

AGENDA
THE CITY OF ST. CHARLES
GOVERNMENT OPERATIONS COMMITTEE
ALD. STEVE WEBER, CHAIR
MONDAY, SEPTEMBER 18, 2023
IMMEDIATELY FOLLOWING THE CITY COUNCIL MEETING
CITY COUNCIL CHAMBERS – 2 EAST MAIN STREET

1. Call to Order

2. Roll Call

3. Administrative

4. Omnibus Vote - None

Items with an asterisk (*) are considered to be routine matters and will be enacted by one motion. There will be no separate discussion on these items unless a council member/citizen requests, in which event the item will be removed from the consent agenda and considered in normal sequence on the agenda.

5. Fire Department

- a. Recommendation to Approve the Closing of Parking Lot J and the 100 Block of Riverside Ave. from 6 a.m. to 5 p.m. on Saturday, October 14, 2023, for the Fire Department Open House Events.

6. Community Development

- a. Recommendation to approve a **Resolution** Authorizing the Mayor to Demand Payment Under a Letter of Credit – The Reserve of St. Charles Subdivision Phase 2 (To obtain \$343,249 from the Bank for City Use to Complete the Streets).
- b. Recommendation to Waive the Formal Bid Procedure and approve a **Resolution** to Authorize a Construction Contract with Geneva Construction for Street Pavement Work in The Reserve of St. Charles Subdivision Phase 2 (In the amount of \$385,818).

7. City Administration

- a. St Charles Initiative Background, Fundraising Update, and 1st Street Plaza Construction Update – Discussion Only.

8. Public Comment

9. Additional Items from the Mayor, Council or Staff

10. Executive Session

- Personnel – 5 ILCS 120/2(c)(1)
- Pending, Probable or Imminent Litigation – 5 ILCS 120/2(c)(11)
- Property Acquisition – 5 ILCS 120/2(c)(5)
- Collective Bargaining – 5 ILCS 120/2(c)(2)
- Review of Executive Session Minutes – 5 ILCS 120/2(c)(21)

11. Adjournment

ADA Compliance

Any individual with a disability requesting a reasonable accommodation in order to participate in a public meeting should contact the ADA Coordinator, Jennifer McMahon, at least 48 hours in advance of the scheduled meeting. The ADA Coordinator can be reached in person at 2 East Main Street, St. Charles, IL, via telephone at (630) 377 4446 or 800 526 0844 (TDD), or via e-mail at jmcmahon@stcharlesil.gov. Every effort will be made to allow for meeting participation. Notices of this meeting were posted consistent with the requirements of 5 ILCS 120/1 et seq. (Open Meetings Act).

 <p>CITY OF ST. CHARLES ILLINOIS • 1834</p>	AGENDA ITEM EXECUTIVE SUMMARY		Agenda Item number: 5a
	Title:	<p>Recommendation to Approve the Closing of Parking Lot J and the 100 Block of Riverside Ave. from 6 a.m. to 5 p.m. on Saturday, October 14, 2023 for the Fire Department Open House Events</p>	
Presenter:	Fire Chief Scott Swanson		
Meeting: Government Operations Committee		Date: September 5, 2023	
Proposed Cost: \$ 0		Budgeted Amount: \$ N/A	Not Budgeted: <input type="checkbox"/>
TIF District: Choose an item.			
Executive Summary (if not budgeted, please explain):			
<p>In conjunction with the 2023 Fire Prevention Week activities, the Fire Department will be conducting its annual open house on Saturday, October 14th from 12 noon to 3 p.m. The open house will offer the public the opportunity to examine tools and equipment, watch demonstrations of various rescue procedures and ask any questions they may have regarding fire protection and emergency medical services. In addition, the opportunity will exist for attendees to obtain information regarding public safety at one of the vendor booths that will be set up inside Fire Station #1. To ensure the safety of all attendee's, vendors and other participants, the Fire Department is requesting the closure of Parking Lot J, and the 100 Block of Riverside Avenue, from 6 a.m. to 5 p.m. to allow for set up, activities, and clean up.</p>			
Attachments (please list):			
Map of Requested Closure			
Recommendation/Suggested Action (briefly explain):			
<p>Recommend approval of closing parking Lot J and the 100 block of Riverside Drive from 6 a.m. to 5 p.m. for Fire Department Open House Events</p>			



