89
26	1,265.25	204.54	1,060.71	39,436.27	40,619.36
27	1,265.25	199.18	1,066.07	38,370.20	39,521.31
28	1,265.25	193.80	1,071.45	37,298.75	38,417.71
29	1,265.25	188.39	1,076.86	36,221.89	37,308.55
30	1,265.25	182.95	1,082.30	35,139.59	36,193.78

31	1,265.25	177.48	1,087.77	34,051.82	35,073.37
32	1,265.25	171.99	1,093.26	32,958.56	33,947.32
33	1,265.25	166.47	1,098.78	31,859.78	32,815.57
34	1,265.25	160.92	1,104.33	30,755.45	31,678.11
35	1,265.25	155.34	1,109.91	29,645.54	30,534.91
36	1,265.25	149.73	1,115.52	28,530.02	29,385.92
37	1,265.25	144.10	1,121.15	27,408.87	28,231.14
38	1,265.25	138.44	1,126.81	26,282.06	27,070.52
39	1,265.25	132.74	1,132.51	25,149.55	25,904.04
40	1,265.25	127.02	1,138.23	24,011.32	24,731.66
41	1,265.25	121.28	1,143.97	22,867.35	23,553.37
42	1,265.25	115.50	1,149.75	21,717.60	22,369.13
43	1,265.25	109.69	1,155.56	20,562.04	21,178.90
44	1,265.25	103.85	1,161.40	19,400.64	19,982.66
45	1,265.25	97.99	1,167.26	18,233.38	18,780.38
46	1,265.25	92.09	1,173.16	17,060.22	17,572.03
47	1,265.25	86.17	1,179.08	15,881.14	16,357.57
48	1,265.25	80.21	1,185.04	14,696.10	15,136.98
49	1,265.25	74.23	1,191.02	13,505.08	13,910.23
50	1,265.25	68.21	1,197.04	12,308.04	12,677.28
51	1,265.25	62.17	1,203.08	11,104.96	11,438.11
52	1,265.25	56.09	1,209.16	9,895.80	10,192.67
53	1,265.25	49.98	1,215.27	8,680.53	8,940.95
54	1,265.25	43.84	1,221.41	7,459.12	7,682.89
55	1,265.25	37.67	1,227.58	6,231.54	6,418.49
56	1,265.25	31.47	1,233.78	4,997.76	5,147.69
57	1,265.25	25.24	1,240.01	3,757.75	3,870.48
58	1,265.25	18.98	1,246.27	2,511.48	2,586.82
59	1,265.25	12.68	1,252.57	1,258.91	1,296.68
60	1,265.25	6.34	1,258.91	0.00	0.00
75,915.00		10,565.06	65,349.94		

This Amortization Schedule is hereby verified as correct by the undersigned, who acknowledges receipt of a copy.

VILLAGE OF LAKE ZURICH

Sign Here X

Title:



EXHIBIT B

Application # 1681405

Certificate of Acceptance

This **Certificate of Acceptance** is pursuant to Tax-Exempt Lease/Purchase Agreement dated as of [REDACTED] and the related Property Schedule, between Lessor and Lessee. (the "Agreement").

1. **Property Acceptance.** Lessee hereby certifies and represents to Lessor that the Property referenced in the Agreement has been acquired, made, delivered, installed and accepted as of the date indicated below. Lessee has conducted such inspection and/or testing of the Property as it deems necessary and appropriate and hereby acknowledges that it accepts the Property for all purposes. Lessee will immediately begin making Lease Payments in accordance with the times and amounts specified herein. LESSOR MAKES NO (AND SHALL NOT BE DEEMED TO HAVE MADE ANY) WARRANTIES, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, THE DESIGN, OPERATION OR CONDITION OF, OR THE QUALITY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP IN, THE PROPERTY, ITS MERCHANTABILITY OR ITS FITNESS FOR ANY PARTICULAR PURPOSE, THE STATE OF TITLE THERETO OR ANY COMPONENT THEREOF, THE ABSENCE OF LATENT OR OTHER DEFECTS (WHETHER OR NOT DISCOVERABLE), AND LESSOR HEREBY DISCLAIMS THE SAME; IT BEING UNDERSTOOD THAT THE PROPERTY IS LEASED TO LESSEE "AS IS" ON THE DATE OF THIS AGREEMENT OR THE DATE OF DELIVERY, WHICHEVER IS LATER, AND ALL SUCH RISKS, IF ANY, ARE TO BE BORNE BY LESSEE.
2. **Commencement Date:** The commencement date of this Agreement shall be the Acceptance Date listed below. If Acceptance Date is more than 10 days prior to the receipt of the Certificate of Acceptance the Agreement commencement date will be the date funds are issued.
3. **Billing Address:** If billing address differs from the address listed on the Tax Exempt Lease Purchase Agreement please list below:

Review → Billing Name: _____
Billing Address: _____
City, State, Zip Code: _____

IN WITNESS WHEREOF, Lessee has caused this Certificate of Acceptance to be executed by their duly authorized representative.

Delivery Date →	Acceptance Date:
	Lessee: VILLAGE OF LAKE ZURICH
Sign Here →	By:
	Name:
	Title:



EQUIPMENT FINANCE

EXHIBIT D


Application # 1681405

Lessee's Certificate

Re: Tax-Exempt Lease/Purchase Agreement and Property Schedule dated as of _____, between Lessee and Lessor

The undersigned, being the duly elected, qualified and acting _____ of the Lessee do hereby certify, as of _____, as follows:

1. Lessee did, at a meeting of the governing body of the Lessee held _____, 201____ by resolution or ordinance duly enacted, in accordance with all requirements of law, approve and authorize the execution and delivery of the above-referenced Tax-Exempt Lease/Purchase Agreement and Property Schedule (the "Agreement") by the following named representative of Lessee, to wit:

NAME OF EXECUTING OFFICIAL	TITLE OF EXECUTING OFFICIAL	SIGNATURE OF EXECUTING OFFICIAL
		
And/ Or		

2. The above-named representative of the Lessee held at the time of such authorization and holds at the present time the office set forth above.

3. The meeting(s) of the governing body of the Lessee at which the Agreement was approved and authorized to be executed was duly called, regularly convened and attended throughout by the requisite quorum of the members thereof, and the enactment approving the Agreement and authorizing the execution thereof has not been altered or rescinded. All meetings of the governing body of Lessee relating to the authorization and delivery of Agreement have been: (a) held within the geographic boundaries of the Lessee; (b) open to the public, allowing all people to attend; (c) conducted in accordance with internal procedures of the governing body; and (d) conducted in accordance with the charter of the Lessee, if any, and the laws of the State.


4. No event or condition that constitutes, or with the giving of notice or the lapse of time or both would constitute, an Event of Default or a Nonappropriation (as such terms are defined in the Agreement) exists at the date hereof with respect to the Agreement.

5. The acquisition of all of the Property under the Agreement has been duly authorized by the governing body of Lessee.

6. Lessee has, in accordance with the requirements of law, fully budgeted and appropriated sufficient funds for the current budget year to make the Lease Payments scheduled to come due during the current budget year under the Agreement and to meet its other obligations for the current budget year and such funds have not been expended for other purposes.

7. As of the date hereof, no litigation is pending, (or, to my knowledge, threatened) against Lessee in any court (a) seeking to restrain or enjoin in the delivery of the Agreement or of other agreements similar to the Agreement; (b) questioning the authority of Lessee to execute the Agreement, or the validity of the Agreement, or the payment of principal of or interest thereon; (c) questioning the constitutionality of any statute, or the validity of any proceedings, authorizing the execution of the Agreement; or (d) affecting the provisions made for the payment of or security for the Agreement.

VILLAGE OF LAKE ZURICH

	By:
	Title:
SIGNER MUST NOT BE THE SAME AS THE EXECUTING OFFICIAL(S) SHOWN ABOVE	



Application # 1681405

Date: _____

Re: Tax-Exempt Lease/Purchase Agreement, Dated

To Lessee: VILLAGE OF LAKE ZURICH

From Lessor: U.S. Bank Equipment Finance
1310 Madrid St Ste 101
Marshall, MN 56258

70 E MAIN ST
LAKE ZURICH IL 60047

TO THE LESSEE: In connection with the above-referenced Property Schedule, Lessor requires proof in the form of this document, executed by both Lessee* and Lessee's agent, that Lessee's insurable interest in the financed property (the "Property") meets Lessor's requirements as follows, with coverage including, but not limited to, fire, extended coverage, vandalism, and theft:

Lessor, AND ITS SUCCESSORS AND ASSIGNS, shall be covered as both ADDITIONAL INSURED and LENDER'S LOSS PAYEE with regard to all equipment financed or leased by policy holder through or from Lessor. All such insurance shall contain a provision to the effect that such insurance shall not be canceled or modified without first giving written notice thereof to Lessor and Lessee at least thirty (30) days in advance of such cancellation or modification.

Lessee must carry GENERAL LIABILITY (and/or, for vehicles, Automobile Liability) in the amount of no less than \$1,000,000.00 (one million dollars).

Lessee must carry PROPERTY Insurance (or, for vehicles, Physical Damage Insurance) in an amount no less than the 'Insurable Value' \$ 65349.94 [amount of financing], with deductibles no more than \$10,000.00.

**Lessee: Please execute this form and return with your document package. Lessor will fax this form to your insurance agency for endorsement. In lieu of agent endorsement, Lessee's agency may submit insurance certificates demonstrating compliance with all requirements. Should you have any questions, please contact U.S. Bank Equipment Finance at 800-328-5371*

By signing, Lessee authorizes the Agent named below: 1) to complete and return this form as indicated; and 2) to endorse the policy and subsequent renewals to reflect the required coverage as outlined above.

Agency/Agent: _____/_____

Address: _____

Phone/Fax: _____

E-Mail: _____

VILLAGE OF LAKE ZURICH



Name: _____

Title:

TO THE AGENT: *In lieu of providing a certificate, please execute this form in the space below and promptly fax it to Lessor at 800-433-6185. This fully endorsed form shall serve as proof that Lessee's insurance meets the above requirements.*

Agent hereby verifies that the above requirements have been met in regard to the Property listed below.

Print Name Of Agency: **X**.....

By: X _____
(Agent's Signature)

Print Name: **X**

Date: X

Insurable Value: \$ 65349.94 *[amount of financing]*

**Information Return for Small Tax-Exempt
Governmental Bond Issues, Leases, and Installment Sales**
► Under Internal Revenue Code section 149(e)

OMB No. 1545-0720

Caution: If the issue price of the issue is \$100,000 or more, use Form 8038-G.

Part I Reporting Authority		Check box if Amended Return <input type="checkbox"/>
1 Issuer's name	2 Issuer's employer identification number (EIN)	
3 Number and street (or P.O. box if mail is not delivered to street address)		Room/suite
4 City, town, or post office, state, and ZIP code		5 Report number (For IRS Use Only) [] [] []
6 Name and title of officer or other employee of issuer or designated contact person whom the IRS may call for more information		7 Telephone number of officer or legal representative

Part II Description of Obligations Check one: a single issue <input type="checkbox"/> or a consolidated return <input type="checkbox"/>	
8a Issue price of obligation(s) (see instructions)	8a
b Issue date (single issue) or calendar date (consolidated). Enter date in mm/dd/yyyy format (for example, 01/01/2009) (see instructions) ►	
9 Amount of the reported obligation(s) on line 8a that is:	
a For leases for vehicles	9a
b For leases for office equipment	9b
c For leases for real property	9c
d For leases for other (see instructions)	9d
e For bank loans for vehicles	9e
f For bank loans for office equipment	9f
g For bank loans for real property	9g
h For bank loans for other (see instructions)	9h
i Used to refund prior issue(s)	9i
j Representing a loan from the proceeds of another tax-exempt obligation (for example, bond bank)	9j
k Other	9k
10 If the issuer has designated any issue under section 265(b)(3)(B)(i)(iii) (small issuer exception), check this box	<input type="checkbox"/>
11 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check this box (see instructions)	<input type="checkbox"/>
12 Vendor's or bank's name:	
13 Vendor's or bank's employer identification number:	

Signature and Consent	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person(s) that I have authorized above.			
	Signature of issuer's authorized representative		Date	Type or print name and title
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed PTIN
	Firm's name ►	Firm's EIN ►		
	Firm's address ►	Phone no.		

General Instructions

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

What's New

The IRS has created a page on IRS.gov for information about the Form 8038 series and its instructions, at www.irs.gov/form8038. Information about any future developments affecting the Form 8038 series (such as legislation enacted after we release it) will be posted on that page.

Purpose of Form

Form 8038-GC is used by the issuers of tax-exempt governmental obligations to provide the IRS with the information required by section 149(e) and to monitor the requirements of sections 141 through 150.

Who Must File

Issuers of tax-exempt governmental obligations with issue prices of less than \$100,000 must file Form 8038-GC.

Issuers of a tax-exempt governmental obligation with an issue price of \$100,000 or more must file Form 8038-G, Information Return for Tax-Exempt Governmental Obligations.

Filing a separate return for a single issue. Issuers have the option to file a separate Form 8038-GC for any tax-exempt governmental obligation with an issue price of less than \$100,000.

An issuer of a tax-exempt bond used to finance construction expenditures must file a separate Form 8038-GC for each issue to give notice to the IRS that an election was made to

pay a penalty in lieu of arbitrage rebate (see the line 11 instructions).

Filing a consolidated return for multiple issues. For all tax-exempt governmental obligations with issue prices of less than \$100,000 that are not reported on a separate Form 8038-GC, an issuer must file a consolidated information return including all such issues issued within the calendar year.

Thus, an issuer may file a separate Form 8038-GC for each of a number of small issues and report the remainder of small issues issued during the calendar year on one consolidated Form 8038-GC. However, if the issue is a construction issue, a separate Form 8038-GC must be filed to give the IRS notice of the election to pay a penalty in lieu of arbitrage rebate.

When To File

To file a separate return for a single issue, file Form 8038-GC on or before the 15th day of the second calendar month after the close of the calendar quarter in which the issue is issued.

To file a consolidated return for multiple issues, file Form 8038-GC on or before February 15th of the calendar year following the year in which the issue is issued.

Late filing. An issuer may be granted an extension of time to file Form 8038-GC under section 3 of Rev. Proc. 2002-48, 2002-37 I.R.B. 531, if it is determined that the failure to file on time is not due to willful neglect. Type or print at the top of the form, "Request for Relief under section 3 of Rev. Proc. 2002-48." Attach to the Form 8038-GC a letter briefly stating why the form was not submitted to the IRS on time. Also indicate whether the obligation in question is under examination by the IRS. Do not submit copies of any bond documents, leases, or installment sale documents. See *Where To File* next.

Where To File

File Form 8038-GC, and any attachments, with the Department of the Treasury, Internal Revenue Service Center, Ogden, UT 84201.

Private delivery services. You can use certain private delivery services designated by the IRS to meet the "timely mailing as timely filing/paying" rule for tax returns and payments. These private delivery services include only the following:

- DHL Express (DHL): DHL Same Day Service.
- Federal Express (FedEx): FedEx Priority Overnight, FedEx Standard Overnight, FedEx 2Day, FedEx International Priority, and FedEx International First.
- United Parcel Service (UPS): UPS Next Day Air, UPS Next Day Air Saver, UPS 2nd Day Air, UPS 2nd Day Air A.M., UPS Worldwide Express Plus, and UPS Worldwide Express.

The private delivery service can tell you how to get written proof of the mailing date.

Other Forms That May Be Required

For rebating arbitrage (or paying a penalty in lieu of arbitrage rebate) to the Federal Government, use Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate. For private activity bonds, use Form 8038, Information Return for Tax-Exempt Private Activity Bond Issues.

For a tax-exempt governmental obligation with an issue price of \$100,000 or more, use Form 8038-G.

Rounding to Whole Dollars

You may show the money items on this return as whole-dollar amounts. To do so, drop any amount less than 50 cents and increase any amount from 50 to 99 cents to the next higher dollar.

Definitions

Obligations. This refers to a single tax-exempt governmental obligation if Form 8038-GC is used for separate reporting or to

multiple tax-exempt governmental obligations if the form is used for consolidated reporting.

Tax-exempt obligation. This is any obligation including a bond, installment purchase agreement, or financial lease, on which the interest is excluded from income under section 103.

Tax-exempt governmental obligation. A tax-exempt obligation that is not a private activity bond (see below) is a tax-exempt governmental obligation. This includes a bond issued by a qualified volunteer fire department under section 150(e).

Private activity bond. This includes an obligation issued as part of an issue in which:

- More than 10% of the proceeds are to be used for any private activity business use, and
- More than 10% of the payment of principal or interest of the issue is either (a) secured by an interest in property to be used for a private business use (or payments for such property) or (b) to be derived from payments for property (or borrowed money) used for a private business use.

It also includes a bond, the proceeds of which (a) are to be used to make or finance loans (other than loans described in section 141(c)(2)) to persons other than governmental units and (b) exceeds the lesser of 5% of the proceeds or \$5 million.

Issue. Generally, obligations are treated as part of the same issue only if they are issued by the same issuer, on the same date, and as part of a single transaction, or a series of related transactions. However, obligations issued during the same calendar year (a) under a loan agreement under which amounts are to be advanced periodically (a "draw-down loan") or (b) with a term not exceeding 270 days, may be treated as part of the same issue if the obligations are equally and ratably secured under a single indenture or loan agreement and are issued under a common financing arrangement (for example, under the same official statement periodically updated to reflect changing factual circumstances). Also, for obligations issued under a draw-down loan that meets the requirements of the preceding sentence, obligations issued during different calendar years may be treated as part of the same issue if all of the amounts to be advanced under the draw-down loan are reasonably expected to be advanced within 3 years of the date of issue of the first obligation. Likewise, obligations (other than private activity bonds) issued under a single agreement that is in the form of a lease or installment sale may be treated as part of the same issue if all of the property covered by that agreement is reasonably expected to be delivered within 3 years of the date of issue of the first obligation.

Arbitrage rebate. Generally, interest on a state or local bond is not tax-exempt unless the issuer of the bond rebates to the United States arbitrage profits earned from investing proceeds of the bond in higher yielding nonpurpose investments. See section 148(f).

Construction issue. This is an issue of tax-exempt bonds that meets both of the following conditions:

1. At least 75% of the available construction proceeds of the issue are to be used for construction expenditures with respect to property to be owned by a governmental unit or a 501(c)(3) organization, and

2. All of the bonds that are part of the issue are qualified 501(c)(3) bonds, bonds that are not private activity bonds, or private activity bonds issued to finance property to be owned by a governmental unit or a 501(c)(3) organization.

In lieu of rebating any arbitrage that may be owed to the United States, the issuer of a construction issue may make an irrevocable election to pay a penalty. The penalty is equal to 1-1/2% of the amount of construction proceeds that do not meet certain spending requirements. See section 148(f)(4)(C) and the instructions for Form 8038-T.

Specific Instructions

In general, a Form 8038-GC must be completed on the basis of available information and reasonable expectations as of the date of issue. However, forms that are filed on a consolidated basis may be completed on the basis of information readily available to the issuer at the close of the calendar year to which the form relates, supplemented by estimates made in good faith.

Part I—Reporting Authority

Amended return. An issuer may file an amended return to change or add to the information reported on a previously filed return for the same date of issue. If you are filing to correct errors or change a previously filed return, check the "Amended Return" box in the heading of the form.

The amended return must provide all the information reported on the original return, in addition to the new corrected information. Attach an explanation of the reason for the amended return and write across the top "Amended Return Explanation."

Line 1. The issuer's name is the name of the entity issuing the obligations, not the name of the entity receiving the benefit of the financing. In the case of a lease or installment sale, the issuer is the lessee or purchaser.

Line 2. An issuer that does not have an employer identification number (EIN) should apply for one on Form SS-4, Application for Employer Identification Number. You can get this form on the IRS website at IRS.gov or by calling 1-800-TAX-FORM (1-800-829-3676). You may receive an EIN by telephone by following the instructions for Form SS-4.

Lines 3 and 4. Enter the issuer's address or the address of the designated contact person listed on line 6. If the issuer wishes to use its own address and the issuer receives its mail in care of a third party authorized representative (such as an accountant or attorney), enter on the street address line "C/O" followed by the third party's name and street address or P.O. box. Include the suite, room, or other unit number after the street address. If the post office does not deliver mail to the street address and the issuer has a P.O. box, show the box number instead of the

street address. If a change in address occurs after the return is filed, use Form 8822, Change of Address, to notify the IRS of the new address.

Note. The address entered on lines 3 and 4 is the address the IRS will use for all written communications regarding the processing of this return, including any notices. By authorizing a person other than an authorized officer or other employee of the issuer to communicate with the IRS and whom the IRS may contact about this return, the issuer authorizes the IRS to communicate directly with the individual listed on line 6, whose address is entered on lines 3 and 4 and consents to disclose the issuer's return information to that individual, as necessary, to process this return.

Line 5. This line is for IRS use only. Do not make any entries in this box.

Part II—Description of Obligations

Check the appropriate box designating this as a return on a single issue basis or a consolidated return basis.

Line 8a. The issue price of obligations is generally determined under Regulations section 1.148-1(b). Thus, when issued for cash, the issue price is the price at which a substantial amount of the obligations are sold to the public. To determine the issue price of an obligation issued for property, see sections 1273 and 1274 and the related regulations.

Line 8b. For a single issue, enter the date of issue (for example, 03/15/2010 for a single issue issued on March 15, 2010), generally the date on which the issuer physically exchanges the bonds that are part of the issue for the underwriter's (or other purchaser's) funds; for a lease or installment sale, enter the date interest starts to accrue. For issues reported on a consolidated basis, enter the first day of the calendar year during which the obligations were issued (for example, for calendar year 2010, enter 01/01/2010).

Lines 9a through 9h. Complete this section if property other than cash is exchanged for the obligation, for example, acquiring a police car, a fire truck, or telephone equipment through a series of monthly payments. (This type of obligation is sometimes referred to as a "municipal lease.") Also complete this section if real property is directly acquired in exchange for an obligation to make periodic payments of interest and principal.

Do not complete lines 9a through 9d if the proceeds of an obligation are received in the form of cash even if the term "lease" is used in the title of the issue. For lines 9a through 9d, enter the amount on the appropriate line that represents a lease or installment purchase. For line 9d, enter the type of item that is leased. For lines 9e through 9h, enter the amount on the appropriate line that represents a bank loan. For line 9h, enter the type of bank loan.

Lines 9i and 9j. For line 9i, enter the amount of the proceeds that will be used to pay principal, interest, or call premium on any other issue of bonds, including proceeds that will be used to fund an escrow account for this purpose. Several lines may apply to a particular obligation. For example, report on lines 9i and 9j obligations used to refund prior issues which represent loans from the proceeds of another tax-exempt obligation.

Line 9k. Enter on line 9k the amount on line 8a that does not represent an obligation described on lines 9a through 9j.

Line 10. Check this box if the issuer has designated any issue as a "small issuer exception" under section 265(b)(3)(B)(i)(III).

Line 11. Check this box if the issue is a construction issue and an irrevocable election to pay a penalty in lieu of arbitrage rebate has been made on or before the date the bonds were issued. The penalty is payable with a Form 8038-T for each 6-month period after the date the bonds are issued. Do not make any payment of penalty in lieu of rebate with Form 8038-GC. See Rev. Proc. 92-22, 1992-1 C.B. 736, for rules regarding the "election document."

Line 12. Enter the name of the vendor or bank who is a party to the installment purchase agreement, loan, or financial lease. If there are multiple vendors or banks, the issuer should attach a schedule.

Line 13. Enter the employer identification number of the vendor or bank who is a party to the installment purchase agreement, loan, or financial lease. If there are multiple vendors or banks, the issuer should attach a schedule.

Signature and Consent

An authorized representative of the issuer must sign Form 8038-GC and any applicable certification. Also print the name and title of the person signing Form 8038-GC. The authorized representative of the issuer signing this form must have the authority to consent to the disclosure of the issuer's return information, as necessary to process this return, to the person(s) that has been designated in this form.

Note. If the issuer authorizes in line 6 the IRS to communicate with a person other than an officer or other employee of the issuer, (such authorization shall include contact both in writing regardless of the address entered in lines 3 and 4, and by telephone) by signing this form, the issuer's authorized representative consents to the disclosure of the issuer's return information, as necessary to process this return, to such person.

Paid Preparer

If an authorized representative of the issuer filled in its return, the paid preparer's space should remain blank. Anyone who prepares the return but does not charge the organization should not sign the return. Certain others who prepare the return should not sign. For example, a regular, full-time employee of the issuer, such as a clerk, secretary, etc., should not sign.

Generally, anyone who is paid to prepare a return must sign it and fill in the other blanks in the *Paid Preparer Use Only* area of the return. A paid preparer cannot use a social security number in the *Paid Preparer Use Only* box. The paid preparer must use a preparer tax identification number (PTIN). If the paid preparer is self-employed, the preparer should enter his or her address in the box.

The paid preparer must:

- Sign the return in the space provided for the preparer's signature, and
- Give a copy of the return to the issuer.

Paperwork Reduction Act Notice

We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

Learning about the law or the form	4 hr., 46 min.
Preparing the form	2 hr., 22 min.
Copying, assembling, and sending the form to the IRS	2 hr., 34 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:M:S, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Do not send the form to this address. Instead, see *Where To File*.

TOSHIBA

BUSINESS SOLUTIONS

AIMS MAINTENANCE CONTRACT

MS-1.0.0

Sales Representative: Estep

CUSTOMER NUMBER	DATE

Customer agrees to purchase and Toshiba Business Solutions agrees to provide parts, labor, ink, toner, and toner collection containers (the "Maintenance Services") for the equipment listed below in accordance with the terms and conditions of this contract. The Maintenance Services exclude paper, staples and all other parts and services listed under the Exclusion section on page two of the contract. A Connectivity & Security Options Agreement must be attached and executed for Network Integration Support.

CUSTOMER INFORMATION

Customer Name:	Village of Lake Zurich	Bill to Number:	
Billing Address:	70 E. Main St	Phone #:	(847) 438-5141 Ext.
Address 2:		Contact:	Michael Duebner
City:	Lake Zurich	State:	IL
Zip:	60047	eMail:	duebner@volz.org

DEVICE DETAILS

LOCATION INFORMATION

Ship to Name:	See attached schedule and amendment	Ship to Number:	
Shipping Address:		Phone #:	Ext.
City:	State:	Zip:	
Contact:	eMail:	Delivery Date:	Ship:

EQUIPMENT				PRODUCT NUMBER	ID #	SERIAL NUMBER	
TYPE	START METER	INCLUDES	UNITS	MINIMUM PAYMENT	PAYMENT FREQUENCY	EXCESS CHARGE	EXCESS BILLING FREQUENCY
Black Images:		Usage	Clicks		Quarterly	\$0.00500	Quarterly
Color Images:		Usage	Clicks		Quarterly	\$0.04000	Quarterly

☐ See attached Maintenance Contract Schedule for additional covered devices

INVOICE INFORMATION

<input checked="" type="radio"/> Invoice Customer Address Location	<input type="radio"/> Invoice Equipment Location
--	--

DECLINATION

<input type="checkbox"/> Customer is declining maintenance on the equipment listed above.	
Printed Name:	Signature:
Title:	Date:

ACCEPTANCE

THE TERMS AND CONDITIONS HEREOF ARE PART OF THIS SERVICE AGREEMENT. BY SIGNING THIS CONTRACT, THE CUSTOMER ACKNOWLEDGES THAT THEY HAVE READ AND UNDERSTAND THESE TERMS.

Customer agrees to pay the Minimum Payment per transaction terms, plus any Excess Per Click Charges for the term of this Contract. When this Contract is signed by Customer and TBS, it shall constitute a binding contract and is non-cancelable. This Contract will begin on the date signed by TBS below. You hereby acknowledge and agree that your electronic signature below shall constitute an enforceable and original signature for all purposes.

Customer: Village of Lake Zurich	Toshiba Business Solutions		
Printed Name:	Printed Name:		
Signature:	Signature:		
Title:	Date:	Title:	Effective Date:

TERMS AND CONDITIONS (CONTINUED)**Customer Initials**

1. **ACCEPTANCE.** This Contract shall not be effective unless signed by the authorized TBS representative (Effective Date) within 30 days from the Customer's signing of this Contract.

2. **TERM.** This Contract will remain in force for one (1) year from the Effective Date (Renewal Date) and will then be automatically renewed for annual period(s) unless either party provides notice of termination not less than thirty (30) days prior to the Renewal Date. For each piece of equipment under this Contract there will be a Start Date & Start Meter which is shown on the face of this Contract. Service for each piece of equipment will be provided from the Start Date & Start Meter until this Contract is terminated or the equipment is withdrawn from the service.

Customer may withdraw individual equipment by providing thirty (30) day written notice prior to the Renewal Date. Customer is responsible for all remaining Minimum Payments if Customer is in default or if equipment is withdrawn prior to Renewal Date.

3. **SERVICE AVAILABILITY.** TBS will provide service during TBS's normal service hours while the equipment is located within TBS's designated service area. Service outside TBS's designated area, if available and accepted by TBS is subject to a Trip Charge, which shall be based on reasonable travel expense for TBS's personnel. It is the responsibility of the Customer to notify TBS prior to relocating equipment.

The service to keep the equipment in or restore the equipment to good working order includes Emergency Service Calls and Periodic Maintenance (PM's). PM's may be performed during the course of an Emergency Service Call and are based upon the specific needs of the individual equipment as determined by TBS. Maintenance will include lubrication, adjustments and replacement of maintenance parts deemed necessary by TBS. Maintenance parts will normally be either new or equivalent to new in performance when installed in the equipment. Maintenance parts will be furnished on an exchange basis and the replaced parts become the property of TBS. Service provided under this Contract does not assure the uninterrupted operation of the equipment.

If the Customer requests service to be performed at a time outside TBS's normal service hours, there will be no additional charge for maintenance parts, however, the service, if available, will be furnished at TBS's applicable hourly rates and terms then in effect. Nothing herein shall be construed to require TBS to provide service outside its normal service hours and TBS hereby reserves the right to accept or reject such requests.

In the event there is a substantial increase in the cost of fuel, Customer agrees to pay a fuel surcharge. "Substantial" shall be defined as a 10% or more change over a six month period in the average national fuel cost as reported by the United States Energy Information Administration. If there is a substantial decline in the cost of fuel, the fuel surcharge, if applied by TBS pursuant to this provision, may be decreased accordingly. The benchmark will be the national average fuel cost as reported by the United States Energy Information Administration on the Effective Date of this Agreement.

4. **NETWORK INTEGRATION SUPPORT.** Support of print controllers and plot/scanner enables that permit the integration of the device onto a Customer's network is covered under the terms of a properly executed Connectivity & Security Options Agreement. The Connectivity & Security Options Agreement is an amendment to this contract and must be attached and/or on file for this optional service support.

5. **INVOICING - LATE CHARGES.** The first Minimum Payment is due upon receipt of an invoice. Thereafter, Minimum Payments will be due on the same date each month during the Term of this Contract whether or not Customer receives an invoice. Customer's obligation to pay the Minimum Payment is unconditional and is not subject to any reduction, set-off, defense, or counterclaim for any reason whatsoever. Excess Click Charge, if applicable, will be invoiced based on the billing period selected on the face of this contract.

If any part of a payment is not made by the Customer when due, Customer agrees to pay TBS a Late Charge of the higher of \$25 or two percent (2%) of each such late payment, but not more than permitted by law. Customer agrees to pay TBS the Late Charge not later than one (1) month following the date of the original Minimum Payment.

6. **USAGE.** In return for the Minimum Payment, Customer is entitled to use the Minimum Number of Clicks each billing period. If Customer uses more than the Minimum Number of Clicks in any billing period, Customer will pay an additional amount equal to the number of metered clicks exceeding the agreed Minimum Number of Clicks times the Excess Click Charge as shown on the face of this Contract. In no event shall the Customer be entitled to any refund or rebate of the Minimum Payment if metered clicks result in less than the Minimum Number of Clicks in any billing period.

Customer will provide meter readings via an automated website when requested by TBS. TBS may estimate the number of clicks used if requested Meter Readings are not received before a new billing period begins. TBS will adjust the estimated charge for Excess Clicks upon receipt of actual Meter Readings. Notwithstanding any adjustment, the Customer will never pay less than the Minimum Payment. TBS may charge a fee to recover the cost of meter collections if meters are not submitted through the automated website.

The Minimum Payment and Excess Click Charge are subject to increase each year during the Term of this Contract by an amount not to exceed fifteen percent (15%) of the Minimum Payment and Excess Click Charge in effect at the end of the prior annual period, or the maximum percentage permitted by law, whichever is lower.

7. **CONSUMABLE SUPPLIES.** TBS agrees to furnish consumable supplies (ink, toner and toner collection containers) for the Term of the Contract. Customer is responsible for ordering supplies to assure ample time for delivery. TBS may charge you a supply freight fee to cover our cost of shipping supplies to you. TBS will determine the number of supplies to be shipped based on the Minimum Number of Clicks and Excess Clicks metered. If TBS determines that the Customer has used more than fifteen percent (15%) supplies than normal for the number of metered clicks, based on yields published by the manufacturer, Customer agrees to pay TBS's customary charges for all excess supplies.

All supplies delivered as part of this Contract remain the property of TBS until and unless they are consumed by the equipment in the performance of this Contract. Any supplies not consumed as specified and not surrendered to TBS upon expiration or termination of this Contract will be invoiced to the Customer at TBS's then current prices. Customer agrees to provide insurance coverage for supplies in case of loss under any circumstances. Notwithstanding the foregoing, the risk of loss of the consumable supplies shall be transferred from TBS to Customer if such consumable supplies are stored at Customer's facility.

8. **TAXES.** In addition to the charges due under this Contract, the Customer agrees to pay amounts equal to any taxes resulting from this Contract, or any activities hereunder, exclusive of taxes based upon net income.

9. **INSTALLATION AND ACCESS TO EQUIPMENT.** Customer agrees to provide adequate space, environment and appropriate electrical requirements including, if required, a dedicated 120 volt or 220 volt electrical line, as published in the Operator and Service Manuals for the operation and maintenance of the equipment. If TBS has installed a power filter/surge protector on the equipment, it must at all times remain continuously installed. If it is removed Customer agrees to purchase a replacement from TBS immediately. TBS shall have full and free access to the equipment to provide service thereon.

If persons other than TBS representatives install conversions, feature additions, accessories or perform service on equipment and as a result further repair by TBS is required, such repairs shall be made at TBS's applicable Time and Material rates and terms then in effect. If such additional repair is required, TBS may immediately withdraw the equipment from this Contract.

10. **KEY OPERATOR - END-USER TRAINING.** Customer agrees to designate a Key Operator for training on the use, applications and features of the equipment. The Key Operator will be responsible for normal Key Operator activities as detailed in the Operators Manual and for training additional end-users. If the Key Operator assignment changes Customer agrees to designate a new Key Operator immediately. TBS agrees to provide training for the designated Key Operator and to provide initial training for end-users on the use, applications and features of the equipment. Additional training requested by Customer after thirty (30) days from installation will be at TBS normal hourly rates.

11. **EXCLUSIONS:** Service under this Contract does not include:

(a) Furnishing paper, staples, replacement print heads or any of the following:

(b) Service of equipment if moved outside of TBS's designated service area;

(c) Repair of damage or increase in service time caused by accident, misuse, negligence, abuse or disaster;

(d) Service of accessories, attachments or click control devices other than those of the same manufacturer as the equipment;

(e) Painting or refinishing of the equipment;

(f) Making specification changes;

(g) Overhaul, when TBS determines an overhaul is necessary because normal repair and parts replacement cannot keep the equipment in satisfactory operating condition. TBS will submit a cost estimate to Customer and TBS will not commence work until Customer has approved cost;

(h) Performing key operator functions as described in the operator manual;

(i) Moving equipment, repair of damage or increase in service time caused by the use of the equipment for other than the ordinary use for which designed;

(j) Repair of damage caused by electrical surges or lightning strikes. If equipment is connected to a TBS supplied power filter/surge protector repairs will be included;

(k) Repair of damage or increase in service time caused by failure to continually provide a suitable installation environment as defined by the manufacturer, with all the facilities prescribed by TBS including, but not limited to, adequate space, electrical power, air conditioning or humidity control;

(l) Repair of equipment that has been designated as obsolete by the manufacturer and genuine OEM parts are no longer available;

(m) Repair of damage or increase of service time caused by Customer's use of media outside the specifications as described in the operator manual.

12. **INDEMNITY AND DISCLAIMER.** TBS shall not be responsible for any injuries, damages, penalties, claims or losses including legal expenses incurred by Customer or any other person caused by the installation, selection, ownership, possession, maintenance, condition or use of the Equipment. Customer agrees to reimburse TBS for and to defend TBS against any claims for such losses, damages, penalties, claims, injuries or expenses. This indemnity shall continue even after this Contract has expired.

IN NO EVENT WILL TBS BE LIABLE FOR LOST PROFITS, CONSEQUENTIAL, EXPECTANCY OR INDIRECT DAMAGES EVEN IF TBS HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

EXCEPT AS OTHERWISE SET FORTH HEREIN, TBS DOES NOT MAKE ANY EXPRESS OR IMPLIED WARRANTIES, INCLUDING BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, REPRESENTATION OR WARRANTY ARISING OUT OF USAGE AND TRADE, COURSE OR DEALING OR COURSE OR PERFORMANCE, EXCEPT AS PROVIDED HEREIN, THE PARTS AND SERVICES ARE PROVIDED "AS IS."

13. **GENERAL:** Subject to the terms of the following paragraph, TBS may modify the terms and conditions of this Contract effective on the Renewal Date by providing the Customer with prior written notice.

Any such modification will apply unless the Customer withdraws the equipment affected by such modification from this Contract. Otherwise this Contract can only be modified by a written agreement duly signed by persons authorized to sign contracts on behalf of the Customer and of TBS. Variance from the terms and conditions of this Contract in any Customer order or other written modification will be of no effect.

The Customer represents that the Customer is the owner of the equipment under this Contract, or, if not the owner, is the lessee or renter of the equipment. Customer will execute a maintenance agreement for the equipment with a Toshiba authorized dealer or Customer will waive certain rights under Toshiba's manufacturer's warranty.

This Contract is not assignable, its right, duties and obligations may not be assigned or transferred by the Customer without the prior written consent of TBS. Any attempt to assign or transfer any of the rights, duties or obligations of this Contract without such consent is void.

TBS's service provided outside the scope of this Contract will be furnished at TBS's applicable time and material rates and terms then in effect.

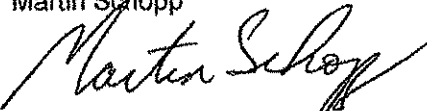
TBS is not responsible for failure to render service due to causes beyond its control.

This Contract will be governed by the laws of the state where the Customer executed this Contract. If either party fails to comply with the terms and conditions of this Contract, the non-breaching party shall notify the breaching party in writing using certified mail to the address on the face of this Contract. The breaching party shall have thirty (30) days to cure any breach of this Contract prior to the non-breaching party takes the legal action. No action, regardless of form, arising out of this Contract may be brought by either party more than one year after the cause of action has arisen, or, in the case of non-payment, more than two years from the date of the last payment.

Toshiba Business Solutions
AIMS Maintenance Contract Amendments/Additions

- 1) Per the Village of Lake Zurich RFP request, the AIMS service contract includes all parts, labor and supplies except paper and staples
- 2) AIMS service contract will renew on a month to month basis with 30 day written notification for cancellation.
- 3) Per our Toshiba Quality Commitment Guarantee a loaner will be provided upon request if a machine will be down for more than 48 hours.
- 4) Key operator training will be available on an ongoing basis for term of contract.
- 5) Village of Lake Zurich AIMS contract will be set up for usage billed quarterly based on 8.5 x 11 single sided sheets for both color and black and white usage.
- 6) Color meter will be clicked base on documents that have anything other than black fill on page...not by percentage. All color equipment will be defaulted to Black and White for delivery.
- 7) AIMS contract will have a locked rate for 2 years from start of contract with a maximum 5% increase for years 3-5 of the 5 year agreement.

Martin Schopp



Vice President / General Manager
Toshiba Business Solutions - IL

70 E. Main Street
Lake Zurich, IL 60047



Phone: (847) 438-5141
Fax: (847) 540-1768
Web: www.volz.org

MEMORANDUM

Date: January 16, 2013

To: Jason T. Slowinski, Village Manager

From: Michael Duebner, Director Information Technology

Subject: Village-wide Copier Lease Agreement

Issue: The Village routinely enters into 5-year leases for 11 copiers for various departments and locations. The current lease with Ricoh USA expired in 2012 and the equipment is due to be returned to the leasing company.

Analysis: Technology staff consulted with the operating departments in developing an RFP that reflects the needs of the department. It became clear that having a single color copier located at Fire Station 1 introduced inefficiencies into their workflow. Therefore the RFP allowed for responses that added color devices if the cost difference was minimal.

Staff received proposals from 11 vendors that were in compliance with the requirements to separate lease from maintenance charge. One additional vendor blended the two charges and was therefore excluded from the evaluation process.

Responses received for a 60-month lease for 11 color multi-function devices that copy, scan, print and fax range from \$1,270 to \$2,400 a month. By comparison the current lease of 10 monochrome and 1 color copier costs \$2,531 a month. Toshiba Business Systems provided the lowest qualified response at \$1,266.11 a month for 11 color devices with a cost per page of \$0.0055 for monochrome (BW) and \$0.041 for color. Staff continued discussions and arrived at a final configuration of 10 color and 1 monochrome device.

This new lease saves the Village approximately \$15,000 a year. Further savings will be achieved as standalone printers and faxes, which are more costly to use, are eliminated and staff transitions to these multi-function devices.