Publication Date:
August 24, 2023
Data Source:
City of St. Charles, Illinois
Bond County, Illinois
DuPage County, Illinois
Projection: Transverse Mercator
Coordinate System: Illinois State Plane East
North American Datum 1983



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 <p>CITY OF ST. CHARLES ILLINOIS • 1834</p>	AGENDA ITEM EXECUTIVE SUMMARY		Agenda Item number: 6a
	Title:	<p>- Recommendation to approve a Resolution Authorizing the Mayor to Demand Payment Under a Letter of Credit – The Reserve of St. Charles Subdivision Phase 2 (To obtain \$343,249 from Bank for City Use to Complete the Streets)</p> <p>- Recommendation to Waive the Formal Bid Procedure and approve a Resolution to Authorize a Construction Contract with Geneva Construction for Street Pavement Work in The Reserve of St. Charles Subdivision Phase 2 (In the amount of \$385,818)</p>	
	Presenter:	Russell Colby, Community Development Director	
Meeting: Planning & Development Committee		Date: September 11, 2023	
Proposed Cost: \$385,818 contract, Requires \$42,569 in City Funds		Budgeted Amount: \$343,249 available from Bank (Developer Letter of Credit)	Not Budgeted: <input checked="" type="checkbox"/> \$42,569
TIF District: None			
<p>Executive Summary (if not budgeted, please explain): The item was discussed at P&D Committee on Sept. 11. In response to questions from Committee, staff is providing the following supplemental information:</p>			
<p><u>Project History</u></p> <ul style="list-style-type: none"> • The original developer of the Reserves was Ryland Homes. Ryland constructed the existing roads in Phase 2 in 2006-2007. This included the roadway curbing and base pavement. • Omni-Tech LLC purchased Phase 2 from Ryland in 2009. The City returned the original Financial Guarantee to Ryland and accepted a new Financial Guarantee from Omni-Tech for the remaining improvements in Phase 2. This guarantee did <u>not</u> include the base pavement, as this had already been constructed by Ryland. Land Improvement Agreements with Omni-Tech from 2009 and 2012 are attached for reference. The current Letter of Credit is also attached. 			
<p><u>Communication with the Developer</u></p> <ul style="list-style-type: none"> • Omni-Tech LLC, through manager Gary Janko, has designated Jay Dulla of Meritus Homes to represent their interests in discussions with the City. Meritus is an affiliate of Janko Group. • Staff has been in contact with Meritus representatives regularly since last year regarding the status of the road completion. Staff has communicated the City’s position that the base pavement requires full replacement, and that this work needs to be part of the final street construction in order for the City to accept the completed roadways. Meritus obtained quotes for the work as recently as this Spring and shared these quotes with the City. Their position has been that they will not be responsible for any cost that exceeds the Letter of Credit. • In July, after a meeting with Jay Dulla, staff formally directed Omni-Tech to complete the improvements this year and requested a response and construction schedule by August 4. We have received no written response. There has been communication by phone and email with Dulla, but Omni-Tech has not offered any official position to the City in writing. A written response was again requested this week following the recent Committee discussion. • Staff has consulted with the City Attorney regarding the status of the project and Land Improvement Agreement. The City has not yet declared the developer to be in default of the Land Improvement Agreement, pending consideration of these agenda items. 			

Work Scope for the Project

The work scope proposed includes the following:

- Contractor Mobilization
- Curb and Sidewalk repair as identified by our engineering inspector. This estimate includes sections of curbing that appear to have structural issues, not cosmetic damage.
- Driveway Aprons. This is only for driveways impacted by curb work. City practice with street work has been to replace entire aprons if impacted by curb work. Alternately, a shorter section of apron could instead be replaced if needed (1 to 2 ft.). However, aprons may not be impacted by the curb work given that the driveways in the subdivision are relatively new. This will be determined during the actual construction.
- Remove and replace deteriorated base pavement
- Final surface pavement course

Quotes

Staff obtained the following 5 quotes from paving contractors. The results are listed in the table below. Quotes are attached for reference.