Recommendation: Staff is recommending that the Board authorize execution of a 60-month tax-exempt lease with US Bank Equipment Financing for 11 Toshiba copiers at \$1,265.25 per month. Staff further requests authorization for a maintenance agreement with Toshiba Business Systems for 11 Toshiba copiers that is based on actual usage, billed monthly, at \$0.0050 for monochrome and \$0.040 for color pages.

w/Attachments:

Resolution

Opinion of Legal Council (Resolution's Exhibit C)

US Bank Lease Agreement

Toshiba Business Systems Maintenance Agreement

RESOLUTION NO. 2013-02-08A

**RESOLUTION APPROVING
LEASE PURCHASE AGREEMENT
(US Bank Equipment Finance)**

WHEREAS, the Village of Lake Zurich (the "Village") has determined to enter into a 2 page Lease Purchase Agreement (the "Agreement") with U.S. Bank Equipment Finance to lease, with a purchase option, certain copier equipment (the "Equipment") described in the Property Schedule attached to the Agreement, said attached hereto and made a part hereof as **Exhibit A**; and

WHEREAS, the Village has determined that it has a current need for the Equipment, that the use of the Equipment is essential to the proper and efficient functioning of the Village and that the Equipment will be used only for authorized Village purposes; and

WHEREAS, the Village has followed all procedures to arrange for the Lease Purchase of this Equipment by properly convening a meeting of the Board to authorize such Agreement; and

WHEREAS, the Village has not, and reasonably anticipates that it will not issue, tax-exempt obligations in the face amount of more than \$10,000,000 during the current calendar year; and

WHEREAS, pursuant to the provisions of the Illinois Municipal Code and applicable law, the Village has the authority to enter into an Agreement for the lease purchase of the Equipment.

NOW THEREFORE BE IT RESOLVED, by the Village of Lake Zurich, Lake County, Illinois, as follows:

SECTION 1: That the recitals set forth hereinabove are hereby incorporated as findings of the Board of Trustees of the Village of Lake Zurich as if set forth herein.

SECTION 2: That the Board of Trustees of the Village of Lake Zurich hereby approves and affirms that two-page Tax-Exempt Lease/Purchase Agreement, attached hereto as **EXHIBIT 1**, with the following exhibits:

Exhibit A: Two–page Property Schedule to Tax-Exempt
Lease/Purchase Agreement with Property Description
(Quantity/Description/Serial Number)

Exhibit B: One-page Certificate of Acceptance

Exhibit C: One-page Opinion of Legal Counsel of Village.

Exhibit D: One-page Lessee's Certificate from the Village, verifying proper procedures and authority of Village to approve the Agreement.

Insurance Authorization and Verification:

A one-page Insurance Authorization and Verification

Other Documents and Items:

A one-page document entitled "Other Documents and Items" which includes the requirement for the completion and filing of IRS Form 8038-G

Payment and Amortization Schedule:

The two-page Payment and Amortization Schedule for the Agreement.

SECTION 3: That the corporate authorities of the Village of Lake Zurich hereby approve the execution of said Tax-Exempt Lease/Purchase Agreement attached hereto as **EXHIBIT 1** and authorizes the appropriation and payments set forth in the Payment and Amortization Schedule attached to said Agreement, plus any incidental or attendant costs, including applicable or required shipping, installation, rigging, packing and insurance.

SECTION 4: That the President of the Village of Lake Zurich be, and are hereby authorized and directed, on behalf of the corporate authorities of the Village of Lake Zurich, to execute the Agreement and above-referenced, attached Exhibits and attachments made part of or required by the Agreement, and the Village Clerk is authorized, empowered and directed to attest thereto. For any documentation requiring execution or acknowledgement by other than the individuals executing the Agreement itself, the Village Manager is hereby authorized and directed to sign such documents on behalf of the Board of Trustees.

SECTION 5: The corporate authorities of the Village of Lake Zurich hereby designate the Tax-Exempt Lease/Purchase Agreement attached hereto as **EXHIBIT 1** a "qualified tax-exempt obligation" within the meaning of Section 265 (b)(3)(B) of the Internal Revenue Code, as amended.

SECTION 6: This Resolution shall be effective immediately upon its passage.

PRESENTED, READ AND PASSED by the President and Board of Trustees of the Village of Lake Zurich, Illinois, on a roll call vote at a duly called regular meeting of the Board of Trustees on the _____ day of _____ 2013, and deposited and filed in the Office of the Clerk of said Village on said date.

ROLL CALL VOTE:

YEAS:

NAYS:

ABSENT

ABSTAIN:

APPROVED by the President of the Village of Lake Zurich, Illinois this _____ day of _____, 2013.

Village President

SEAL

ATTEST:

Village Clerk



EQUIPMENT FINANCE

DOCUMENT CHECKLIST

- **Tax-Exempt Lease Purchase Agreement** – Execute signature block at the top of the first page.
- **Addendum/Amendment to Tax-Exempt Lease Purchase Agreement** – This document must be executed in the presence of a witness/attestor. The attesting witness does not have to be a notary, just present at the time of execution. The witness/attestor will execute the signature block below the Purchaser's signature block at the bottom right of the page.
- **Property Schedule** - 1) If the transaction can be designated as a "bank qualified" transaction – one where the Lessee reasonably anticipates not issuing more than \$10 million in tax-exempt obligations in a calendar year – **then you should initial the line under item**; 2) Execute signature block at the bottom of the page.
- **Property Description – Exhibit A** - Execute signature block at the bottom of the page.
- **Acceptance Certificate and Bank Qualification– Exhibit B.** 1) The date that all equipment is delivered, installed and accepted is the date that should be placed on the "DATE" line; and 2) Execute signature block at the bottom of the page.
- **Lessee's Counsel's Opinion – Exhibit C.** This exhibit will need to be executed by your attorney, dated and placed on their letterhead. Your attorney will likely want to review the agreement prior to executing this opinion.
- **Lessee's Certificate – Exhibit D.** 1) Please fill in the person's title who will be executing the certificate in the first paragraph (note: the person who signs this exhibit can not be the same person as the executing official(s) for all other documents); 2) Please fill in the date that the governing body met in Line 1; 3) In the middle set of boxes, please print the name of the executing official(s) in the far left box, print their title(s) in the middle box and have the executing official(s) sign the line in the far right hand box; 4) Include in your return package a copy of the board minutes or resolution for our files; and 5) The exhibit should be executed by someone other than the executing official(s) named in the center box.
- **Insurance Authorization and Verification** – To be filled out by the Lessee and returned with executed documents.
- **Amortization Schedule** - Execute signature block at the bottom of the page.
- **Notification of Tax Treatment** – Please provide your State of Sales/Use tax Exemption Certificate, if applicable.
- **Form 8038-GC or G**– Blank form provided to Lessee. Please consult your local legal/bond counsel or tax consultant with questions.
- **Original Documents** – U.S. Bank Equipment Finance will require original documents prior to funding.



Application # 1681405

Tax-Exempt Lease/Purchase Agreement**Accepted by Lessor:**

U.S. Bank Equipment Finance, a division of U.S. Bank
National Association ("U.S. Bank Equipment Finance")
(the "Lessor")
1310 Madrid Street Ste 101
Marshall, MN 56258

By:

Date:

Sign & Date

Name:

Title: Documentation Analyst

Telephone: 800-328-5371

Agreed to by Lessee:

VILLAGE OF LAKE ZURICH (the "Lessee")
70 E MAIN ST
LAKE ZURICH IL 60047

By:

Date:

Name:

Title:

Telephone: 847-438-5141

AGREEMENT: Lessor hereby leases to Lessee and Lessee hereby leases from Lessor all the Property described in Property Schedule incorporated herein by reference, upon the terms and conditions set forth herein and as supplemented by the terms and conditions set forth in the Property Schedule. This Tax-Exempt Lease / Purchase Agreement together with the Property Schedule shall be defined as the Agreement.

LEASE TERM: The Lease Term of the Property listed in the Property Schedule shall commence as stated in the Certificate of Acceptance, attached as Exhibit B of the Property by Lessee and continue for the time period set forth in the Amortization Schedule attached to the Property Schedule. This Agreement cannot be canceled or terminated by Lessee except as expressly provided herein. This Agreement is a triple net lease.

LEASE PAYMENTS: Lessee shall pay rent to Lessor for the Property in the amounts, and on the dates specified, in the Amortization Schedule attached to the Property Schedule. Lessor and Lessee intend that the obligation of Lessee to pay Lease Payments hereunder shall not in any way be construed to be a debt of Lessee in contravention of any applicable constitutional or statutory limitations or requirements concerning the creation of indebtedness by Lessee, nor shall anything contained herein constitute a pledge of the general tax revenues, funds or monies of Lessee.

NO OFFSET: SUBJECT TO THE RIGHT TO NON-APPROPRIATE, SET FORTH BELOW, THE OBLIGATIONS OF LESSEE TO PAY THE LEASE PAYMENTS DUE UNDER THE PROPERTY SCHEDULE AND TO PERFORM AND OBSERVE THE OTHER COVENANTS AND AGREEMENTS CONTAINED IN THIS AGREEMENT SHALL BE ABSOLUTE AND UNCONDITIONAL IN ALL EVENTS WITHOUT ABATEMENT, DIMINUTION, DEDUCTION, SET-OFF OR DEFENSE, FOR ANY REASON, INCLUDING WITHOUT LIMITATION, ANY DEFECTS, MALFUNCTIONS, BREAKDOWNS OR INFIRMITIES IN THE PROPERTY OR ANY ACCIDENT, CONDEMNATION OR UNFORESEEN CIRCUMSTANCES. THIS PROVISION SHALL NOT LIMIT LESSEE'S RIGHTS OR ACTIONS AGAINST ANY VENDOR. Lessee shall pay when due all taxes, fees and governmental charges assessed or levied against or with respect to the Property.

LATE CHARGES: Should Lessee fail to duly pay any part of any Lease Payment or other sum to be paid to Lessor under this Agreement on the date on which such amount is due hereunder, then Lessee shall pay late charges on such delinquent payment from the due date thereof until paid at the rate of 12% per annum or the highest rate permitted by law, whichever is less.

MAINTENANCE OF PROPERTY: At all times during the Lease Term, Lessee shall, at Lessee's own cost and expense, maintain, preserve, and keep the Property in good working order, and condition, and from time to time make or cause to be made all necessary and proper repairs, replacements, and renewals to the Property, which shall become part of the Property. The Property is and will remain personal property.

INSURANCE OF PROPERTY: All risk of loss to the Property shall be borne by the Lessee. At all times during the Lease Term, Lessee shall, at Lessee's own cost and expense, cause casualty, public liability, and property damage insurance to be carried and maintained (or shall provide Lessor with a certificate stating that adequate self-insurance has been provided) with respect to the Property, sufficient to protect the full replacement value of the Property and to protect from liability in all events for which insurance is customarily available. Lessee shall furnish to Lessor certificates evidencing such coverage throughout the Lease Term. Any insurance policy to be carried and maintained pursuant to this Agreement shall be so written or endorsed as to make losses, if any, payable to Lessee and Lessor as their respective interests may appear. All such liability insurance shall name Lessor as an additional insured. Each insurance policy carried and maintained pursuant to this Agreement shall contain a provision to the effect that the insurance company shall not cancel the policy or modify it materially or adversely to the interest of the Lessor without first giving written notice thereof to Lessor at least 30 days in advance of such change of status.

QUIET ENJOYMENT AND TERMINATION OF LESSOR'S INTEREST: To secure Lessee's obligations hereunder, Lessor is granted a security interest in the Property, including substitutions, repairs, replacements and renewals, and the proceeds thereof, which is a first lien thereon. Lessee hereby authorizes Lessor to file all financing statements which Lessor deems necessary or appropriate to establish, maintain and perfect such security interest. Provided there does not exist an Event of Default as defined herein, the Lessee shall have the right of quiet enjoyment of the Property throughout the Lease Term. If Lessee shall have performed all of its obligations and no default shall have occurred and be continuing under this Agreement, and this Agreement shall not have been earlier terminated with respect to the Property, then, at the end of the Lease Term with respect to any item of Property, Lessor's interest in such Property shall terminate. Unless otherwise required by law, title to the Property shall be in the name of Lessee, subject to Lessor's interest hereunder.

TAX EXEMPTION: The parties contemplate that interest payable under this Agreement will be excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). The tax-exempt status of this Agreement provides the inducement for the Lessor to offer financing at the interest rate set forth herein. Therefore, should this Agreement be deemed by any taxing authority not to be exempt from taxation, Lessee agrees that the interest rate shall be adjusted, as of the date of loss of tax exemption, to an interest rate calculated to provide Lessor or its assignee an after tax yield equivalent to the tax exempt rate and Lessor shall notify Lessee of the taxable rate. Provided, however, that the provision of the preceding sentence shall apply only upon a final determination that the interest payments are not excludable from gross income under Section 103(a) of the Code, and shall not apply if the determination is based upon the individual tax circumstances of the Lessor, or a finding that the party seeking to exclude such payments from gross income is not the owner and holder of the obligation under the Code.

REPRESENTATIONS AND WARRANTIES OF LESSEE: Lessee hereby represents and warrants to Lessor that: (a) Lessee is a State, possession of the United States, the District of Columbia, or political subdivision thereof as defined in Section 103 of the Code and Treasury Regulations and Rulings related thereto. If Lessee is incorporated, it is duly organized and existing under the Constitution and laws of its jurisdiction of incorporation and will do or cause to be done all things necessary to preserve and keep such organization and existence in full force and effect. (b) Lessee has been duly authorized by the Constitution and laws of the applicable jurisdiction and by a resolution of its governing body (which resolution, if requested by Lessor, is attached hereto), to execute and deliver this Agreement and to carry out its obligations hereunder. (c) All legal requirements have been met, and procedures have been followed, including public bidding, in order to ensure the enforceability of this Agreement. (d) The Property will be used by Lessee only for essential governmental or proprietary functions of Lessee consistent with the scope of Lessee's authority and will not be used in a trade or business of any person or entity, by the federal government or for any personal, family or household use. Lessee's need for the Property is not expected to diminish during the term of the Agreement. (e) Lessee has funds available to pay Lease Payments until the end of its current appropriation period, and it intends to request funds to make Lease Payments in each appropriation period, from now until the end of the term of this Agreement. (f) The Lessee shall comply at all times with all applicable requirements of the Code, including but not limited to the registration and reporting requirements of Section 149, to maintain the federal tax-exempt status of the Agreement. The Lessee shall maintain a system with respect to this Agreement, which tracks the name, and ownership interest of each assignee who has both the responsibility for administration of, and ownership interest in this Agreement. (g) Lessee's exact legal name is as set forth on the first page of this Agreement. Lessee will not change its legal name in any respect without giving thirty (30) days prior written notice to Lessor.

RISK OF LOSS COVENANTS: Lessee shall not be required to indemnify or hold Lessor harmless against liabilities arising from the Agreement. However, as between Lessor and Lessee, and to the extent permitted by law, Lessee shall bear the risk of loss for, shall pay directly, and shall defend against any and all claims, liabilities, proceedings, actions, expenses, damages or losses arising under or related to the Property, including, but not limited to, the possession, ownership, lease, use or operation thereof, and the loss of federal tax exemption of the interest on any of the Lease Payments, except that Lessee shall not bear the risk of loss of, nor pay for, any claims, liabilities, proceedings, actions, expenses, damages or losses that arise directly from events occurring after Lessee has surrendered possession of the Property in accordance with the terms of the Agreement to Lessor or that arise directly from the gross negligence or willful misconduct of the Lessor.

NON-APPROPRIATION: If sufficient funds are not appropriated to make Lease Payments under this Agreement, this Agreement shall terminate and Lessee shall not be obligated to make Lease Payments under this Agreement beyond the then current fiscal year for which funds have been appropriated. Upon such an event, Lessee shall, no later than the end of the fiscal year for which Lease Payments have been appropriated, deliver possession of the Property to Lessor. If Lessee fails to deliver possession of the Property to Lessor, the termination shall nevertheless be effective but Lessee shall be responsible for the payment of damages in an amount equal to the portion of Lease Payments thereafter coming due that is attributable to the number of days after the termination during which the Lessee fails to deliver possession and for any other loss suffered by Lessor as a result of Lessee's failure to deliver possession as required. Lessee shall notify Lessor in writing within seven (7) days after the failure of the Lessee to appropriate funds sufficient for the payment of the Lease Payments, but failure to provide such notice shall not operate to extend the Lease Term or result in any liability to Lessee.

ASSIGNMENT BY LESSEE: Without Lessor's prior written consent, Lessee may not, by operation of law or otherwise, assign, transfer, pledge, hypothecate or otherwise dispose of the Property, this Agreement or any interest therein.

ASSIGNMENT BY LESSOR: Lessor may assign, sell or encumber all or any part of this Agreement, the Lease Payments and any other rights or interests of Lessor hereunder. Such assignees may include trust agents for the benefit of holders of certificates of participation. Lessee agrees that if Lessor sells, assigns or transfers this Agreement, the new Lessor will have the same rights and benefits that we have now and will not have to perform any of our obligations. Lessee agrees that the new Lessor will not be subject to any claims, defenses, or offsets that Lessee may have against us.

EVENTS OF DEFAULT: Lessee shall be in default under this Agreement upon the occurrence of any of the following events or conditions ("Events of Default"), unless such Event of Default shall have been specifically waived by Lessor in writing: (a) Default by Lessee in payment of any Lease Payment or any other indebtedness or obligation now or hereafter owed by Lessee to Lessor under this Agreement or in the performance of any obligation, covenant or liability contained in this Agreement and the continuance of such default for ten (10) consecutive days after written notice thereof by Lessor to Lessee, or (b) any warranty, representation or statement made or furnished to Lessor by or on behalf of Lessee proves to have been false in any material respect when made or furnished, or (c) actual or attempted sale, lease or encumbrance of any of the Property, or the making of any levy, seizure or attachment thereof or thereon, or (d) dissolution, termination of existence, discontinuance of the Lessee, insolvency, business failure, failure to pay debts as they mature, or appointment of a receiver of any part of the property of, or assignment for the benefit of creditors by the Lessee, or the commencement of any proceedings under any bankruptcy, reorganization or arrangement laws by or against the Lessee.

REMEDIES OF LESSOR: Upon the occurrence of any Event of Default and at any time thereafter, Lessor may, without any further notice, exercise one or more of the following remedies as Lessor in its sole discretion shall elect: (a) terminate the Agreement and all of Lessee's rights hereunder as to any or all items of Property; (b) proceed by appropriate court action to personally, or by its agents, take possession from Lessee of any or all items of Property wherever found and for this purpose enter upon Lessee's premises where any item of Property is located and remove such item of Property free from all claims of any nature whatsoever by Lessee and Lessor may thereafter dispose of the Property; provided, however, that any proceeds from the disposition of the Property in excess of the sum required to (i) pay to Lessor an amount equal to the total unpaid principal component of Lease Payments under the Property Schedule, including principal component not otherwise due until future fiscal years, (ii) pay any other amounts then due under the Property Schedule and this Agreement, and (iii) pay Lessor's costs and expenses associated with the disposition of the Property and the Event of Default (including attorneys fees), shall be paid to Lessee or such other creditor of Lessee as may be entitled thereto, and further provided that no deficiency shall be allowed against Lessee; (c) proceed by appropriate court action or actions to enforce performance by Lessee of its obligations hereunder or to recover damages for the breach hereof or pursue any other remedy available to Lessor at law or in equity or otherwise; (d) declare all unpaid Lease Payments and other sums payable hereunder during the current fiscal year of the Lease Term to be immediately due and payable without any presentment, demand or protest and / or take any and all actions to which Lessor shall be entitled under applicable law. No right or remedy herein conferred upon or reserved to Lessor is exclusive of any right or remedy herein or at law or in equity or otherwise provided or permitted, but each shall be cumulative of every other right or remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise, and may be enforced concurrently therewith or from time to time. Lessee agrees to pay to Lessor or reimburse Lessor for, in addition to all other amounts due hereunder, all of Lessor's costs of collection, including reasonable attorney fees, whether or not suit or action is filed thereon. Lessee and Lessor hereby irrevocably waive all right to trial by jury in any action, proceeding or counterclaim (whether based on contract, tort or otherwise) arising out of or relating to this Agreement.

NOTICES: All notices, and other communications provided for herein shall be deemed given when delivered or mailed by certified mail, postage prepaid, addressed to Lessor or Lessee at their respective addresses set forth herein or such other addresses as either of the parties hereto may designate in writing to the other from time to time for such purpose.

AMENDMENTS AND WAIVERS: This Agreement and the Property Schedule executed by Lessor and Lessee constitute the entire agreement between Lessor and Lessee with respect to the Property and this Agreement may not be amended except in writing signed by both parties.

CONSTRUCTION: This Agreement shall be governed by and construed in accordance with the laws of the Lessee's State. Titles of sections of this Agreement are for convenience only and shall not define or limit the terms or provisions hereof. Time is of the essence under this Agreement. This Agreement shall inure to the benefit of and shall be binding upon Lessor and Lessee and their respective successors and assigns. This Agreement may be simultaneously executed in counterparts, each shall be an original with all being the same instrument.



EQUIPMENT FINANCE

Application # 1681405

Property Schedule to Tax-Exempt Lease/Purchase Agreement


This **Property Schedule** is entered into pursuant to Tax-Exempt Lease/Purchase Agreement dated as of [REDACTED] between Lessor and Lessee.


1. **Interpretation.** The terms and conditions of the Tax-Exempt Lease/Purchase Agreement (the "Agreement") are incorporated herein.
2. **Property Description.** The Property subject to this Property Schedule is described in Exhibit A, attached hereto. It includes all replacements, parts, repairs, additions, accessions and accessories incorporated therein or affixed or attached thereto and any and all proceeds of the foregoing, including, without limitation, insurance recoveries.
3. **Term and Payments.** Lease Term and Lease Payments are per attached Amortization & Payment Schedule. If the Payment Due Dates are not defined, they shall be defined as stated in the Certificate of Acceptance, attached as Exhibit B, hereto. If the parties enter into an escrow agreement for the acquisition of the Property, then the escrow agreement shall be attached hereto as Exhibit E. In lieu of the Acceptance Date for commencement of Lease Payments, the date of deposit of the Property Cost into the escrow by Lessor shall be used. Lessee shall have the option to prepay the Lease Payments due under this Property Schedule by paying the Termination Amount shown on the attached Amortization Schedule, plus any other amounts due and owing at the time of prepayment, subject to per diem adjustment.
4. **Expiration.** Lessor, at its sole determination, may choose not to accept this Property Schedule if the fully executed, original Agreement (including this Property Schedule and all ancillary documents) are not received by Lessor at its place of business by 4-11-13.
5. **Property Cost.** The total principal amount under this Property Schedule for the acquisition cost of the Property is \$ 65349.94.
6. **Opinion of Counsel.** Lessee has provided the opinion of its legal counsel substantially in the form as attached as Exhibit C, hereto.
7. **Lessee's Certificate.** Lessee has provided the Lessee's Certificate in the form attached as Exhibit D, hereto.
8. **Bank Qualification.** Lessee designates this Agreement and Property Schedule as a "qualified tax-exempt obligation" as defined in Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended. Lessee reasonably anticipates issuing tax-exempt obligations (excluding private activity bonds other than qualified 501(c)(3) bonds and including all tax-exempt obligations of subordinate entities of the Lessee) during the calendar year this Agreement and Property Schedule was funded, in an amount not exceeding \$10,000,000.

Initial Here

____ Lessee initial here, only if Bank Qualification is applicable

IN WITNESS WHEREOF, Lessor and Lessee have caused this Property Schedule to be executed in their names by their duly authorized representatives.

Lessor: U.S. Bank Equipment Finance	Lessee: VILLAGE OF LAKE ZURICH
By: 	By:
Name:	Name:
Title:	Title:

	Attest:
	By:
	Name:
	Title:

ADDENDUM (ILLINOIS)
Tax-Exempt Lease/Purchase Agreement

THIS ADDENDUM, which is entered into as of [REDACTED] between U.S. Bank Equipment Finance ("Lessor") and VILLAGE OF LAKE ZURICH ("Lessee"), is intended to modify the Tax-Exempt Lease/Purchase Agreement between Lessor and Lessee dated as of [REDACTED] (the "Agreement"). Capitalized terms not otherwise defined herein shall have the meanings set forth in the Agreement.

In addition to the representations, warranties and covenants of Lessee set forth in the Agreement, Lessee, represents, warrants and covenants for the benefit of Lessor as follows:

(a) If Lessee is a county, the debt limitations applicable to Lessee, including but not limited to the limitations imposed by Ill. Ann. Stat. Ch. 55, §§5/5-1012, 5/5-1083 (which provide in substance that the total amount of Lease Payments payable, when aggregated with existing indebtedness, may not exceed 5.75 percent of the value of the taxable property of Lessee), have not been exceeded *[attach computation of such test]*.



(b) If Lessee is a municipality:

(i) The debt limitations applicable to Lessee, including but not limited to the limitations imposed by Ill. Ann. Stat. Ch. 65, §5/11-61-3 (which provides in substance that the total amount of Lease Payments payable, when aggregated with existing indebtedness, may not exceed 8.625 percent of the value of the taxable property of Lessee), have not been exceeded *[attach computation of such test]*;

(iii) The Property Schedule has been approved by two-thirds of the members of the governing body of Lessee.

(c) If Lessee is a school district, the Property Schedule has been approved by two-thirds of the members of the governing body of Lessee;

IN WITNESS WHEREOF, Lessor and Lessee have caused this Addendum to be executed in their names by their duly authorized representatives as of the date first above written.

Lessor: U.S. Bank Equipment Finance	Lessee: VILLAGE OF LAKE ZURICH
By: 	By:
Name:	Name:
Title:	Title:
	
Attest:	
By:	
Name:	
Title:	



EQUIPMENT FINANCE

EXHIBIT A

Application # 1681405

Property Description

Vendor: TOSHIBA BUSINESS SOLUTIONS
Address: 3860 N VENTURA DR
City, State, Zip Code: ARLINGTON HEIGHTS IL 60004

<u>Quantity</u>	<u>Description</u>	<u>Serial Number</u>	<u>Equipment Location</u>
1	TOSHIBA ESTUDIO 6550CT		70 E MAIN ST LAKE ZURICH (1ST FL)
1	TOSHIBA ESTUDIO 5540CT		70 E MAIN ST LAKE ZURICH (2ND FL)
1	TOSHIBA ESTUDIO 3540C		321 S BUESCHING RD LAKE ZURICH (FS 1)
1	TOSHIBA ESTUDIO 3540C		1075 OLD MCHENRY RD LAKE ZURICH (FS 3
1	TOSHIBA ESTUDIO 4540C		200 MOHAWK TRL LAKE ZURICH (ADMIN)
1	TOSHIBA ESTUDIO 2540C		200 MOHAWK TRL LAKE ZURICH (INVEST)
1	TOSHIBA ESTUDIO 2540C		200 MOHAWK TRL LAKE ZURICH (PATROL)
1	TOSHIBA ESTUDIO 6550CT		200 MOHAWK TRL LAKE ZURICH (RECORDS)
1	TOSHIBA ESTUDIO 3540C		505 TESLER RD LAKE ZURICH (PW)
1	TOSHIBA ESTUDIO 4540C		200 S RAND RD LAKE ZURICH (P & R)
1	TOSHIBA ESTUDIO 306		675 OLD MILL GROVE RD LAKE ZURICH (P&R

Lessee: VILLAGE OF LAKE ZURICH

Sign Here

By:

Name:

Title:



EQUIPMENT FINANCE

AMORTIZATION & PAYMENT SCHEDULE

Term of Contract: 60 Months

Payment Structure: Monthly

Application #1681405

Payment No.	Lease Payment	Interest Portion	Principal Portion	Balance	Termination Amount (After Making Said Payment)
-------------	---------------	------------------	-------------------	---------	--

Beginning
Balance

65,349.94

1	1,265.25	330.07	935.18	64,414.76	66,347.20
2	1,265.25	325.34	939.91	63,474.85	65,379.10
3	1,265.25	320.60	944.65	62,530.20	64,406.11
4	1,265.25	315.83	949.42	61,580.78	63,428.20
5	1,265.25	311.03	954.22	60,626.56	62,445.36
6	1,265.25	306.21	959.04	59,667.52	61,457.55
7	1,265.25	301.37	963.88	58,703.64	60,464.75
8	1,265.25	296.50	968.75	57,734.89	59,466.94
9	1,265.25	291.61	973.64	56,761.25	58,464.09
10	1,265.25	286.69	978.56	55,782.69	57,456.17
11	1,265.25	281.75	983.50	54,799.19	56,443.17
12	1,265.25	276.78	988.47	53,810.72	55,425.04
13	1,265.25	271.79	993.46	52,817.26	54,401.78
14	1,265.25	266.77	998.48	51,818.78	53,373.34
15	1,265.25	261.73	1,003.52	50,815.26	52,339.72
16	1,265.25	256.66	1,008.59	49,806.67	51,300.87
17	1,265.25	251.56	1,013.69	48,792.98	50,256.77
18	1,265.25	246.44	1,018.81	47,774.17	49,207.40
19	1,265.25	241.30	1,023.95	46,750.22	48,152.73
20	1,265.25	236.13	1,029.12	45,721.10	47,092.73
21	1,265.25	230.93	1,034.32	44,686.78	46,027.38
22	1,265.25	225.70	1,039.55	43,647.23	44,956.65
23	1,265.25	220.45	1,044.80	42,602.43	43,880.50
24	1,265.25	215.18	1,050.07	41,552.36	42,798.93
25	1,265.25	209.87	1,055.38	40,496.98	41,711.89
26	1,265.25	204.54	1,060.71	39,436.27	40,619.36
27	1,265.25	199.18	1,066.07	38,370.20	39,521.31
28	1,265.25	193.80	1,071.45	37,298.75	38,417.71
29	1,265.25	188.39	1,076.86	36,221.89	37,308.55
30	1,265.25	182.95	1,082.30	35,139.59	36,193.78

31	1,265.25	177.48	1,087.77	34,051.82	35,073.37
32	1,265.25	171.99	1,093.26	32,958.56	33,947.32
33	1,265.25	166.47	1,098.78	31,859.78	32,815.57
34	1,265.25	160.92	1,104.33	30,755.45	31,678.11
35	1,265.25	155.34	1,109.91	29,645.54	30,534.91
36	1,265.25	149.73	1,115.52	28,530.02	29,385.92
37	1,265.25	144.10	1,121.15	27,408.87	28,231.14
38	1,265.25	138.44	1,126.81	26,282.06	27,070.52
39	1,265.25	132.74	1,132.51	25,149.55	25,904.04
40	1,265.25	127.02	1,138.23	24,011.32	24,731.66
41	1,265.25	121.28	1,143.97	22,867.35	23,553.37
42	1,265.25	115.50	1,149.75	21,717.60	22,369.13
43	1,265.25	109.69	1,155.56	20,562.04	21,178.90
44	1,265.25	103.85	1,161.40	19,400.64	19,982.66
45	1,265.25	97.99	1,167.26	18,233.38	18,780.38
46	1,265.25	92.09	1,173.16	17,060.22	17,572.03
47	1,265.25	86.17	1,179.08	15,881.14	16,357.57
48	1,265.25	80.21	1,185.04	14,696.10	15,136.98
49	1,265.25	74.23	1,191.02	13,505.08	13,910.23
50	1,265.25	68.21	1,197.04	12,308.04	12,677.28
51	1,265.25	62.17	1,203.08	11,104.96	11,438.11
52	1,265.25	56.09	1,209.16	9,895.80	10,192.67
53	1,265.25	49.98	1,215.27	8,680.53	8,940.95
54	1,265.25	43.84	1,221.41	7,459.12	7,682.89
55	1,265.25	37.67	1,227.58	6,231.54	6,418.49
56	1,265.25	31.47	1,233.78	4,997.76	5,147.69
57	1,265.25	25.24	1,240.01	3,757.75	3,870.48
58	1,265.25	18.98	1,246.27	2,511.48	2,586.82
59	1,265.25	12.68	1,252.57	1,258.91	1,296.68
60	1,265.25	6.34	1,258.91	0.00	0.00
75,915.00		10,565.06	65,349.94		

This Amortization Schedule is hereby verified as correct by the undersigned, who acknowledges receipt of a copy.

VILLAGE OF LAKE ZURICH

Sign Here 

Title: _____



EXHIBIT B

Application # 1681405

Certificate of Acceptance

This **Certificate of Acceptance** is pursuant to Tax-Exempt Lease/Purchase Agreement dated as of [REDACTED] and the related Property Schedule, between Lessor and Lessee. (the "Agreement").

1. Property Acceptance. Lessee hereby certifies and represents to Lessor that the Property referenced in the Agreement has been acquired, made, delivered, installed and accepted as of the date indicated below. Lessee has conducted such inspection and/or testing of the Property as it deems necessary and appropriate and hereby acknowledges that it accepts the Property for all purposes. Lessee will immediately begin making Lease Payments in accordance with the times and amounts specified herein. LESSOR MAKES NO (AND SHALL NOT BE DEEMED TO HAVE MADE ANY) WARRANTIES, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, THE DESIGN, OPERATION OR CONDITION OF, OR THE QUALITY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP IN, THE PROPERTY, ITS MERCHANTABILITY OR ITS FITNESS FOR ANY PARTICULAR PURPOSE, THE STATE OF TITLE THERETO OR ANY COMPONENT THEREOF, THE ABSENCE OF LATENT OR OTHER DEFECTS (WHETHER OR NOT DISCOVERABLE), AND LESSOR HEREBY DISCLAIMS THE SAME; IT BEING UNDERSTOOD THAT THE PROPERTY IS LEASED TO LESSEE "AS IS" ON THE DATE OF THIS AGREEMENT OR THE DATE OF DELIVERY, WHICHEVER IS LATER, AND ALL SUCH RISKS, IF ANY, ARE TO BE BORNE BY LESSEE.
2. Commencement Date: The commencement date of this Agreement shall be the Acceptance Date listed below. If Acceptance Date is more than 10 days prior to the receipt of the Certificate of Acceptance the Agreement commencement date will be the date funds are issued.
3. Billing Address: If billing address differs from the address listed on the Tax Exempt Lease Purchase Agreement please list below:

Review → Billing Name: _____
Billing Address: _____
City, State, Zip Code: _____

IN WITNESS WHEREOF, Lessee has caused this Certificate of Acceptance to be executed by their duly authorized representative.

Delivery Date →	Acceptance Date:
	Lessee: VILLAGE OF LAKE ZURICH
Sign Here →	By:
	Name:
	Title:



EQUIPMENT FINANCE

EXHIBIT D

Application # 1681405

Lessee's Certificate

Re: Tax-Exempt Lease/Purchase Agreement and Property Schedule dated as of _____, between Lessee and Lessor

The undersigned, being the duly elected, qualified and acting _____ of the Lessee do hereby certify, as of _____, as follows:

1. Lessee did, at a meeting of the governing body of the Lessee held _____, 201____ by resolution or ordinance duly enacted, in accordance with all requirements of law, approve and authorize the execution and delivery of the above-referenced Tax-Exempt Lease/Purchase Agreement and Property Schedule (the "Agreement") by the following named representative of Lessee, to wit:

NAME OF EXECUTING OFFICIAL	TITLE OF EXECUTING OFFICIAL	SIGNATURE OF EXECUTING OFFICIAL
		Sign Here
And/ Or		

2. The above-named representative of the Lessee held at the time of such authorization and holds at the present time the office set forth above.

3. The meeting(s) of the governing body of the Lessee at which the Agreement was approved and authorized to be executed was duly called, regularly convened and attended throughout by the requisite quorum of the members thereof, and the enactment approving the Agreement and authorizing the execution thereof has not been altered or rescinded. All meetings of the governing body of Lessee relating to the authorization and delivery of Agreement have been: (a) held within the geographic boundaries of the Lessee; (b) open to the public, allowing all people to attend; (c) conducted in accordance with internal procedures of the governing body; and (d) conducted in accordance with the charter of the Lessee, if any, and the laws of the State.

4. No event or condition that constitutes, or with the giving of notice or the lapse of time or both would constitute, an Event of Default or a Nonappropriation (as such terms are defined in the Agreement) exists at the date hereof with respect to the Agreement.

5. The acquisition of all of the Property under the Agreement has been duly authorized by the governing body of Lessee.

6. Lessee has, in accordance with the requirements of law, fully budgeted and appropriated sufficient funds for the current budget year to make the Lease Payments scheduled to come due during the current budget year under the Agreement and to meet its other obligations for the current budget year and such funds have not been expended for other purposes.

7. As of the date hereof, no litigation is pending, (or, to my knowledge, threatened) against Lessee in any court (a) seeking to restrain or enjoin in the delivery of the Agreement or of other agreements similar to the Agreement; (b) questioning the authority of Lessee to execute the Agreement, or the validity of the Agreement, or the payment of principal of or interest thereon; (c) questioning the constitutionality of any statute, or the validity of any proceedings, authorizing the execution of the Agreement; or (d) affecting the provisions made for the payment of or security for the Agreement.

VILLAGE OF LAKE ZURICH

Sign Here	By:
	Title:
SIGNER MUST NOT BE THE SAME AS THE EXECUTING OFFICIAL(S) SHOWN ABOVE	



EQUIPMENT FINANCE

Application # 1681405

Insurance Authorization and Verification

Date: _____

Re: Tax-Exempt Lease/Purchase Agreement, Dated _____

To Lessee: VILLAGE OF LAKE ZURICH

70 E MAIN ST
LAKE ZURICH IL 60047

From Lessor: U.S. Bank Equipment Finance
1310 Madrid St Ste 101
Marshall, MN 56258

TO THE LESSEE: In connection with the above-referenced Property Schedule, Lessor requires proof in the form of this document, executed by both Lessee* and Lessee's agent, that Lessee's insurable interest in the financed property (the "Property") meets Lessor's requirements as follows, with coverage including, but not limited to, fire, extended coverage, vandalism, and theft:

Lessor, AND ITS SUCCESSORS AND ASSIGNS, shall be covered as both **ADDITIONAL INSURED** and **LENDER'S LOSS PAYEE** with regard to all equipment financed or leased by policy holder through or from Lessor. All such insurance shall contain a provision to the effect that such insurance shall not be canceled or modified without first giving written notice thereof to Lessor and Lessee at least thirty (30) days in advance of such cancellation or modification.

Lessee must carry **GENERAL LIABILITY** (and/or, for vehicles, **Automobile Liability**) in the amount of no less than \$1,000,000.00 (one million dollars).

Lessee must carry **PROPERTY Insurance** (or, for vehicles, **Physical Damage Insurance**) in an amount no less than the 'Insurable Value' \$ 65349.94 [amount of financing], with deductibles no more than \$10,000.00.

**Lessee: Please execute this form and return with your document package. Lessor will fax this form to your insurance agency for endorsement. In lieu of agent endorsement, Lessee's agency may submit insurance certificates demonstrating compliance with all requirements. Should you have any questions, please contact U.S. Bank Equipment Finance at 800-328-5371*

By signing, Lessee authorizes the Agent named below: 1) to complete and return this form as indicated; and 2) to endorse the policy and subsequent renewals to reflect the required coverage as outlined above.

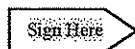
Agency/Agent: _____/_____

Address: _____

Phone/Fax: _____/_____

E-Mail: _____

VILLAGE OF LAKE ZURICH



By: _____

Name: _____

Title: _____

TO THE AGENT: In lieu of providing a certificate, please execute this form in the space below and promptly fax it to Lessor at 800-433-6185. This fully endorsed form shall serve as proof that Lessee's insurance meets the above requirements.

Agent hereby verifies that the above requirements have been met in regard to the Property listed below.

Print Name Of Agency: X _____

By: X _____
(Agent's Signature)

Print Name: X _____

Date: X _____

Insurable Value: \$ 65349.94 [amount of financing]

**Information Return for Small Tax-Exempt
Governmental Bond Issues, Leases, and Installment Sales**
► Under Internal Revenue Code section 149(e)

OMB No. 1545-0720

Caution: If the issue price of the issue is \$100,000 or more, use Form 8038-G.

Part I Reporting Authority		Check box if Amended Return <input type="checkbox"/>
1 Issuer's name	2 Issuer's employer identification number (EIN)	
3 Number and street (or P.O. box if mail is not delivered to street address)		Room/suite
4 City, town, or post office, state, and ZIP code		5 Report number (For IRS Use Only) [] [] []
6 Name and title of officer or other employee of issuer or designated contact person whom the IRS may call for more information		7 Telephone number of officer or legal representative

Part II Description of Obligations Check one: a single issue <input type="checkbox"/> or a consolidated return <input type="checkbox"/>	
8a Issue price of obligation(s) (see instructions)	8a
b Issue date (single issue) or calendar date (consolidated). Enter date in mm/dd/yyyy format (for example, 01/01/2009) (see instructions) ►	
9 Amount of the reported obligation(s) on line 8a that is:	
a For leases for vehicles	9a
b For leases for office equipment	9b
c For leases for real property	9c
d For leases for other (see instructions)	9d
e For bank loans for vehicles	9e
f For bank loans for office equipment	9f
g For bank loans for real property	9g
h For bank loans for other (see instructions)	9h
i Used to refund prior issue(s)	9i
j Representing a loan from the proceeds of another tax-exempt obligation (for example, bond bank)	9j
k Other	9k
10 If the issuer has designated any issue under section 265(b)(3)(B)(i)(iii) (small issuer exception), check this box	<input type="checkbox"/>
11 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check this box (see instructions)	<input type="checkbox"/>
12 Vendor's or bank's name:	
13 Vendor's or bank's employer identification number:	

Signature and Consent	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person(s) that I have authorized above.			
	Signature of issuer's authorized representative		Date	Type or print name and title
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed PTIN
	Firm's name ►	Firm's EIN ►		
	Firm's address ►	Phone no.		

General Instructions

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

What's New

The IRS has created a page on IRS.gov for information about the Form 8038 series and its instructions, at www.irs.gov/form8038. Information about any future developments affecting the Form 8038 series (such as legislation enacted after we release it) will be posted on that page.

Purpose of Form

Form 8038-GC is used by the issuers of tax-exempt governmental obligations to provide the IRS with the information required by section 149(e) and to monitor the requirements of sections 141 through 150.

Who Must File

Issuers of tax-exempt governmental obligations with issue prices of less than \$100,000 must file Form 8038-GC.

Issuers of a tax-exempt governmental obligation with an issue price of \$100,000 or more must file Form 8038-G, Information Return for Tax-Exempt Governmental Obligations.