Name of Firm	Quote
Geneva Construction	\$385,818
Builder's Paving	\$390,000
Schroeder Asphalt Services	\$413,444
J.A. Johnson Paving	\$424,200
Superior	\$435,000

Splitting up the project scope

If there was an interest to complete improvements up to the Financial Guarantee amount of \$343,249, staff would offer the following:

- The initial work would include: All curb/sidewalk/driveway aprons, and all roadway base removal/ replacement. Final surface course pavement could be installed next year, or alternately could also be installed to the extent possible within the budget amount this year. Final surface on the more highly trafficked roadways used to enter and exit the subdivision would be a priority (Reserve Dr. and Foley Ln.)
- The remaining work could then be budgeted and bid in Spring 2024. Note, costs would include a new mobilization by the paving contractor, and unit costs could be higher due to reduced project size.
- The City would need to complete the full project in order to try to recover any costs from the developer, so splitting the project would delay any legal process until Spring/Summer 2024.

Potential policy changes

- This is a unique situation as a result of the lengthy build out timeline for the subdivision. This timeline was not anticipated when the City accepted the 2009 guarantee.
- Going forward, staff will consider policy or code changes to prevent returning any financial guarantee for partially constructed roadways, and set more regular intervals to increase the guarantee amount as costs and conditions change over time.

Note, in this instance, despite the guarantee not including a line item cost to remove/replace the base pavement, the City still expects to cover 89% of the construction cost, if completed in a single project.

From Sept. 11 P&D Meeting summary:

Background

The Reserves Subdivision, located on the north end of the City along Route 31, was approved in 2005 and subdivision site improvements were installed by the original developer in 2006-2008. Phase 2, the western portion of the site, was purchased by the current developer, Omni-Tech, LLC, in 2009. The houses in Phase 2 were constructed by Meritus Homes and the build out was recently completed. At this time, the only remaining subdivision improvement to be completed are the streets in Phase 2, which includes curb/sidewalk repair and final paving surface. Completion of the street is the responsibility of Omni-Tech, LLC per their 2009 Land Improvement Agreement with the City.

Staff determined that because the base/binder course was exposed to the elements for nearly 15 years, the pavement has deteriorated and needs to be removed and new base/binder course installed before the final paving surface. The developer has informed the City that they are not willing to complete this full work scope, as they are not willing to fund any additional improvements over the remaining financial guarantee for the project, which is a Letter of Credit in the amount of \$343,249.

Proposal

The unwillingness of the developer to complete the full street improvements has left the City with 2 bad options; either attempt to force the developer to fulfill their obligation to construct all required public improvements—which would push the completion timeline into 2024—or assume the responsibility and expense to complete the required work. After discussion, staff concluded that City completion of the work this year is preferable, as the streets need maintenance prior to winter. Additionally, the residents of the “new” subdivision have been living with incomplete streets for a number of years, and are understandably frustrated.

The City requested quotes from 5 different street-paving contractors and the lowest quote to complete the required work is \$385,818. This quote is from Geneva Construction, the low bidder on the City’s 2023 Street Rehabilitation work. If the City decides to complete the work, the ‘shortfall’ between the available security funds and the project cost is \$42,569, but may be slightly more or less than this exact amount pending the final quantities needed for the work.

Geneva Construction has indicated that they can mobilize to complete this project during the current paving season *if the city commits to hire them for this project no later than the end of September.*

Should the Committee recommend that the City draw on the Letter of Credit and proceed with completion of the project, a Bid Waiver and Contract will be presented for City Council approval. This approval would be contingent upon the City successfully obtaining the Letter of Credit funds, and would require an additional budget add of \$42,569 to complete the project.

The developer, Omni-Tech, LLC, has indicated that they would not dispute the City drawing on the Letter of Credit. However, staff has not agreed to waive any rights under the Land Improvement Agreement to seek reimbursement from the developer, if possible.

Attachments (please list):

Aerial photo, Resolutions, Bid Waiver, Quotes, Letter to Developer, Land Improvement Agreements, Financial Guarantee

Recommendation/Suggested Action (briefly explain):