Filing a separate return for a single issue. Issuers have the option to file a separate Form 8038-GC for any tax-exempt governmental obligation with an issue price of less than \$100,000.

An issuer of a tax-exempt bond used to finance construction expenditures must file a separate Form 8038-GC for each issue to give notice to the IRS that an election was made to

pay a penalty in lieu of arbitrage rebate (see the line 11 instructions).

Filing a consolidated return for multiple issues. For all tax-exempt governmental obligations with issue prices of less than \$100,000 that are not reported on a separate Form 8038-GC, an issuer must file a consolidated information return including all such issues issued within the calendar year.

Thus, an issuer may file a separate Form 8038-GC for each of a number of small issues and report the remainder of small issues issued during the calendar year on one consolidated Form 8038-GC. However, if the issue is a construction issue, a separate Form 8038-GC must be filed to give the IRS notice of the election to pay a penalty in lieu of arbitrage rebate.

When To File

To file a separate return for a single issue, file Form 8038-GC on or before the 15th day of the second calendar month after the close of the calendar quarter in which the issue is issued.

To file a consolidated return for multiple issues, file Form 8038-GC on or before February 15th of the calendar year following the year in which the issue is issued.

Late filing. An issuer may be granted an extension of time to file Form 8038-GC under section 3 of Rev. Proc. 2002-48, 2002-37 I.R.B. 531, if it is determined that the failure to file on time is not due to willful neglect. Type or print at the top of the form, "Request for Relief under section 3 of Rev. Proc. 2002-48." Attach to the Form 8038-GC a letter briefly stating why the form was not submitted to the IRS on time. Also indicate whether the obligation in question is under examination by the IRS. Do not submit copies of any bond documents, leases, or installment sale documents. See *Where To File* next.

Where To File

File Form 8038-GC, and any attachments, with the Department of the Treasury, Internal Revenue Service Center, Ogden, UT 84201.

Private delivery services. You can use certain private delivery services designated by the IRS to meet the "timely mailing as timely filing/paying" rule for tax returns and payments. These private delivery services include only the following:

- DHL Express (DHL): DHL Same Day Service.
- Federal Express (FedEx): FedEx Priority Overnight, FedEx Standard Overnight, FedEx 2Day, FedEx International Priority, and FedEx International First.
- United Parcel Service (UPS): UPS Next Day Air, UPS Next Day Air Saver, UPS 2nd Day Air, UPS 2nd Day Air A.M., UPS Worldwide Express Plus, and UPS Worldwide Express.

The private delivery service can tell you how to get written proof of the mailing date.

Other Forms That May Be Required

For rebating arbitrage (or paying a penalty in lieu of arbitrage rebate) to the Federal Government, use Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate. For private activity bonds, use Form 8038, Information Return for Tax-Exempt Private Activity Bond Issues.

For a tax-exempt governmental obligation with an issue price of \$100,000 or more, use Form 8038-G.

Rounding to Whole Dollars

You may show the money items on this return as whole-dollar amounts. To do so, drop any amount less than 50 cents and increase any amount from 50 to 99 cents to the next higher dollar.

Definitions

Obligations. This refers to a single tax-exempt governmental obligation if Form 8038-GC is used for separate reporting or to

multiple tax-exempt governmental obligations if the form is used for consolidated reporting.

Tax-exempt obligation. This is any obligation including a bond, installment purchase agreement, or financial lease, on which the interest is excluded from income under section 103.

Tax-exempt governmental obligation. A tax-exempt obligation that is not a private activity bond (see below) is a tax-exempt governmental obligation. This includes a bond issued by a qualified volunteer fire department under section 150(e).

Private activity bond. This includes an obligation issued as part of an issue in which:

- More than 10% of the proceeds are to be used for any private activity business use, and
- More than 10% of the payment of principal or interest of the issue is either (a) secured by an interest in property to be used for a private business use (or payments for such property) or (b) to be derived from payments for property (or borrowed money) used for a private business use.

It also includes a bond, the proceeds of which (a) are to be used to make or finance loans (other than loans described in section 141(c)(2)) to persons other than governmental units and (b) exceeds the lesser of 5% of the proceeds or \$5 million.

Issue. Generally, obligations are treated as part of the same issue only if they are issued by the same issuer, on the same date, and as part of a single transaction, or a series of related transactions. However, obligations issued during the same calendar year (a) under a loan agreement under which amounts are to be advanced periodically (a "draw-down loan") or (b) with a term not exceeding 270 days, may be treated as part of the same issue if the obligations are equally and ratably secured under a single indenture or loan agreement and are issued under a common financing arrangement (for example, under the same official statement periodically updated to reflect changing factual circumstances). Also, for obligations issued under a draw-down loan that meets the requirements of the preceding sentence, obligations issued during different calendar years may be treated as part of the same issue if all of the amounts to be advanced under the draw-down loan are reasonably expected to be advanced within 3 years of the date of issue of the first obligation. Likewise, obligations (other than private activity bonds) issued under a single agreement that is in the form of a lease or installment sale may be treated as part of the same issue if all of the property covered by that agreement is reasonably expected to be delivered within 3 years of the date of issue of the first obligation.

Arbitrage rebate. Generally, interest on a state or local bond is not tax-exempt unless the issuer of the bond rebates to the United States arbitrage profits earned from investing proceeds of the bond in higher yielding nonpurpose investments. See section 148(f).

Construction issue. This is an issue of tax-exempt bonds that meets both of the following conditions:

1. At least 75% of the available construction proceeds of the issue are to be used for construction expenditures with respect to property to be owned by a governmental unit or a 501(c)(3) organization, and

2. All of the bonds that are part of the issue are qualified 501(c)(3) bonds, bonds that are not private activity bonds, or private activity bonds issued to finance property to be owned by a governmental unit or a 501(c)(3) organization.

In lieu of rebating any arbitrage that may be owed to the United States, the issuer of a construction issue may make an irrevocable election to pay a penalty. The penalty is equal to 1-1/2% of the amount of construction proceeds that do not meet certain spending requirements. See section 148(f)(4)(C) and the instructions for Form 8038-T.

Specific Instructions

In general, a Form 8038-GC must be completed on the basis of available information and reasonable expectations as of the date of issue. However, forms that are filed on a consolidated basis may be completed on the basis of information readily available to the issuer at the close of the calendar year to which the form relates, supplemented by estimates made in good faith.

Part I—Reporting Authority

Amended return. An issuer may file an amended return to change or add to the information reported on a previously filed return for the same date of issue. If you are filing to correct errors or change a previously filed return, check the "Amended Return" box in the heading of the form.

The amended return must provide all the information reported on the original return, in addition to the new corrected information. Attach an explanation of the reason for the amended return and write across the top "Amended Return Explanation."

Line 1. The issuer's name is the name of the entity issuing the obligations, not the name of the entity receiving the benefit of the financing. In the case of a lease or installment sale, the issuer is the lessee or purchaser.

Line 2. An issuer that does not have an employer identification number (EIN) should apply for one on Form SS-4, Application for Employer Identification Number. You can get this form on the IRS website at IRS.gov or by calling 1-800-TAX-FORM (1-800-829-3676). You may receive an EIN by telephone by following the instructions for Form SS-4.

Lines 3 and 4. Enter the issuer's address or the address of the designated contact person listed on line 6. If the issuer wishes to use its own address and the issuer receives its mail in care of a third party authorized representative (such as an accountant or attorney), enter on the street address line "C/O" followed by the third party's name and street address or P.O. box. Include the suite, room, or other unit number after the street address. If the post office does not deliver mail to the street address and the issuer has a P.O. box, show the box number instead of the

street address. If a change in address occurs after the return is filed, use Form 8822, Change of Address, to notify the IRS of the new address.

Note. The address entered on lines 3 and 4 is the address the IRS will use for all written communications regarding the processing of this return, including any notices. By authorizing a person other than an authorized officer or other employee of the issuer to communicate with the IRS and whom the IRS may contact about this return, the issuer authorizes the IRS to communicate directly with the individual listed on line 6, whose address is entered on lines 3 and 4 and consents to disclose the issuer's return information to that individual, as necessary, to process this return.

Line 5. This line is for IRS use only. Do not make any entries in this box.

Part II—Description of Obligations

Check the appropriate box designating this as a return on a single issue basis or a consolidated return basis.

Line 8a. The issue price of obligations is generally determined under Regulations section 1.148-1(b). Thus, when issued for cash, the issue price is the price at which a substantial amount of the obligations are sold to the public. To determine the issue price of an obligation issued for property, see sections 1273 and 1274 and the related regulations.

Line 8b. For a single issue, enter the date of issue (for example, 03/15/2010 for a single issue issued on March 15, 2010), generally the date on which the issuer physically exchanges the bonds that are part of the issue for the underwriter's (or other purchaser's) funds; for a lease or installment sale, enter the date interest starts to accrue. For issues reported on a consolidated basis, enter the first day of the calendar year during which the obligations were issued (for example, for calendar year 2010, enter 01/01/2010).

Lines 9a through 9h. Complete this section if property other than cash is exchanged for the obligation, for example, acquiring a police car, a fire truck, or telephone equipment through a series of monthly payments. (This type of obligation is sometimes referred to as a "municipal lease.") Also complete this section if real property is directly acquired in exchange for an obligation to make periodic payments of interest and principal.

Do not complete lines 9a through 9d if the proceeds of an obligation are received in the form of cash even if the term "lease" is used in the title of the issue. For lines 9a through 9d, enter the amount on the appropriate line that represents a lease or installment purchase. For line 9d, enter the type of item that is leased. For lines 9e through 9h, enter the amount on the appropriate line that represents a bank loan. For line 9h, enter the type of bank loan.

Lines 9i and 9j. For line 9i, enter the amount of the proceeds that will be used to pay principal, interest, or call premium on any other issue of bonds, including proceeds that will be used to fund an escrow account for this purpose. Several lines may apply to a particular obligation. For example, report on lines 9i and 9j obligations used to refund prior issues which represent loans from the proceeds of another tax-exempt obligation.

Line 9k. Enter on line 9k the amount on line 8a that does not represent an obligation described on lines 9a through 9j.

Line 10. Check this box if the issuer has designated any issue as a "small issuer exception" under section 265(b)(3)(B)(i)(III).

Line 11. Check this box if the issue is a construction issue and an irrevocable election to pay a penalty in lieu of arbitrage rebate has been made on or before the date the bonds were issued. The penalty is payable with a Form 8038-T for each 6-month period after the date the bonds are issued. Do not make any payment of penalty in lieu of rebate with Form 8038-GC. See Rev. Proc. 92-22, 1992-1 C.B. 736, for rules regarding the "election document."

Line 12. Enter the name of the vendor or bank who is a party to the installment purchase agreement, loan, or financial lease. If there are multiple vendors or banks, the issuer should attach a schedule.

Line 13. Enter the employer identification number of the vendor or bank who is a party to the installment purchase agreement, loan, or financial lease. If there are multiple vendors or banks, the issuer should attach a schedule.

Signature and Consent

An authorized representative of the issuer must sign Form 8038-GC and any applicable certification. Also print the name and title of the person signing Form 8038-GC. The authorized representative of the issuer signing this form must have the authority to consent to the disclosure of the issuer's return information, as necessary to process this return, to the person(s) that has been designated in this form.

Note. If the issuer authorizes in line 6 the IRS to communicate with a person other than an officer or other employee of the issuer, (such authorization shall include contact both in writing regardless of the address entered in lines 3 and 4, and by telephone) by signing this form, the issuer's authorized representative consents to the disclosure of the issuer's return information, as necessary to process this return, to such person.

Paid Preparer

If an authorized representative of the issuer filled in its return, the paid preparer's space should remain blank. Anyone who prepares the return but does not charge the organization should not sign the return. Certain others who prepare the return should not sign. For example, a regular, full-time employee of the issuer, such as a clerk, secretary, etc., should not sign.

Generally, anyone who is paid to prepare a return must sign it and fill in the other blanks in the *Paid Preparer Use Only* area of the return. A paid preparer cannot use a social security number in the *Paid Preparer Use Only* box. The paid preparer must use a preparer tax identification number (PTIN). If the paid preparer is self-employed, the preparer should enter his or her address in the box.

The paid preparer must:

- Sign the return in the space provided for the preparer's signature, and
- Give a copy of the return to the issuer.

Paperwork Reduction Act Notice

We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

Learning about the law or the form	4 hr., 46 min.
Preparing the form	2 hr., 22 min.
Copying, assembling, and sending the form to the IRS	2 hr., 34 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:M:S, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Do not send the form to this address. Instead, see *Where To File*.

TOSHIBA

BUSINESS SOLUTIONS

AIMS MAINTENANCE CONTRACT

MS-1.0.0

Sales Representative: Estep

CUSTOMER NUMBER	DATE

Customer agrees to purchase and Toshiba Business Solutions agrees to provide parts, labor, ink, toner, and toner collection containers (the "Maintenance Services") for the equipment listed below in accordance with the terms and conditions of this contract. The Maintenance Services exclude paper, staples and all other parts and services listed under the Exclusion section on page two of the contract. A Connectivity & Security Options Agreement must be attached and executed for Network Integration Support.

CUSTOMER INFORMATION

Customer Name:	Village of Lake Zurich	Bill to Number:	
Billing Address:	70 E. Main St	Phone #:	(847) 438-5141 Ext.
Address 2:		Contact:	Michael Duebner
City:	Lake Zurich	State:	IL
Zip:	60047	eMail:	duebner@volz.org

DEVICE DETAILS

LOCATION INFORMATION

Ship to Name:	See attached schedule and amendment	Ship to Number:	
Shipping Address:		Phone #:	Ext.
City:	State:	Zip:	
Contact:	eMail:	Delivery Date:	Ship:

EQUIPMENT				PRODUCT NUMBER	ID #	SERIAL NUMBER	
TYPE	START METER	INCLUDES	UNITS	MINIMUM PAYMENT	PAYMENT FREQUENCY	EXCESS CHARGE	EXCESS BILLING FREQUENCY
Black Images:		Usage	Clicks		Quarterly	\$0.00500	Quarterly
Color Images:		Usage	Clicks		Quarterly	\$0.04000	Quarterly

☐ See attached Maintenance Contract Schedule for additional covered devices

INVOICE INFORMATION

<input checked="" type="radio"/> Invoice Customer Address Location	<input type="radio"/> Invoice Equipment Location
--	--

DECLINATION

<input type="checkbox"/> Customer is declining maintenance on the equipment listed above.	
Printed Name:	Signature:
Title:	Date:

ACCEPTANCE

THE TERMS AND CONDITIONS HEREOF ARE PART OF THIS SERVICE AGREEMENT. BY SIGNING THIS CONTRACT, THE CUSTOMER ACKNOWLEDGES THAT THEY HAVE READ AND UNDERSTAND THESE TERMS.

Customer agrees to pay the Minimum Payment per transaction terms, plus any Excess Per Click Charges for the term of this Contract. When this Contract is signed by Customer and TBS, it shall constitute a binding contract and is non-cancelable. This Contract will begin on the date signed by TBS below. You hereby acknowledge and agree that your electronic signature below shall constitute an enforceable and original signature for all purposes.

Customer: Village of Lake Zurich	Toshiba Business Solutions		
Printed Name:	Printed Name:		
Signature:	Signature:		
Title:	Date:	Title:	Effective Date:

TERMS AND CONDITIONS (CONTINUED)**Customer Initials**

1. **ACCEPTANCE.** This Contract shall not be effective unless signed by the authorized TBS representative (Effective Date) within 30 days from the Customer's signing of this Contract.

2. **TERM.** This Contract will remain in force for one (1) year from the Effective Date (Renewal Date) and will then be automatically renewed for annual period(s) unless either party provides notice of termination not less than thirty (30) days prior to the Renewal Date. For each piece of equipment under this Contract there will be a Start Date & Start Meter which is shown on the face of this Contract. Service for each piece of equipment will be provided from the Start Date & Start Meter until this Contract is terminated or the equipment is withdrawn from the service.

Customer may withdraw individual equipment by providing thirty (30) day written notice prior to the Renewal Date. Customer is responsible for all remaining Minimum Payments if Customer is in default or if equipment is withdrawn prior to Renewal Date.

3. **SERVICE AVAILABILITY.** TBS will provide service during TBS's normal service hours while the equipment is located within TBS's designated service area. Service outside TBS's designated area, if available and accepted by TBS is subject to a Trip Charge, which shall be based on reasonable travel expense for TBS's personnel. It is the responsibility of the Customer to notify TBS prior to relocating equipment.

The service to keep the equipment in or restore the equipment to good working order includes Emergency Service Calls and Periodic Maintenance (PM's). PM's may be performed during the course of an Emergency Service Call and are based upon the specific needs of the individual equipment as determined by TBS. Maintenance will include lubrication, adjustments and replacement of maintenance parts deemed necessary by TBS. Maintenance parts will normally be either new or equivalent to new in performance when installed in the equipment. Maintenance parts will be furnished on an exchange basis and the replaced parts become the property of TBS. Service provided under this Contract does not assure the uninterrupted operation of the equipment.

If the Customer requests service to be performed at a time outside TBS's normal service hours, there will be no additional charge for maintenance parts, however, the service, if available, will be furnished at TBS's applicable hourly rates and terms then in effect. Nothing herein shall be construed to require TBS to provide service outside its normal service hours and TBS hereby reserves the right to accept or reject such requests.

In the event there is a substantial increase in the cost of fuel, Customer agrees to pay a fuel surcharge. "Substantial" shall be defined as a 10% or more change over a six month period in the average national fuel cost as reported by the United States Energy Information Administration. If there is a substantial decline in the cost of fuel, the fuel surcharge, if applied by TBS pursuant to this provision, may be decreased accordingly. The benchmark will be the national average fuel cost as reported by the United States Energy Information Administration on the Effective Date of this Agreement.

4. **NETWORK INTEGRATION SUPPORT.** Support of print controllers and plot/scan enables that permit the integration of the device onto a Customer's network is covered under the terms of a properly executed Connectivity & Security Options Agreement. The Connectivity & Security Options Agreement is an amendment to this contract and must be attached and/or on file for this optional service support.

5. **INVOICING - LATE CHARGES.** The first Minimum Payment is due upon receipt of an invoice. Thereafter, Minimum Payments will be due on the same date each month during the Term of this Contract whether or not Customer receives an invoice. Customer's obligation to pay the Minimum Payment is unconditional and is not subject to any reduction, set-off, defense, or counterclaim for any reason whatsoever. Excess Click Charge, if applicable, will be invoiced based on the billing period selected on the face of this contract.

If any part of a payment is not made by the Customer when due, Customer agrees to pay TBS a Late Charge of the higher of \$25 or two percent (2%) of each such late payment, but not more than permitted by law. Customer agrees to pay TBS the Late Charge not later than one (1) month following the date of the original Minimum Payment.

6. **USAGE.** In return for the Minimum Payment, Customer is entitled to use the Minimum Number of Clicks each billing period. If Customer uses more than the Minimum Number of Clicks in any billing period, Customer will pay an additional amount equal to the number of metered clicks exceeding the agreed Minimum Number of Clicks times the Excess Click Charge as shown on the face of this Contract. In no event shall the Customer be entitled to any refund or rebate of the Minimum Payment if metered clicks result in less than the Minimum Number of Clicks in any billing period.

Customer will provide meter readings via an automated website when requested by TBS. TBS may estimate the number of clicks used if requested Meter Readings are not received before a new billing period begins. TBS will adjust the estimated charge for Excess Clicks upon receipt of actual Meter Readings. Notwithstanding any adjustment, the Customer will never pay less than the Minimum Payment. TBS may charge a fee to recover the cost of meter collections if meters are not submitted through the automated website.

The Minimum Payment and Excess Click Charge are subject to increase each year during the Term of this Contract by an amount not to exceed fifteen percent (15%) of the Minimum Payment and Excess Click Charge in effect at the end of the prior annual period, or the maximum percentage permitted by law, whichever is lower.

7. **CONSUMABLE SUPPLIES.** TBS agrees to furnish consumable supplies (ink, toner and toner collection containers) for the Term of the Contract. Customer is responsible for ordering supplies to assure ample time for delivery. TBS may charge you a supply freight fee to cover our cost of shipping supplies to you. TBS will determine the number of supplies to be shipped based on the Minimum Number of Clicks and Excess Clicks metered. If TBS determines that the Customer has used more than fifteen percent (15%) supplies than normal for the number of metered clicks, based on yields published by the manufacturer, Customer agrees to pay TBS's customary charges for all excess supplies.

All supplies delivered as part of this Contract remain the property of TBS until and unless they are consumed by the equipment in the performance of this Contract. Any supplies not consumed as specified and not surrendered to TBS upon expiration or termination of this Contract will be invoiced to the Customer at TBS's then current prices. Customer agrees to provide insurance coverage for supplies in case of loss under any circumstances. Notwithstanding the foregoing, the risk of loss of the consumable supplies shall be transferred from TBS to Customer if such consumable supplies are stored at Customer's facility.

8. **TAXES.** In addition to the charges due under this Contract, the Customer agrees to pay amounts equal to any taxes resulting from this Contract, or any activities hereunder, exclusive of taxes based upon net income.