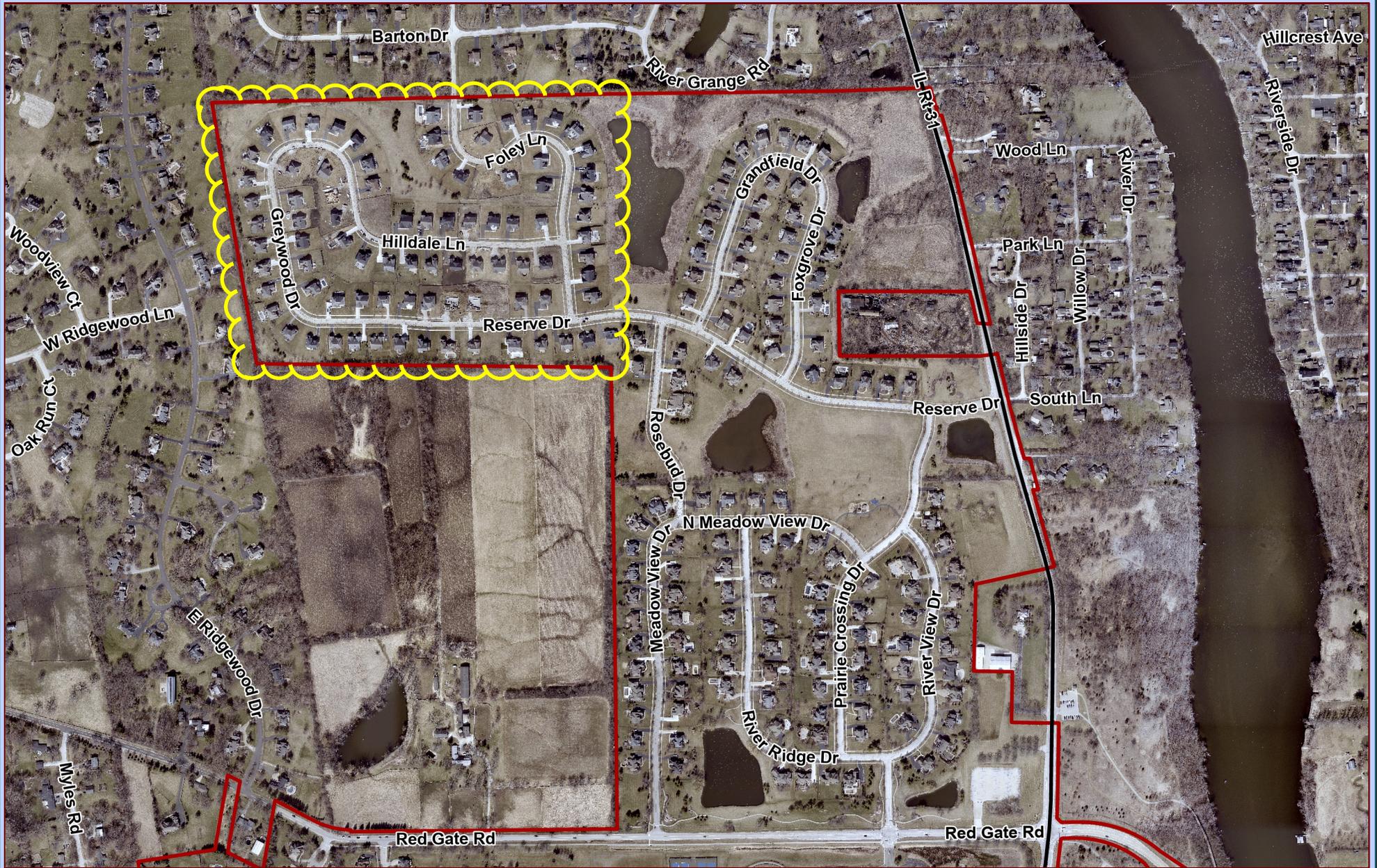
Two separate motions are suggested-

The first motion would recommend authorizing the City to obtain the financial guarantee funds from the bank:

- Recommendation to approve a Resolution Authorizing the Mayor to Demand Payment Under a Letter of Credit – The Reserve of St. Charles Subdivision Phase 2 (To obtain \$343,249 from Bank for City Use to Complete the Streets)

The second motion would recommend approving a construction contract to complete the work:

- Recommendation to Waive the Formal Bid Procedure and approve a Resolution to Authorize a Construction Contract with Geneva Construction for Street Pavement Work in The Reserve of St. Charles Subdivision Phase 2 (In the amount of \$385,818)



Data Source:
 City of St. Charles, Illinois
 Kane County, Illinois
 DuPage County, Illinois
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 North American Datum 1983
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 Prepared by Precision GIS

City of St. Charles, Illinois
Resolution No. 2023- ____

**Resolution Authorizing the Mayor to Demand Payment Under a Letter
of Credit- The Reserve of St. Charles Subdivision, Phase 2**

WHEREAS, the City of St. Charles approved the final plat of subdivision entitled "The Reserve of St. Charles", and had the same recorded in the recorder of Deeds Office, Kane County, Illinois, on February 14, 2006, as Document No. 2006K01694; and

WHEREAS, pursuant to a Land Improvement Agreement (the "Agreement") dated July 20, 2009 and amended November 19, 2012, Omni-Tech, LLC (the "Developer") was required to complete the required Land Improvements by October 31, 2016 (the "Completion Date"); and

WHEREAS, as required by the Agreement, the Developer has provided Irrevocable Letter of Credit No. 70505, dated July 22, 2009, as amended, from Morton Community Bank in order to secure completion of the Land Improvements; and

WHEREAS, the Developer has failed to satisfactorily complete the work of the installation and construction of the required Land Improvements, and the subdivision is now fully built out; and

WHEREAS, City staff has made contacts and met with the Developer regarding said failure, without resolution; and,

WHEREAS, the Developer's failure to complete the Land Improvements constitutes a default of the Agreement; and,

WHEREAS, the City further finds and determines that the public interest requires that the City construct or cause the construction of the Land Improvements; and,

WHEREAS, the City further finds and determines that it is necessary to draw on the Letter of Credit to pay for the construction of the Land Improvements, all in accordance with the Agreement and Letter of Credit.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of St. Charles, Kane and DuPage Counties, Illinois that the Mayor is hereby authorized and directed to demand payment pursuant to the Agreement and Letter of Credit and to take such other and further actions as may be necessary.

PRESENTED to the City Council of the City of St. Charles, Kane and DuPage Counties, Illinois, this 18th day of September, 2023.

PASSED by the City Council of the City of St. Charles, Kane and DuPage Counties, Illinois, this 18th day of September, 2023.

APPROVED by the Mayor of the City of St. Charles, Kane and DuPage Counties, Illinois, this 18th day of September, 2023.

Lora A. Vitek, Mayor

Attest:

City Clerk

Council Vote:

Ayes: _____

Nays: _____

Abstain: _____

Absent: _____

**City of St. Charles, Illinois
Resolution No. 2023-_____**

Resolution to Waive the Formal Bid Procedure and Authorize a Construction Contract with Geneva Construction for Street Paving Work in the Reserve of St. Charles Phase 2

**Presented & Passed by the
City Council on _____**

WHEREAS, the Community Development Department is seeking Construction Service to complete and anticipated subdivision developer obligation; and

WHEREAS, Geneva Construction has successfully provided this service to the City and was the low bidder for the City's 2023 Street Rehabilitation Program and is familiar with the City's requirements; and

WHEREAS, Geneva Construction provided the lowest of 5 quotes for this work and is able to complete the work during this current construction season; and

WHEREAS a request has been made to waive the Bid Procedure and proceed with entering a contract with Geneva Construction for these services.

NOW THEREFORE BE IT RESOLVED by the City Council of the City of St. Charles, Kane and DuPage Counties, Illinois, to Waive the Formal Bid Procedure and Authorize a Construction Contract with Geneva Construction for Street Paving Work in the Reserve of St. Charles Phase 2, the amount of \$385, 318.

PRESENTED to the City Council of the City of St. Charles, Kane and DuPage Counties, Illinois, this 18th day of September 2023.

PASSED by the City Council of the City of St. Charles, Kane and DuPage Counties, Illinois, this 18th day of September 2023.

APPROVED by the Mayor of the City of St. Charles, Kane and DuPage Counties, Illinois, this 18th day of September 2023.

Lora A. Vitek, Mayor

Attest:

City Clerk/Recording Secretary

Resolution No. _____

Page 2

Voice Vote:

Ayes:

Nays:

Absent:

Abstain:



Bid Waiver ■ One Time ■ Today through _____

Description: Reserve Subdivision Phase 2 Street Completion

Requested Vendor: Geneva Construction

Requested By: Bruce Sylvester Date: 9/11/2023

Approval: Russell Colby
Department Head Signature

Bid Waivers are required when there are unique circumstances related to a proposed procurement that has not been competitively solicited.