9. **INSTALLATION AND ACCESS TO EQUIPMENT.** Customer agrees to provide adequate space, environment and appropriate electrical requirements including, if required, a dedicated 120 volt or 220 volt electrical line, as published in the Operator and Service Manuals for the operation and maintenance of the equipment. If TBS has installed a power filter/surge protector on the equipment, it must at all times remain continuously installed. If it is removed Customer agrees to purchase a replacement from TBS immediately. TBS shall have full and free access to the equipment to provide service thereon.

If persons other than TBS representatives install conversions, feature additions, accessories or perform service on equipment and as a result further repair by TBS is required, such repairs shall be made at TBS's applicable Time and Material rates and terms then in effect. If such additional repair is required, TBS may immediately withdraw the equipment from this Contract.

10. **KEY OPERATOR - END-USER TRAINING.** Customer agrees to designate a Key Operator for training on the use, applications and features of the equipment. The Key Operator will be responsible for normal Key Operator activities as detailed in the Operators Manual and for training additional end-users. If the Key Operator assignment changes Customer agrees to designate a new Key Operator immediately. TBS agrees to provide training for the designated Key Operator and to provide initial training for end-users on the use, applications and features of the equipment. Additional training requested by Customer after thirty (30) days from installation will be at TBS normal hourly rates.

11. **EXCLUSIONS:** Service under this Contract does not include:

(a) Furnishing paper, staples, replacement print heads or any of the following:

(b) Service of equipment if moved outside of TBS's designated service area;

(c) Repair of damage or increase in service time caused by accident, misuse, negligence, abuse or disaster;

(d) Service of accessories, attachments or click control devices other than those of the same manufacturer as the equipment;

(e) Painting or refinishing of the equipment;

(f) Making specification changes;

(g) Overhaul, when TBS determines an overhaul is necessary because normal repair and parts replacement cannot keep the equipment in satisfactory operating condition. TBS will submit a cost estimate to Customer and TBS will not commence work until Customer has approved cost;

(h) Performing key operator functions as described in the operator manual;

(i) Moving equipment, repair of damage or increase in service time caused by the use of the equipment for other than the ordinary use for which designed;

(j) Repair of damage caused by electrical surges or lightning strikes. If equipment is connected to a TBS supplied power filter/surge protector repairs will be included;

(k) Repair of damage or increase in service time caused by failure to continually provide a suitable installation environment as defined by the manufacturer, with all the facilities prescribed by TBS including, but not limited to, adequate space, electrical power, air conditioning or humidity control;

(l) Repair of equipment that has been designated as obsolete by the manufacturer and genuine OEM parts are no longer available;

(m) Repair of damage or increase of service time caused by Customer's use of media outside the specifications as described in the operator manual.

12. **INDEMNITY AND DISCLAIMER.** TBS shall not be responsible for any injuries, damages, penalties, claims or losses including legal expenses incurred by Customer or any other person caused by the installation, selection, ownership, possession, maintenance, condition or use of the Equipment. Customer agrees to reimburse TBS for and to defend TBS against any claims for such losses, damages, penalties, claims, injuries or expenses. This indemnity shall continue even after this Contract has expired.

IN NO EVENT WILL TBS BE LIABLE FOR LOST PROFITS, CONSEQUENTIAL, EXPECTANCY OR INDIRECT DAMAGES EVEN IF TBS HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

EXCEPT AS OTHERWISE SET FORTH HEREIN, TBS DOES NOT MAKE ANY EXPRESS OR IMPLIED WARRANTIES, INCLUDING BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, REPRESENTATION OR WARRANTY ARISING OUT OF USAGE AND TRADE, COURSE OR DEALING OR COURSE OR PERFORMANCE, EXCEPT AS PROVIDED HEREIN, THE PARTS AND SERVICES ARE PROVIDED "AS IS."

13. **GENERAL:** Subject to the terms of the following paragraph, TBS may modify the terms and conditions of this Contract effective on the Renewal Date by providing the Customer with prior written notice.

Any such modification will apply unless the Customer withdraws the equipment affected by such modification from this Contract. Otherwise this Contract can only be modified by a written agreement duly signed by persons authorized to sign contracts on behalf of the Customer and of TBS. Variance from the terms and conditions of this Contract in any Customer order or other written modification will be of no effect.

The Customer represents that the Customer is the owner of the equipment under this Contract, or, if not the owner, is the lessee or renter of the equipment. Customer will execute a maintenance agreement for the equipment with a Toshiba authorized dealer or Customer will waive certain rights under Toshiba's manufacturer's warranty.

This Contract is not assignable, its right, duties and obligations may not be assigned or transferred by the Customer without the prior written consent of TBS. Any attempt to assign or transfer any of the rights, duties or obligations of this Contract without such consent is void.

TBS's service provided outside the scope of this Contract will be furnished at TBS's applicable time and material rates and terms then in effect.

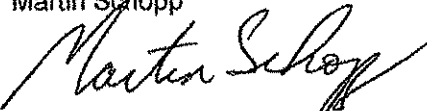
TBS is not responsible for failure to render service due to causes beyond its control.

This Contract will be governed by the laws of the state where the Customer executed this Contract. If either party fails to comply with the terms and conditions of this Contract, the non-breaching party shall notify the breaching party in writing, using certified mail to the address on the face of this Contract. The breaching party shall have thirty (30) days to cure any breach of this Contract prior to the non-breaching party taking the legal action. No action, regardless of form, arising out of this Contract may be brought by either party more than one year after the cause of action has arisen, or, in the case of non-payment, more than two years from the date of the last payment.

Toshiba Business Solutions
AIMS Maintenance Contract Amendments/Additions

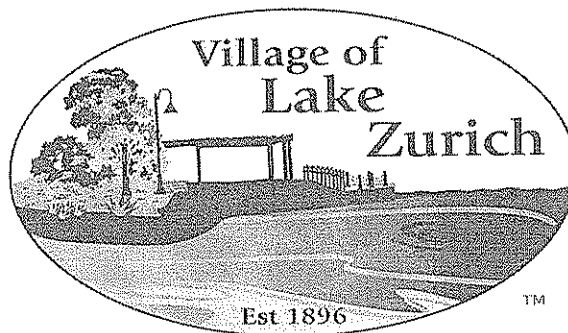
- 1) Per the Village of Lake Zurich RFP request, the AIMS service contract includes all parts, labor and supplies except paper and staples
- 2) AIMS service contract will renew on a month to month basis with 30 day written notification for cancellation.
- 3) Per our Toshiba Quality Commitment Guarantee a loaner will be provided upon request if a machine will be down for more than 48 hours.
- 4) Key operator training will be available on an ongoing basis for term of contract.
- 5) Village of Lake Zurich AIMS contract will be set up for usage billed quarterly based on 8.5 x 11 single sided sheets for both color and black and white usage.
- 6) Color meter will be clicked base on documents that have anything other than black fill on page...not by percentage. All color equipment will be defaulted to Black and White for delivery.
- 7) AIMS contract will have a locked rate for 2 years from start of contract with a maximum 5% increase for years 3-5 of the 5 year agreement.

Martin Schopp



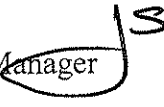
Vice President / General Manager
Toshiba Business Solutions - IL

70 E. Main Street
Lake Zurich, IL 60047



Phone: (847)438-5141
Fax: (847) 540-1768
Web: www.volz.org

MEMORANDUM

Date: January 31, 2013
To: Mayor and Board Members
From: Jason T. Slowinski, Village Manager 
Subject: Bi-Weekly Reports from Operating Departments

Attached are bi-weekly Status and Information Reports from the Village's main operating departments: Fire, Public Works, Police, and Building & Zoning.

If you have any questions regarding the items mentioned in the attached reports, please feel free to contact my office.

w/ Attachments: Department Bi-Weekly Reports

VILLAGE OF LAKE ZURICH

FIRE / RESCUE AND EMERGENCY MANAGEMENT

BI-WEEKLY STATUS AND INFORMATION REPORT

January 29, 2013

01/13– 01/26

I. Program/Project Management

A. Major Programs/Projects Started

- The closing for the aerial truck took place on January 23rd. Funds were received and the vehicle was transferred to Des Plaines.
- The Fire Department had our round one budget meeting. Changes made, awaiting next phase.
- Captain Kelly attended a meeting covering some new CAD changes for our dispatch procedures. He will be working to implement a number of changes enacted by the group.

B. Major Programs/Projects Completed

- We ran three days of meetings over the video conferencing system – and are working out the bugs – but looks very promising and the major work is completed.

II. Financial Management

III. Personnel Management

A. Recruitments, Terminations, Layoffs, Retirements, Disciplinary Actions

- 1 person is moving through the hiring process.

B. Claims filed against the Village (e.g. workers compensation, EEOC, IDHR, union grievances, non-union complaints, unfair labor practices, etc.)

- The Chief responded to step 2 of the current grievance.

C. Major Absences (e.g. workers compensation, medical leaves, disability leaves, FLSA, or FMLA leave) and Light Duty Assignments

- **Status unchanged:** The department now has two employees out on workers compensation time. Neither of the them are on light duty at this time. The third person out has begun the FMLA process. He is currently out of benefit time.

IV. Other Noteworthy Matters

- Kobe east restaurant had a fire on 1/14 that was suppressed by the sprinkler system. The fire occurred after hours and would have likely caused significant damage if unchecked by the sprinkler.
- Chief Wheelock responded to a fire in Barrington during this period.
- Chief attended a Northwest Community Hospital EMS system Administrators meeting: working on new policies for mass casualty or multiple patient incidents. Our Training Captain is also attending sessions to bring this information back to the department.
- The Foreign Fire Board met during this period and approved some expenditures relative to Knox vaults for securing certain medications, and rejected some other equipment requests.
- The FD staff and the Police Chief and Communications Director met to discuss issues relative to a new fire department possibly coming to our center and thus our radio frequency. More to follow.
- Chief Wheelock and Assistant Fire Marshal Trayling met with the LPOA to get approval for fireworks to be held on the lake in 2013. Approval was granted with details to follow. The FD will meet with the Park department to discuss how this will change the event.

Respectfully Submitted,

David P Wheelock

Fire Chief / Emergency Management Director
Date: January 28, 2013

VILLAGE OF LAKE ZURICH

BI-WEEKLY STATUS AND INFORMATION REPORT

JANUARY 6 THRU JANUARY 28, 2013

I. Program/Project Management

A. Major Programs/Projects Started

- CN Noise Mitigation – The Village has received three copies of the Noise Wall Contract from Alliance Contractors, Inc. The contract has been forwarded to Administration for execution. Staff is currently coordinating the start of construction of the noise wall and addressing the remaining mitigation items which include the construction of the safety fence, cattle crossings, and the funding disbursements.
- Bradford Development – Staff is currently waiting for the submittal of the site plan revisions from Manhard Engineering.
- Thistle and Stone drainage improvements - In an effort to be objective the Engineering Department has contacted The Lake County Stormwater Management Commission (SMC) and received a list of six engineering firms which SMC recommends sending an RFP. Engineering is currently working on the RFP for the project.
- US EPA's Building Blocks Grant - Mayor Branding, Betty Harrison and Kurt Kaszuba met with Josh Ellis and Abby Crisostomo of the Metropolitan Planning Council on Thursday Jan 24th to discuss the US EPA's Building Blocks for Sustainable Communities program. Betty and Kurt participated in a web cast for the project on Friday the 25th and will be working with the Metropolitan Planning Council and the EPA as the project moves along.
- Spectrum Assisted Living – (Cedar Lake) – Staff is currently awaiting the re-submittal of the Plat of Resubdivision for review and execution. The project is currently moving along with the construction of the building. The underground utilities have been completed.
- Route 12/ Ela Road Right Turn Lane – A request for an extension of time has been submitted to IDOT, awaiting return correspondence and possible meeting between all parties.
- Isaac Fox Safe Routes to School – The consultant (Gewalt Hamilton) is in the process of surveying the improvement locations.
- Midlothian Road Traffic Signal Project – IDOT is directing the Village to incorporate a bike path along Midlothian as part of this project. Staff will be meeting with the School District to determine feasibility and requirements. This may delay the start of the project due to a late change to the design
- 2013 MFT Road Resurfacing Project - Staff has completed the preliminary paperwork for the contract proposal that will be sent to IDOT for approval. Awaiting budget approval to determine full scope of this project.

- Landscape Maintenance Contract (2013-2015) – Staff has completed the preliminary paperwork for the contract proposal. The Village will be utilizing MFT funds for the landscape maintenance within the right-of-way, which requires the submittal of the contract proposal to the state (IDOT) for their approval. Awaiting budget approval to determine the availability of full funding.

B. Major Programs/Projects Completed

- South Old Rand Road and Surryse Sidewalk Project – Staff is finalizing the paperwork and meeting with IDOT to close out the project. All construction work has been completed.
- 2012 MFT Road Resurfacing Project – All construction work has been completed. Retainage will be held until spring to address any deficiencies that may arise through the winter.
- 2011 ERP Road Resurfacing Project – All construction work has been completed. Retainage will be held until spring to address any deficiencies that may arise through the winter.
- Annual maintenance of standby power generators at Wells 7, 8, 12, Northwest & Quentin Pump Stations and Church Street Lift Station completed by Patten Power Systems on 1/15/13.

C. Major Programs/ Projects Delayed/Terminated

II. Financial Management

- A. Revenue Enhancements
- B. Revenue shortfalls/variances
- C. Capital Equipment/Improvement Expenditures

III. Personnel Management

- A. Recruitments, Terminations, Layoffs, Retirements, Disciplinary Actions
- B. Claims filed against Village (e.g. workers compensation, EEOC, IDHR, union grievances, non-union complaints, unfair labor practices, etc.)
- C. Major Absences

IV. Other Noteworthy Matters

- A. Major departmental accomplishments/activities
- Snow Plow Drivers salted on Friday, January 25th for the small snow event. They also were out salting and plowing on Sunday, January 27th during the ice/snow event late afternoon.
 - Repaired four (4) water main breaks and replaced one (1) water service curb stop during this reporting period.

- On January 17, 2013, Public Works received an after hours notification that a sanitary sewer manhole was overflowing in the Ash Street Alley. The overflow was caused by an unknown obstruction in the sewer main. The obstruction was immediately cleared from the main and the following day, an SSO (Sanitary Sewer Overflow) was reported to the Illinois Environmental Protection Agency as required.
- The narrow band radio project, reprogramming and replacement has been completed.

B. Major unanticipated/unbudgeted items affecting operations

- Two chemical feed scales (Chlorine and Fluoride) at Well 8 were discovered to be non- operational on January 17, 2013 requiring either repair or replacement.
- The Sensaphone alarm dialer at the Knollwood Lift Station was determined to be non-operational on January 18, 2013 requiring replacement. A used spare alarm dialer was installed to replace the failed unit until a permanent replacement alarm dialer is purchased.

C. Other

- Miscellaneous resolutions completed and ready to be sent to IDOT for approval of the use of MFT funds. Awaiting final approval of the budget.
 - Salt/Calcium Chloride/Beet Juice
 - 2013 MFT Road Resurfacing
 - Landscape Maintenance Contract
- On January 25, 2013, the Village of Wauconda requested assistance and use of our sewer televising equipment to visually determine the severity of an obstruction in their sewer main caused by a contractor. We provided our televising unit and two personnel to Wauconda for two hours.
- Engine 3212 has returned to full service after major engine work.
- The Village of Lake Zurich is applying for another ash tree replacement grant. The Metropolitan Mayors Caucus is offering a reimbursable grant to help local government agencies sustain their urban forests by reducing impacts from the Emerald Ash Borer (EAB). Recipients must pay 50% of project costs through direct or in-kind contributions.
- The Village is applying for a reforestation grant. This grant pays for the planting to replace ash trees. Based on population, the Village is applying for a \$10,000 grant. This grant will pay for 40 trees. Trees will be removed in the Old Mill Grove Subdivision. For the Village share of this grant, the in-kind contribution will be the removal and stump grinding of ash trees.

VILLAGE OF LAKE ZURICH
OFFICE OF THE VILLAGE MANAGER
BI-WEEKLY STATUS AND INFORMATION REPORT

Police Department

January 26, 2013

I. Program/Project Management

A. Major Programs/Projects Started

- **Review and Amendment of Tow Agreement** – The Department will review the current tow agreement and develop an amended agreement that addresses concerns of current operators.
- **Police-Community Interaction Survey/University of Illinois at Chicago** – Records personnel continue to forward information to the University of Illinois at Chicago in order to have individuals that have contact with Lake Zurich Police Officers rate their interaction.
- **Police Dispatch Services – Village of Island Lake** – The Department has entered into discussion with representatives of the Village of Island Lake to provide Police Dispatch Services to that Village. The Department has the capacity to provide these services due to the reduction in service provided to the Village of Kildeer due to the loss of the Deer Park police contract. The proposed agreement is similar to the agreement used for both the Village of Hawthorn Woods and Village of Kildeer. Department staff is meeting with Island Lake Police Department staff to determine the logistics of this transfer.
- **Hireback Detail Reimbursement Rate** – The current hireback reimbursement for police officers is \$58.00/hour. The overtime rate for all but entry level police officers is in excess of this amount. The Department conducted a survey of area police departments and is recommending an increase in this rate for FY 2013-2014.
- **Mobile Crash Reporting (MCR)** – The Department currently uses a computer-based program to document traffic crashes and transmit information to the Illinois Department of Transportation. IDOT has indicated that they will no longer support this program. Department staff is investigating viable substitutes for this program.

B. Major Programs/Projects Completed

- **Freedom of Information Inquiries** - The Department received 13 Freedom of Information Inquiry requests from January 13th until January 26th, 2013 for a year-to-date total of 23.
- **NUCPS – School of Police Staff and Command** – This 10-week program conducted at the Police Facility has concluded.

II. Financial Management

A. The Department continues to monitor current expenditures.

B. The Department is reviewing and compiling information related to development of the FY 2013-2014 Budget.

III. Personnel Management

A. Recruitments, Terminations, Layoffs, Retirements, Disciplinary Actions

- One Department member remains on Administrative Leave with Pay after the conclusion of an investigation into off-duty conduct.
- The Department is anticipating the resignation of a current telecommunicator. The individual has been offered a position in another municipality. The Department will be conducting an interview of a potential candidate to replace this position.

B. Claims filed against the Village (e.g. workers compensation, EEOC, IDHR, union grievances, non-union complaints, unfair labor practices, etc.)

- The Department is researching items identified in the recent Labor-Management Meetings.

C. Major Absences (e.g. workers compensation, medical leaves, disability leaves, FLSA, or FMLA leave) and Light Duty Assignments

- A Patrol Officer broke his hand outside of work hours resulting in a potential three week absence. The officer slipped on the ice. This officer requested and was granted a light duty assignment. He is currently assigned to the Investigations Section.

II. Other Noteworthy Matters

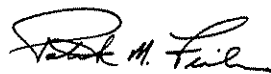
A. Major Departmental Accomplishments/Activities

- On January 18th, members of the Department and staff of the Lake Zurich High School met to discuss the assignment of the School Resource Officer. Representatives of the High School expressed concerns related to continuity of operations due to the change in school staff next school year.

B. Other

- The Department is accommodating three unpaid interns for this semester. The participating colleges are William Rainey Harper College (1) and North Park College (2).
- On January 26th the Department investigated a vehicle versus residence traffic crash at 301 South Old Rand Road. The Building Department assisted in a structural assessment of the building.
- Department personnel are investigating reports of several burglaries to vehicles that occurred at both the LA Fitness and YMCA.

Respectfully Submitted,



Patrick M. Finlon
Chief of Police
January 28, 2013

VILLAGE OF LAKE ZURICH
BUILDING & ZONING DEPARTMENT
BI-WEEKLY STATUS AND INFORMATION REPORT

January 28, 2013

I. Program/Project Management

A. Major Programs/Projects Started

- On January 14th, B&Z staff, along with Assistant Village Administrator Witherow, met with representatives of a craft distillery interested locating in Lake Zurich. The site location they were interested is along West Route 22 which would need a Zoning Code text amendment and a special use permit along with the creation of a new category for Village liquor license for the craft distillery.
- Staff met with Matt Menges, the owner of 143 E. Main Street, and reviewed options for short-term and long-term uses for the property. Staff will assist Mr. Menges with listing his property on the Village's vacancy listing as it becomes available.
- Staff attended the Chicagoland Roofers Association Conference and Legislative training event in Oak Brook Terrace on January 17th. The State of Illinois Energy Conservation Act was presented by the Department of Commerce and Economic Opportunity.
- Staff attended the Chicago Restaurant Brokers Association meeting on January 25th. Paul Carlisle of WinTrust Bank gave an economic forecast for the restaurant industry for 2013. Director Peterson presented possible restaurant development sites to the group of approximately 40 brokers in attendance.

II. Personnel Management

A. Recruitments, Terminations, Layoffs, Retirements, Disciplinary Actions

- Planning Manager Gadde announced his resignation from the Village after 14 years of service to Lake Zurich. He has accepted the position of Director of Economic Development for the Village of Oswego. His last day will Thursday February 7th.