1. This procurement is valued at \$ 385,818 for this one-time order, and/or \$ _____ for a 12-month period.
2. This good/service has been competitively solicited within the past 24 months. ■ YES NO
If Yes, Was the solicitation published on the city website? ■ YES NO

3. Justification for Bid Waiver:

Emergency i.e. declared by the Mayor and applicable to EOC/FEMA procedures.

Urgent i.e. required to resolve an unanticipated problem that, if not resolved within 48 hours, may cause undue risk to individuals and/or extensive damage to property.

- Need for these goods/services were **not anticipated and procurement through normal channels would take too long.**

A responsible **contractor was on site** performing a related repair, and based on professional judgement; it was prudent to request this service/repair from said contractor.

These goods are replacement parts for a **warrantied item, and the warranty is still in place**, and purchase of a non-brand item will jeopardize warranty.

- These goods/services are **inherently related to, and an ongoing part of**, other goods/services previously provided by the Provider.

These goods utilize a **proprietary, patent, trademark, or customized programming** resulting in lack of competition.

These goods are **standardized** for operational safety and efficiency.

These goods are only available through the provider's **local distribution** channels.

These goods/services were purchased through a **Cooperative Purchasing Agreement**. _____

- **Other:** Provider was selected through competitive bid process to provide MFT street paving services in the the City this year, and this project will be contracted under the same terms and at comparable unit prices. Provider was also lowest quote of 5 local paving contractors.
Project had not been anticipated and is resulting from City taking over an incomplete developer obligation.



GENEVA CONSTRUCTION COMPANY

INDIAN TRAIL and Route 25 * P.O. Box 998 - AURORA, ILLINOIS 60507

Phone: (630) 892-4357 - Fax: (630) 892-7738

- * City Of St Charles
- * Bruce Sylvester
- * 2 E Main St
- * St Charles , IL 60174

DATE 8/15/2023

The Reserve of St. Charles

We propose to furnish the following described construction, including all labor, materials and equipment according to standard construction practices.

QUANTITY	UNIT	DESCRIPTION	UNIT PRICE	TOTAL
587	LF	Remove and Replace Curb & Gutter, includes Backfill with Topsoil	\$65.00	\$38,155.00
25	SF	Remove and Replace Sidewalk	\$20.00	\$500.00
10	SF	Detecable Warning	\$37.00	\$370.00
312	SY	Remove and Replace Asphalt Drive Aprons (ones where curb is being removed)	\$39.00	\$12,168.00
16648	SY	Mill off 2.25" existing asphalt binder	\$2.15	\$35,793.20
16648	SY	Sweep and Tack Milled Surface	\$0.50	\$8,324.00
16648	SY	2.25 HMA Binder Course IL 19.0 N50	\$10.00	\$166,480.00
16648	SY	1.5" HMA Surface Course IL 9.5 N50	\$7.45	\$124,027.60

TOTAL \$385,817.80

NOTES: If accepted, this work will not be scheduled for construction until one signed copy of the proposal has been received at our office.

* For information regarding scheduling of construction, please contact our Paving Department at (630) 892-4357.

TERMS: Final settlement will be based upon actual units of work completed at the bid price per unit.

* This proposal is subject to the terms, specifications and conditions of sale printed on the second page of this proposal hereof, which are made a part of this proposal.

* This proposal is made in DUPLICATE and will constitute a binding agreement providing it is accepted within 60 days from date hereof.

The above proposal is accepted:

GENEVA CONSTRUCTION COMI
Cass W. Price, Vice President

Name, Title, Date



Builders Paving, LLC
 4401 Roosevelt Road
 Hillside, IL 60162
 Phone: 847.419.9000 Fax: 847.419.9050

To:	City Of St. Charles	Contact:	Bruce Sylvester
Address:	2 East Main Street St. Charles, IL 60174	Phone:	(630) 377-4420
Project Name:	St Charles - The Reserve Paving Rehabilitation	Fax:	(630) 513-7442
Project Location:	Reserve Dr & Rte 31, St. Charles, IL	Bid Number:	10627
		Bid Date:	8/9/2023

The following is a recap of our quantities and pricing for this project.