III. Other Noteworthy Matters

A. Major Departmental Accomplishments/Activities

- The Fine Canine business has applied for a courtesy review and special use permit to allow animal specialty services, except veterinary, at 717 Rose Road. The Lake Zurich Plan Commission conducted a public hearing on January 23rd and unanimously recommended that the Board of Trustees approve the Application, subject to the conditions stated in the approval ordinance.
- Mike Schroeder has applied for variations for corner side yard and encroachment into conservancy soils for the Linden Subdivision. The Lake Zurich ZBA conducted a public hearing on January 17th for the Linden Subdivision and recommended variations to reduce corner side yards as well as to allow driveway encroachment into conservancy soils for certain lots within the subdivision.

Respectfully Submitted,


Daniel A. Peterson

Date: January 28, 2013

VILLAGE OF LAKE ZURICH

FINANCE DEPARTMENT

BI-WEEKLY STATUS AND INFORMATION REPORT

As of January 25, 2013

I. Major Program/Project Management

a. 2013/14 BUDGET

1. *Training*: Complete
 2. *Preparation*: Administration staff has met with representatives at length from each department to review their budgets in detail. As the majority of the team from Administration is still fairly new to the organization, extra care was taken to understand the history and the requests of the departments. Staff is working through the first draft to see what further changes need to be made before presentment to the Village Board for discussion.
- b. END OF CALENDAR YEAR: W2 and 1099 Miscellaneous forms have all been printed and distributed in advance of the federal deadlines.
- c. CREDIT CARD ACCEPTANCE: Due to staffing changes in the Illinois State Treasurer's Office, our implementation has been delayed. Representatives from the State will be at Village Hall on Monday, February 4th for training and implementation.

II. Financial Management

- A. MONTHLY FINANCIAL REPORT: December's financial report will be presented at the February 18th board meeting.
- B. WATER AND SEWER RATES: Staff has been diligently working through the analysis of water and sewer rate increases and will be bringing an ordinance forward for board consideration on February 4th. Per the direction of the board on January 7th, the ordinance includes rate increases effective May 1, 2013 and May 1, 2014.

Respectfully Submitted,

Jodie K. Andrew

Director of Finance

Date: 1/28/13

February 2013

VILLAGE OF LAKE ZURICH MEETINGS Village Hall Board Room, 70 E. Main Street

						1	2
							Groundhog Day
3	4	5	6	7	8	9	
	7:00 PM Board Meeting	6:30 PM Tree Comm, 505 Telser Rd.					
10	11	12	13	14	15	16	
		6:30 PM Park & Rec. mtg. Lincoln's Birthday		Valentine's Day			
17	18	19	20	21	22	23	
	Village Offices	5:00 PM Fire & Police Comm, 200 Mohawk Trl.	7:00 PM Plan Comm. mtg.	7:30 PM ZBA (Canceled)	Washington's Birthday		
24	25	26	27	28			

Jan 2013						
S	M	T	W	T	F	S
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

Mar 2013						
S	M	T	W	T	F	S
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

Lake Zurich Foreign Fire Insurance Board

Notice of Meeting

The Lake Zurich Foreign Fire Insurance board will meet at Fire Station #1
321 S. Buesching Rd. Lake Zurich, IL on Wednesday, January 23, 2013 at 0800 hrs.

Agenda

1. Call to order

2. Roll Call

Terry Johnston	Dave Wheelock
Brian Blaauw	Greg Brendle
Jeff Ritchie	Mike Hautzinger
Lee Kammin	

3. Public Comment

4. Approve 12/3/2012 minutes

5. Financial Report

6. Old Business

A. Station 1 Sign

7. New Business

A. 2012 Election of Officers (Chairman, Secretary, Treasurer)

B. Purchase Order Request

1. Toro Leaf Blower for Station 2 - \$55.97

2. Knox Keysecure Master Key Retention 12 x \$895.00 = \$10,740.00
Plus \$130.00 Shipping Total 10, 870.00

3. Knox Medvault 5x \$1,300.00 = \$6500.00
plus \$150.00 Shipping = \$6650.00 Total

8. Adjourn

The Village of Lake Zurich is subject to the requirements of the Americans with Disabilities Act of 1990. Individuals with disabilities who plan to attend this meeting and who require certain accommodations so that they can observe and/or participate in this meeting, or who have questions, regarding the accessibility of the meeting or the facilities, should contact the Lake Zurich Fire/Rescue dept. at (847) 540-5070 (TDD# 847-438-2349) promptly to allow the Fire/Rescue dept. to make reasonable accommodations for those persons.


70 E. Main Street
Lake Zurich, IL 60047



Phone: (847)438-5141
Fax: (847) 540-1768
Web: www.volz.org

MEMORANDUM

Date: January 28, 2013

To: Jason T. Slowinski, Village Manager 

From: Patrick M. Finlon, Chief of Police

Subject: **Agreement to Provide Police Dispatch Services to the Village of Island Lake**

Issue: The Lake Zurich Public Safety Answering Point/Dispatch Center has sought to expand its client base in an effort to provide more efficient services. In November, 2011 the Village of Deer Park elected to receive police services from the Lake County Sheriff's Office. This resulted in the Village of Kildeer reducing the shift staffing of its Police Department thereby reducing the overall activity and communications load. This resulted in a loss of revenue source to the Village of Lake Zurich due to the Village of Deer Park no longer requiring dispatch services.

Analysis: The reduction of on-duty police personnel in the Village of Kildeer provided an opportunity to seek other entities as clients for dispatch services. The Village of Island Lake was exploring the possibility of outsourcing their dispatch services. In an analysis of the Island Lake Police Department's activity, it was determined that the Lake Zurich PSAP could accommodate the increased activity without the need for expansion of staff. Intergovernmental Agreements exist between the Village of Kildeer and Hawthorn Woods for Police Dispatch Services. From these agreements, the current mechanism to determine fees for dispatch services was applied to the Island Lake Police Department activity, specifically, the manner in which calls-for-service are charged. The manner in which the call is originated is the basis for the fee per call – Complainant Originated, Officer Initiated, and MDC Originated. In the analysis of activity it was identified that the Island Lake Police Department had proportionally more Officer Originated calls. By applying the ratio of calls experienced by the Lake Zurich Police Department using the current operating procedures an initial annual fee was determined for the first year of service - \$111,700.00. Subsequent service years will be based on the current fee structure as applied to the Villages of Kildeer and Hawthorn Woods. The Village of Island Lake has committed to enter into an intergovernmental agreement for dispatch services – a draft agreement has been developed for review.

Recommendation: Enter into an agreement with the Village of Island Lake to provide Police Dispatch Services.

w/Attachments:

***Dispatch Services Agreement between the Village of Lake Zurich,
and the Village of Island Lake***

This Agreement is made and entered into as of this _____ day of _____, 2013, by and between the Village of Lake Zurich, Lake County, Illinois, an Illinois municipal corporation ("Lake Zurich"), and the Village of Island Lake, Lake and McHenry Counties, Illinois, an Illinois municipal corporation ("Island Lake") (Lake Zurich and Island Lake shall be referred to collectively as the Parties");

WITNESSETH

WHEREAS, Lake Zurich and Island Lake desire to enter into an agreement as of the date set forth above, under which Lake Zurich agrees to provide Island Lake with certain public safety radio Dispatch Services, utilizing personnel and equipment maintained and operated by Lake Zurich; and

WHEREAS, it has been determined by the corporate authorities of Lake Zurich and Island Lake, respectively, that this Agreement is in the best interests of each of the signatory Parties; and

WHEREAS, the Parties have the power and authority to enter into this Agreement pursuant to the provisions of Article VII, section 10 of the Illinois Constitution of 1970, and the Illinois Intergovernmental Cooperation Act, as amended, 5 ILCS 220/1 et. seq., and other applicable authority;

NOW, THEREFORE, for and in consideration of the mutual covenants herein made and pursuant to all applicable statutes and local ordinances, and for other good and

Dispatch Services Agreement among the Village of Lake Zurich and the Village of Island Lake – Draft

valuable consideration the receipt and sufficiency of which are hereby mutually acknowledged, the Parties do hereby agree as follows:

Section 1. Recitals. The foregoing recitals are by this reference incorporated herein and made a part hereof.

Section 2. Dispatch Services Provided by Lake Zurich. Lake Zurich hereby agrees that its radio dispatchers/telecommunicators shall accept and monitor the police department emergency telephone numbers of Island Lake in order to obtain information to assign calls-for-service and monitor traffic on police and fire radio frequencies, maintain a log of all such communications (electronic or written), relay information received by such means to the on-duty police personnel by means of voice radio and mobile data communications, monitor communications from and between Island Lake's police personnel and relay messages as necessary, and accurately input and update call-for-service information into the computer aided dispatch (CAD) system. Lake Zurich shall provide Dispatch Services continuously, 24 hours a day, seven days a week, including all State of Illinois and Federal holidays; provided, however, that Dispatch Services shall be provided to Island Lake only to the extent possible utilizing Lake Zurich's dispatcher personnel and equipment. In the event of immediate, overlapping needs for Dispatch Services, the calls, when possible, shall have priority in accordance with the seriousness of the service requested. The term "priority" shall have the meaning determined therefore by the Joint Operations Committee and the Lake County ETSB, as the Joint Operations Committee is defined in Section 8 of this Agreement, and approved by the Lake Zurich Board of Trustees.

Dispatch Services Agreement among the Village of Lake Zurich and the Village of Island Lake – Draft

Section 3. Dispatch Services Disruption or Failure; Waiver. If Dispatch Services are disrupted or fail for any reason, Lake Zurich shall notify Island Lake of such disruption as soon as practicable and shall inform Island Lake of the nature of the disruption or failure, if known, as well as the expected length of time before Dispatch Services are restored. Lake Zurich also shall notify Island Lake as soon as Dispatch Services are restored. Island Lake hereby waives and releases any and all claims or causes of action against Lake Zurich for costs, fees, claims, or expenses incurred by Island Lake that arise out of or relate in any way to any such disruption or failure of Dispatch Services.

Section 4. Payment. Island Lake hereby agrees to pay Lake Zurich for all Dispatch Services provided by Lake Zurich pursuant to this Agreement, a sum to be determined annually as provided in this Section 4.

A. **Users.** The allocation of costs shall be made based on, among other factors defined in this section, the number of CAD incidents generated by "Users" of Dispatch Services. The term "Users" shall include:

- (i) Lake Zurich Police Department
- (ii) Hawthorn Woods Police Department
- (iii) Kildeer Police Department
- (iv) Lake Zurich Fire Department
- (v) Lake Zurich Department of Public Works
- (vi) Island Lake Police Department
- (vii) Any area outside of the existing area of any party as of May 1, 2013, for which Dispatch Services are commenced, as determined by the Joint Operations Committee and the Village of Lake Zurich Board of Trustees.

B. **Service Fee – First Service Period.** For purposes of the First Service Period of this Agreement (the effective date of this Agreement through April 30,

Dispatch Services Agreement among the Village of Lake Zurich and the Village of Island Lake – Draft

2014), the Village of Island Lake will be assessed \$ 9,309.90 per month to allow for adjustment of the Island Lake Police Department operations in order to benefit from the service fee structure.

C. **Service Fee – Second and Subsequent Years.** After the First Service Period of this Agreement (effective date through April 30, 2014), the fees charged to Island Lake shall be calculated on the same basis as for all other Users, based on the number of computer aided dispatch system incidents for the preceding year, subject to the limitation contained in subsection 4E. "Incidents" shall mean the number of events generated by, or stored in the Lake County ETSB computer Aided Dispatch System for a User and any additional area served by the User. A User providing services outside its immediate jurisdiction will be responsible for any fees resulting from incidents assigned, initiated, or completed by members of that agency. The number of Incidents shall be calculated by the Lake Zurich Police Department Communications Director and shall be weighted as follows:

1. **Police - Officer Initiated Calls** – A computer aided dispatch incident that is initiated by a Dispatcher for personnel of the respective User not using a mobile data terminal/computer (MDT/MDC), as indicated in Appendix "A" of this Agreement. Such incidents include, but are not limited to, traffic stops and other on-view incidents initiated by User personnel using an MDT/MDC.

2. **Police - Complainant Initiated Calls-for-Service** – An incident originated by a call for service within the User's area of responsibility received by a Dispatcher and assigned to on-duty User personnel, as indicated in Appendix "A" of this Agreement.
3. **Police and Fire - Mobile Data Terminal/Mobile Data Computer Initiated Calls** – An incident initiated by User personnel using a MDT/MDC in the field. Users shall not be assessed any fee for such incidents stored in the Lake County Lake ETSB CAD System.
4. **Fire – Calls-for-Service** – Reserved

D. **Determination of Service Fee:** Except as otherwise provided in this Agreement, each User's Service Fee shall be determined by the Village of Lake Zurich by January 15th of each year during the term of this Agreement, unless a mutual extension of time is agreed upon no later than the last day of January. The failure of Lake Zurich to meet the January 15th date for Determination of the Service Fee shall not relieve a User from paying the full amount of its Service Fee as it comes due, calculated as provided in this Section 4. Fees will be based on the total number of chargeable CAD incidents generated in the previous calendar year.

E. **Limitation on Increases in Service Fee:** During the term of this Agreement, the percentage increase in the Service Fee charged to Island Lake for service periods after the First Service Period shall not exceed the percentage increase in personnel costs (wages and benefits for Lake Zurich radio

dispatchers/telecommunicators) for any fiscal year for which a determination is made pursuant to subsection 4.D.

F. **Conditional Right to Deny Services.** Lake Zurich shall have the right, in the exercise of its sole and absolute discretion based on factors such as system capacity, personnel, costs, payments, location, and similar factors, to deny Dispatch Services for any extraterritorial area defined in Subsection 4A (vii) above unless such area is reviewed and recommended by the Joint Operations Committee and approved by the Lake Zurich Board of Trustees in advance of the commencement of police services or Dispatch Services to such area.

G. **Time for Payment.** Each recipient shall pay to Lake Zurich, in equal monthly installments, its respective Service Fee for each Service Period or year during the term of this Agreement. Each Recipient shall pay the first monthly installment to Lake Zurich by the 15th of each month. There shall be no discount for any lump-sum pre-payment of annual Service Fees. For purposes of this Agreement, a year will begin May 1st and end April 30th.

Section 5. Effective Date, Term, and Termination. This Agreement shall commence on _____ and shall remain in full force and effect until April 30, 2018. This Agreement shall be renewed automatically thereafter, without additional actions of the Parties, for successive five-year terms unless written notice of cancellation of this Agreement is received by Lake Zurich at least 120 days prior to the date of expiration of the current term of this Agreement. A User may cancel this Agreement at any time during any one of its terms by written notice of such cancellation received by

Dispatch Services Agreement among the Village of Lake Zurich and the Village of Island Lake – Draft

Lake Zurich at least 18 months in advance of cancellation. Lake Zurich may terminate this Agreement upon 180 days notice to the User or Users, or at any time because of a User's failure to make the payments required pursuant to Section 4 of this Agreement within 30 days after written notice from Lake Zurich of the overdue amount.

This Agreement may also be terminated by Lake Zurich or any User upon thirty (30) days advance written notice in the event of material breach of the terms and conditions of this Agreement; provided however, the thirty (30) day notice of termination shall not be effective if the Party alleged to be in breach cures the material breach within the thirty (30) day period if the nature of the breach is such that a cure can reasonably be effected within thirty (30) days, or, if such cure cannot be reasonably effected within thirty (30) days, the Party alleged to be in breach commences a cure within the thirty (30) day period and diligently pursues such cure to completion thereafter.

Section 6a. Maintenance of the Radio System. The Village of Lake Zurich agrees to maintain the current UHF and VHF radio systems as the systems exist at the initiation of this Agreement. Each User agency shall be responsible for procuring and maintaining its mobile and portable radio equipment for use by their personnel on this system. However, any upgrade to the current radio system necessary due to a need to expand the current system to address areas of coverage for a specific User or the expansion of public safety services to another Municipal Corporation will be the sole responsibility of the contracting municipality. All equipment must be compatible with any radio system used by the Village of Lake Zurich 9-1-1 Dispatch Center.

Prior to any significant changes to the Dispatch Radio System, the changes will be discussed with all parties of this Agreement.

The base radio stations, antennas, satellite receivers, and other related radio equipment, except those improvements made by a specific entity to address radio coverage, remain the property of the Village of Lake Zurich.

Section 6b. Upgrade of Telephone System. Users agree that any changes in the User's service area that requires installation of additional, or an upgrade to existing, telephone equipment to the Village of Lake Zurich Public Safety Answering Point, 9-1-1 Dispatch Center shall be the sole expense of the responsible User.

Section 7. Increases to Service Fee. Any increase or decrease in the Service Fee shall be as a result of a change in the number of Complainant or Officer Initiated ETSB CAD System Incidents. Except as otherwise provided in subsection 4E, there shall be no limit on the amount of increase or decrease in User fees.

Section 8. Joint Operations Committee. A Joint Operations Committee is hereby established to develop and suggest, from time to time, as needed, universal operational rules and procedures for the provision of Dispatch Services provided pursuant to this Agreement. Additionally, issues that mutually affect all recipients of Dispatch Services may be discussed at Joint Operations Committee meetings. The Joint Operations Committee shall be comprised of one representative each from the Lake Zurich Police Department, Lake Zurich Fire Department, Hawthorn Woods Police Department, Island Lake Police Department, and Kildeer Police Department. One of the representatives from the Village of Lake Zurich shall serve as chairperson of the Joint Operations Committee.

In the event that additional Police or Fire Department agencies enter into an agreement for Dispatch Services from the Village of Lake Zurich, one representative from each additional User will become a member of the Joint Operations Committee.

Section 9. Enforcement. The Parties hereto may, in law or in equity, by suit, action, mandamus, or any other proceeding including without limitation specific performance, enforce or compel the performance of this Agreement; provided, however, that each Recipient agrees that it shall not seek, and does not under any circumstances have the right to seek, to recover any judgment for monetary damages against Lake Zurich or any Lake Zurich elected or appointed officials, agents, representatives, attorneys, or employees on account of the negotiation, execution, performance, or breach of any of the terms or conditions of this Agreement, except only against Lake Zurich in the event of a willful and malicious failure and refusal by Lake Zurich to provide Dispatch Services in accordance with the terms of this Agreement. In the event of a judicial proceeding brought by any of the Parties to this Agreement against another Party for enforcement or for breach of any provision of this Agreement, the prevailing party in such judicial proceeding shall be entitled to reimbursement from the unsuccessful Party of all costs and expenses, including reasonable attorneys' fees, incurred in connection with such judicial proceeding.

Section 10. Indemnity. Island Lake shall, and do hereby agrees to, join with the other Users in indemnifying Lake Zurich and its elected and appointed offices, officials, attorneys, employees, and hold them harmless from any claim, injury, or loss, no matter how sustained allegedly, arising out of or related in any way to the provision of, the use

of, the misuse of, or the disruption or failure of Dispatch Services pursuant to this Agreement. Each Party agrees to jointly defend against any claim or action brought against any of the Parties related to Dispatch Services to the extent of such Party's relative degree of culpability.

Section 11. Appropriations. Lake Zurich agrees to appropriate annually such funds as may be reasonably necessary to provide Dispatch Services pursuant to this Agreement. Island Lake agrees to appropriate annually all funds necessary to make payments to Lake Zurich pursuant to this Agreement.

Section 12. Amendments; Waivers. This Agreement and the rights created by this Agreement may not be amended, modified, or waived in any respect except by written agreement expressly referring to this Agreement and duly validly authorized, executed, and delivered by all of the Parties hereto.

Section 13. Notices. All notices and other communications in connection with this Agreement shall be in writing and shall be deemed delivered to the addressee thereof when delivered in person at the address set forth below or three business days after deposit thereof in any main or branch United States post office, certified or registered mail, return receipt requested, postage prepaid, properly addressed to the Parties, respectively, as follows:

For notices and communications to Lake Zurich:

Village Manager
Village of Lake Zurich
70 East Main Street
Lake Zurich, Illinois 60047

Dispatch Services Agreement among the Village of Lake Zurich and the Village of Island Lake – Draft

For notices and communications to Island Lake:

Finance Director
Village of Island Lake
3720 Greenleaf Ave.
Island Lake, Illinois 60042

By notice complying with the foregoing requirements of this Section 13, each Party shall have the right to change the address or addressee or both for all future notices and communications to such party, but no notice of such change of address shall be effective until actually received.

In Witness Whereof, the Parties have set their hands and affixed their seals as of the _____ day of _____, 2013.

Village of Lake Zurich

By: _____
Village President

Attest:

Village Clerk

Village of Island Lake

By: _____
Mayor

Attest:

Village Clerk

Dispatch Services Agreement among the Village of Lake Zurich and the Village of Island Lake – Draft

Appendix "A"

As provided in Section 4 – Payment, sub-section C, -Service Fee, the table below will identify the Service Fees to be assessed in subsequent years of this Agreement:

1. Police – Officer Initiated

YEAR	2014	2015	2016	2017
Service Fee	Subsection 4B*	\$13.51 plus**	2015 plus***	2016 plus****

2. Police – Complainant Initiated Calls-for-Service

YEAR	2014	2015	2016	2017
Service Fee	Subsection 4B*	\$19.13 plus**	2015 plus***	2016 plus****

All Service Fee calculations are based on the number of Lake County Emergency Telephone System Board – Computer Aided Dispatch incidents generated in the previous calendar year applying the above Service Fee per incident.

* As stated in subsection 4B, the Service Fee for the First Service Period shall be \$9,309.90 per month.

** The service fee for FY 2015 shall be the specified rate per Officer Initiated (\$13.51) or Complainant Initiated (\$19.13) Call, adjusted as determined by the Village of Lake Zurich, not to exceed a percentage increase equivalent to the percentage increase in personnel costs over the previous year for Lake Zurich radio dispatchers/telecommunicators.

*** The service fee for FY 2016 shall be the specified rate per Officer Initiated or Complainant Initiated Call, adjusted as determined by the Village of Lake Zurich, not to exceed a percentage increase equivalent to the percentage increase in personnel costs over the previous year for Lake Zurich radio dispatchers/telecommunicators.

**** The service fee for FY 2017 shall be the specified rate per Officer Initiated or Complainant Initiated Call, adjusted as determined by the Village of Lake Zurich, not to exceed a percentage increase equivalent to the percentage increase in personnel costs over the previous year for Lake Zurich radio dispatchers/telecommunicators.

PUBLIC NOTICE
TREE COMMISSION MEETING
Public Works Facility
505 Telser Road. 2nd floor Conference Room

February 5, 2013, 6:30P.M.

AGENDA

- A. Call to Order - Scott Garrison, Chairperson
- B. Roll Call - Members Judi Thode, Mary Kozub, Jim Mihelic and Toni Rey
- C. Public Comment
- D. Approval of minutes, January 8, 2013
- E. Old Business
- F. Forestry Budget
- G. Arbor Day
- H. New Business
- I. Adjournment

The Village of Lake Zurich is subject to the requirements of the Americans with Disabilities Act of 1990. Individuals with disabilities who plan to attend this meeting and who require certain accommodations so that they can observe and/or participate in this meeting, or who have questions, regarding the accessibility of the meeting or the Village's facilities, should contact the Village's ADA Coordinator at (847) 438-5141 (TDD#438-2349) promptly to allow the Village to make reasonable accommodations for those persons.

UNAPPROVED
VILLAGE OF LAKE ZURICH
TREE COMMISSION
505 Telser Road, Lake Zurich
January 8, 2013 6:30 PM

- A. CALL TO ORDER
The meeting was called to order by Chairman Garrison at 6:30 PM
- B. ROLL CALL-Present were Judi Thode, Mary Kozub, Toni Rey, Scott Garrison, Jim Mihelic and Village Liaison Shawn Walkington.
- C. PUBLIC COMMENT- None
- D. APPROVAL OF MINUTES – Commissioner Rey motioned to approve minutes of December 4, 2012. Commissioner Thode seconded. Voice vote, AYES have it. MOTION CARRIED.
- E. OLD BUSINESS- Chairman Garrison handed out meeting dated for 2013.
Chairman Garrison picked up agreement between Village of Lake Zurich and Oaks Subdivision. He didn't find any money set aside for tree preservation. He did talk with Building and Zoning Director Peterson. Director Peterson said the Tree Commission could send JMLJ a letter expressing our concerns about the health of the Oak trees. Chairman Garrison will draft a letter for our next meeting.
Chairman Garrison handed out updated EAB map.
- F. FORESTRY BUDGET- Liaison Walkington informed Commission that Public Works director Heyden has been put on administrative leave and that General Services Superintendent Mike Brown is now working on 2013 budget. The Budget numbers that the Tree Commission has recommended have been put in the 2013 budget.
- G. ARBOR DAY- Commissioner Rey contacted the Arbor Day foundation. We can order evergreen trees 50 for \$100. Liaison Walkington will order trees. Liaison Walkington will contact Sarah Adams School about planting a tree there for Arbor Day.
- H. NEW BUSINESS- Chairman Garrison had information from the IDNR on ways to raise money.
- H. ADJOURNMENT – MOTION was made by Chairman Garrison, seconded by Commissioner Thode to adjourn the meeting. Voice votes, AYES have it. MOTION CARRIED
Meeting adjourned at 7:40 PM.

Respectfully submitted: Shawn Walkington

Approved by: _____
Scott Garrison, Chairperson

Date: _____

70 E. Main Street
Lake Zurich, IL 60047



Phone: (847) 438-5141
Fax: (847) 540-1768
Web: www.volz.org

MEMORANDUM

Date: January 30, 2013
To: Jason T. Slowinski, Village Manager
From: Daniel A. Peterson, Director of Building & Zoning
Subject: Retail Vacancy Report Quarter 4 - 2012

Issue: The Building & Zoning Department has compiled the 2012 Fourth Quarter Retail Vacancy report for Lake Zurich.

Analysis: The Village of Lake Zurich Retail Vacancy numbers continue to show improvement for the third consecutive quarter. The current vacancy rate improved to 9.57% down from 10.21% in Quarter 3 2012 a net gain of 2,782 sq. ft of occupied space. The year to year vacancy rate has improved from 12.71% in Quarter 4 2010 to 9.57% Quarter 4 2012. Average rental rates continue to improve as well.

The Lake Zurich vacancy rate is lower than both the Chicago Area 11.50%, a slight increase from Q2 and National Average of 10.80% for Quarter 4 2012.

During the quarter the Village gained the following occupancies:

- Title Boxing
- House of Madeira
- Hot Rolls
- Chasers
- Diamond Dental

The Village did experience the loss of 3 businesses during the quarter.

Recommendation: For informational purposes only. No action required.

w/Attachments:

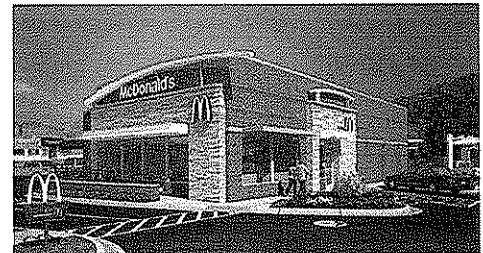
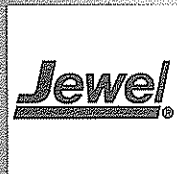
1. Available Retail Properties Report Fourth Quarter - 2012

Available Retail Properties

Fourth Quarter- 2012



Major retailers located along IL Route 22
and US Route 12



McDonald's Approved at Bradford Town
Crossing on Quentin Road



Midwest Motors opened in the fall at
540 Cortland Dr.

Learn More:

www.volz.org/ed (847) 540-1698

Information contained herein is for reference only. The Village of Lake Zurich assumes no liability for any errors and/or omissions. Featured properties do not represent all properties available for sale or lease in the Village of Lake Zurich.

Market Overview

Fourth Quarter– 2012



Vacancy and Supply

	3rd quarter 2012	4th Quarter 2012		3rd Quarter 2012	4th Quarter 2012
Total Units:	257	257	Total Retail Space (Sq. Ft.)	1,833,895	1,918,766**
Total Vacant Units:	31	29	Total Vacant Retail Space	187,221	183,570
Total Occupied				1,646,674	1,735,196
Lake Zurich Retail Vacancy Rate:	10.21%	9.57%			
Chicago Area Retail Vacancy Rate*:	11.30%	11.50%			
National Average*:	10.90%	10.80%			

*Source: National Association of Realtors www.realtors.org/reports/commercial-real-estate-market-outlook

** Increase in Total Retail Space is due to clerical error of missing retailer (Kohl's) and movement of office space into separate category.

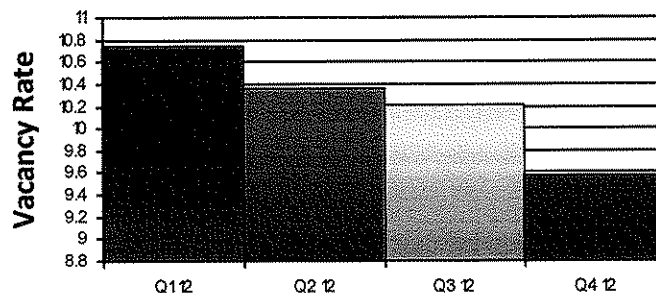
Key Indicators

	Q3 2012	Q4 2012	
Vacancy	10.21%	9.57%	↓
Rental Rate	\$15.61	\$16.42	↑

Year to Year Vacancy Rate

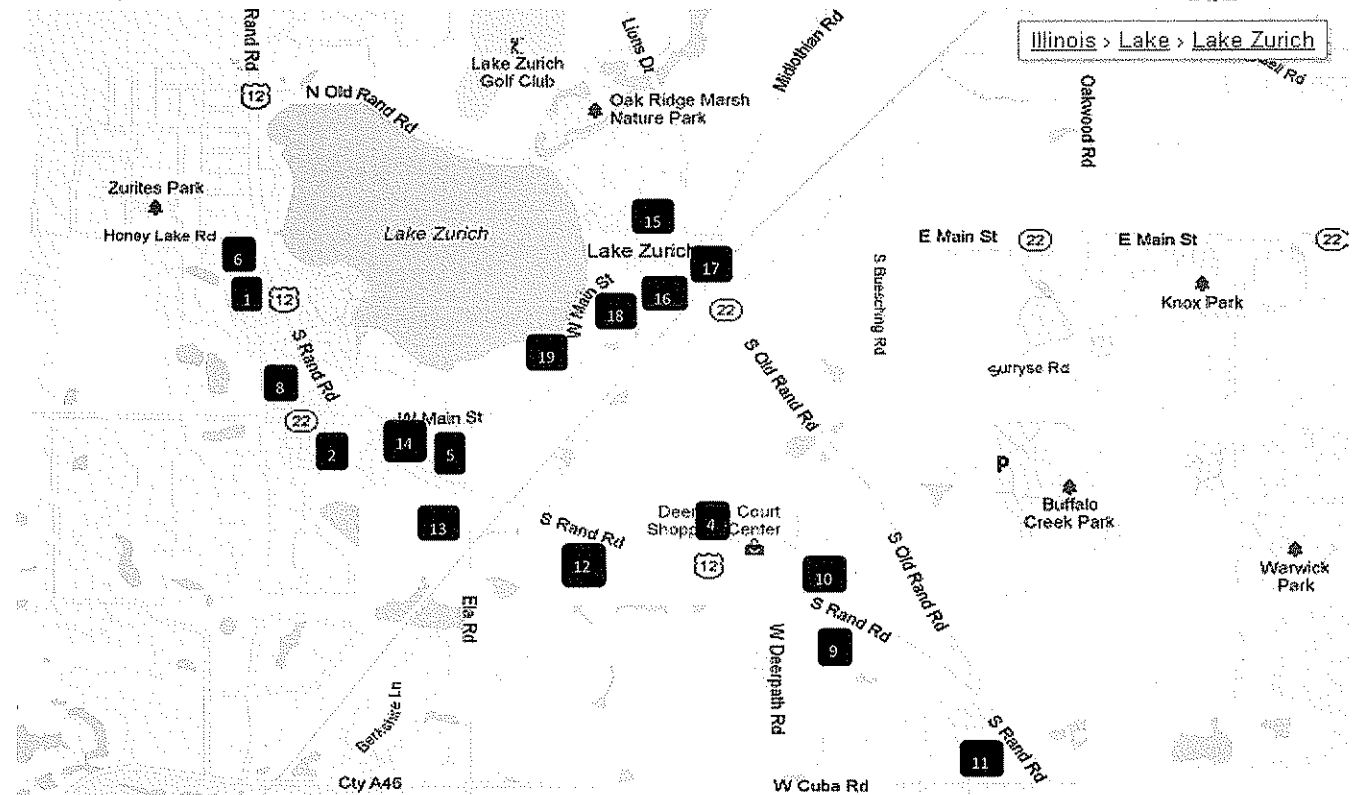
Q4 2010	Q4 2011	Q4 2012
12.71%	11.87%	9.57%

Vacancy Rate: Last Four Quarters



Properties for Sale or Lease

Fourth Quarter– 2012



Num.	Property Address	Unit	Sq.Ft.	Firm	Contact Name	Phone Number	Sale or Lease	Price
1	207 South Rand Rd.		1,235	SK Lake Zurich Square, Inc	Ki Lim Lee	(224) 612-1703	Lease	\$22.36 SF
1	217 South Rand Rd.		2,650	SK Lake Zurich Square, Inc	Ki Lim Lee	(224) 612-1703	Lease	\$15 SF
1	225 S. Rand Rd.		88,000	Garden Commercial Properties	Mark Hoffman	(973) 467-5000	Lease	\$10 SF
2	463 S. Rand Rd.		5,000	The Fidelity Group Ltd.	James Grund	(847) 438-5000	Lease	\$16 SF
2	475 S. Rand Rd.		5,675	The Fidelity Group Ltd.	James Grund	(847) 438-5000	Lease	\$16 SF
2	767 W. Rt. 22		1,100	The Fidelity Group Ltd.	James Grund	(847) 438-5000	Lease	\$16 SF
3	571 N. Rand Rd		2,400	MEI Properties, LTD	Mark Ignas	(847) 574-1620		
4	724 S. Rand Rd		5,600	The Fidelity Group Ltd.	James Grund	(847) 438-5000	Lease	\$14 SF
4	748A S. Rand Rd		21,000	The Fidelity Group Ltd.	James Grund	(847) 438-5000	Lease	\$12 SF
5	492 S. Rand Rd.		1,231	Jung Partnerships	Jim Jung	(773) 545-8515		
6	189 S. Rand Rd.		4,700	Mid-America Asset Management	Katie Hennegan	(630) 954-7300	Lease	
6	185 S. Rand Rd.		1,240	Mid-America Asset Management	Katie Hennegan	(630) 954-7300	Lease	
6	181 S. Rand Rd		1,260	Mid-America Asset Management	Katie Hennegan	(630) 954-7300	Lease	
6	173 S. Rand Rd.		1,260	Mid-America Asset Management	Katie Hennegan	(630) 954-7300	Lease	
6	159 S. Rand Rd.		1,260	Mid-America Asset Management	Katie Hennegan	(630) 954-7300	Lease	
6	91 S. Rand Rd.		1,260	Mid-America Asset Management	Katie Hennegan	(630) 954-7300	Lease	
6	83 S. Rand Rd.		1,260	Mid-America Asset Management	Katie Hennegan	(630) 954-7301	Lease	
6	53 S. Rand Rd.		2.52	Mid-America Asset Management	Katie Hennegan	(630) 954-7300	Lease	
7	449 S. Rand Rd.		5,900	RJ Rymek & Co.	Richard Rymek	630-257-8888	Sale or Lease	\$36.61 SF
7	561 W. Main St.		8,000		Dennis Conley	(847) 550-0639		

Property for Sale or Lease



Fourth Quarter– 2012

Num.	Property Address	Unit	Sq.Ft.	Firm	Contact Name	Phone Number	Sale or Lease	Price
8	291 S. Rand Rd	A007	8,923	Federal Realty Investment Trust	Susan Ross	(561) 347-2929	Lease	
8	307 S. Rand Rd.	A009	1,650	Federal Realty Investment Trust	Susan Ross	(561) 347-2929	Lease	
8	353 S. Rand Rd	B001	1,051	Federal Realty Investment Trust	Susan Ross	(561) 347-2929	Lease	
8	850 W. Main St	B010	1,160	Federal Realty Investment Trust	Susan Ross	(561) 347-2929	Lease	
9	925 S. Rand Rd.		1,650	The Fidelity Group Ltd,	James Grund	(847) 438-5000	Lease	\$24 SF
10	890 C S. Rand Rd.	C	1,680	The Fidelity Group Ltd.	James Grund	(847) 438-5000	Lease	
11	1261 S. Rand Rd.		1,200	Craig/Steven Development Corp.	David Strusiner	(847) 564-5740	Lease	
11	1249 S. Rand Rd.		1,206	Craig/Steven Development Corp.	David Strusiner	(847) 564-5740	Lease	

Additional Office and Downtown Properties Available

12	755 S. Rand Rd.		40,699	Envision Realty Advisors	Peter Rusnak	(847) 733-4080	Sale	
13	765 Ela Rd.	105	3,396	The Fidelity Group Ltd,	James Grund	(847) 438-5000	Lease	\$26.50 SF
13	765 Ela Rd.	107	1,497	The Fidelity Group Ltd,	James Grund	(847) 438-5000	Lease	\$26.50 SF
13	765 Ela Rd.	203	1,038	The Fidelity Group Ltd,	James Grund	(847) 438-5000	Lease	\$26.50 SF
13	765 Ela Rd.	208	837	The Fidelity Group Ltd,	James Grund	(847) 438-5000	Lease	\$26.50 SF
13	765 Ela Rd.	302	1,081	The Fidelity Group Ltd,	James Grund	(847) 438-5000	Lease	\$26.50 SF
13	765 Ela Rd.	303	417	The Fidelity Group Ltd,	James Grund	(847) 438-5000	Lease	\$26.50 SF
13	755 Ela Rd.	200	1,840	The Fidelity Group Ltd,	James Grund	(847) 438-5000	Lease	\$26 SF
13	795 Ela Rd.	110	2,619	The Fidelity Group Ltd,	James Grund	(847) 438-5000	Lease	\$26.50 SF
13	795 Ela Rd.	115	1,363	The Fidelity Group Ltd,	James Grund	(847) 438-5000	Lease	\$26.50 SF
13	795 Ela Rd.	120	1,256	The Fidelity Group Ltd,	James Grund	(847) 438-5000	Lease	\$26.50 SF
13	795 Ela Rd.	200	735	The Fidelity Group Ltd,	James Grund	(847) 438-5000	Lease	\$26.50 SF
13	795 Ela Rd.	212	1,184	The Fidelity Group Ltd,	James Grund	(847) 438-5000	Lease	\$26.50 SF
14	466 S. Rand Rd.	101L	2,314	Chicagoland Commercial Real Estate	Lindsay Borkan	(847) 246-9633	Lease	\$18 SF
14	466 S. Rand Rd.	102L	1,914	Chicagoland Commercial Real Estate	Lindsay Borkan	(847) 246-9633	Lease	\$18 SF
14	466 S. Rand Rd.	203	534	Chicagoland Commercial Real Estate	Lindsay Borkan	(847) 246-9633	Lease	\$18 SF
14	466 S. Rand Rd.	211	1,917	Chicagoland Commercial Real Estate	Lindsay Borkan	(847) 246-9633	Lease	\$18 SF
14	466 S. Rand Rd.	212	2,890	Chicagoland Commercial Real Estate	Lindsay Borkan	(847) 246-9633	Lease	\$18 SF
14	466 S. Rand Rd.	301	533	Chicagoland Commercial Real Estate	Lindsay Borkan	(847) 246-9633	Lease	\$18 SF
14	466 S. Rand Rd.	302	1,208	Chicagoland Commercial Real Estate	Lindsay Borkan	(847) 246-9633	Lease	\$18 SF
14	466 S. Rand Rd.	306	564	Chicagoland Commercial Real Estate	Lindsay Borkan	(847) 246-9633	Lease	\$18 SF
14	466 S. Rand Rd.	310	1,451	Chicagoland Commercial Real Estate	Lindsay Borkan	(847) 246-9633	Lease	\$18 SF
15	40 N. Old Rand Rd.		1,100		John	(847) 438-0886	Lease	Negotiable
16	27 S. Old Rand Rd.					(847) 438-4689	Lease	
16	45 S. Old Rand Rd.	B	2,000	National Realty		(847) 852-3204	Lease	\$17.50 SF
17	48 S. Old Rand Rd.	105	1,552	National Realty		(773) 972-9320	Lease	\$9.95 SF
17	33 E. Main St.		1,100			(815) 347-0264	Lease	
18	83 W. Main St.				Jack Rackow	(847) 438-2055	Lease	
18	133 W. Main St.		3,259	Village Owned				
19	228 W. Main St.		4,670	Mazeika Family Limited				
20	365 Surryse Rd.	140	1,573	Lee and Associates	Rick Scardino	(773) 355-3040	Lease	\$20 SF
20	365 Surryse Rd.	150	1,186	Lee and Associates	Rick Scardino	(773) 355-3040	Lease	\$20 SF
20	365 Surryse Rd.	160	2,200	Lee and Associates	Rick Scardino	(773) 355-3040	Lease	\$20 SF
20	365 Surryse Rd.	220	2,198	Lee and Associates	Rick Scardino	(773) 355-3040	Lease	\$20 SF
20	365 Surryse Rd.	240	1,088	Lee and Associates	Rick Scardino	(773) 355-3040	Lease	\$20 SF
20	365 Surryse Rd.	260	1,400	Lee and Associates	Rick Scardino	(773) 355-3040	Lease	\$20 SF

LEARN MORE: www.volz.org/ed

70 E. Main Street
Lake Zurich, IL 60047



Phone: (847)438-5141
Fax: (847) 540-1768
Web: www.volz.org

PUBLIC NOTICE

ZONING BOARD OF APPEALS MEETING CANCELLED

The regular meeting of the Zoning Board of Appeals on Thursday,
February 21, 2013 is canceled.

Kathleen Johnson
Village Clerk

A handwritten signature in cursive script that reads "Kathleen Johnson".

Fax & Email: January 29, 2013 Herald, Courier
Posted: Web site
C: Packets
M. Meyer