Line #	Item #	Item Description	Estimated Quantity	Unit	Unit Price	Total Price
1		MOBILIZATION	1.00	LS	\$20,000.00	\$20,000.00
2		TRAFFIC CONTROL	1.00	LS	\$3,108.09	\$3,108.09
3		HMA SURFACE REMOVAL, 2-1/4"	16,648.00	SY	\$2.50	\$41,620.00
4		HMA BINDER COURSE, IL-19.0, N50	2,097.65	TON	\$72.00	\$151,030.80
5		HMA SURFACE COURSE, MIX D, N50	1,398.43	TON	\$80.00	\$111,874.40
6		BITUMINOUS MATERIALS (TACK COAT)	11,320.64	LB	\$0.01	\$113.21
7		CURB REMOVAL & REPLACEMENT	587.00	LF	\$70.00	\$41,090.00
8		PCC SIDEWALK, 5"	25.00	SF	\$20.00	\$500.00
9		SIDEWALK REMOVAL	25.00	SF	\$20.00	\$500.00
10		DETECTABLE WARNINGS	10.00	SF	\$40.00	\$400.00
11		HMA DRIVEWAY PAVEMENT, 3"	312.00	SY	\$35.00	\$10,920.00
12		HMA DRIVEWAY PAVEMENT REMOVAL	312.00	SY	\$20.00	\$6,240.00
13		TOPSOIL FURNISH & PLACE, 4"	196.80	SY	\$3.50	\$688.80
14		SEEDING, CLASS 1	0.04	ACRE	\$3,500.00	\$143.50
15		EROSION CONTROL BLANKET	196.80	SY	\$9.00	\$1,771.20
Total Price for above Items:						\$390,000.00

Total Bid Price: \$390,000.00

Notes:

- Our pricing is based upon completing all work in the 2023 construction season.
- We have included (1) Mobilization to complete our work.
- We have not included any allowance for winter conditions, poor weather conditions and associated costs in our pricing.
- NIC- Engineering and layout work to establish lines and grades, as-builts.
- NIC- Payment of permit fees.
- NIC - Patching of Unsuitable Areas.
- NIC - Adjustment or reconstruction of new or existing structures.
- NIC - Labor overtime required or directed by others.
- The above items and our standard terms of payment and insurance coverages strictly define this proposal. Should conflict with the plans, specifications or other project documents arise, this proposal shall take precedence.
- The subcontractor has a right to an equitable price adjustment in case of delays, accelerations, out-of-sequence work and schedule changes beyond its reasonable control, and can terminate the subcontract in case such events delay work by more than 90 days.
- It is expected that all finished concrete work that abuts flexible pavement will be installed, cured and backfilled before we mobilize to the project.
- Our proposal is based upon all project ingress and egress points indicated on the plans being available and accessible at the time of our installation.
- It is expected that all underground structures, piping, conduits and foundations will be installed, cured and backfilled before we mobilize to the project.
- NIC - Additional testing costs associated with Clean Construction and Demolition Debris (CCDD) Regulations, which require uncontaminated soil certification of construction spoils before they can be hauled to and accepted at a legal dump.
- All roadway and pavement construction to be installed per IDOT Standard Specifications for Road & Bridge Construction, latest edition.

Quantity	Unit	Item Name	Unit Cost	Total Cost
1	LS	MOBILIZATION	\$8,000.00	\$8,000.00
1	LS	TRAFFIC CONTROL	\$5,000.00	\$5,000.00
16648	SY	HOT-MIX ASPHALT SURFACE REMOVAL, 2-1/4"	\$ 2.00	\$33,296.00
2097.65	TN	HOT-MIX ASPHALT BINDER COURSE, IL-19.0, N50	\$88.00	\$184,593.20
1398.43	TN	HOT-MIX ASPHALT SURFACE COURSE, MIX "D" N50	\$ 90.00	\$125,858.70
11320.64	POUND	BITUMINOUS MATERIALS (TACK COAT)	\$ 0.01	\$113.21
587	LF	CURB REMOVAL AND REPLACEMENT	\$ 65.00	\$38,155.00
25	SF	PORTLAND CEMENT CONCRETE SIDEWALK 5 INCH	\$ 40.00	\$1,000.00
25	SF	SIDEWALK REMOVAL	\$ 30.00	\$750.00
10	SF	DETECTABLE WARNINGS	\$ 40.00	\$400.00
312	SY	HOT-MIX ASPHALT DRIVEWAY PAVEMENT, 3"	\$ 27.00	\$8,424.00
312	SY	HOT-MIX ASPHALT DRIVEWAY PAVEMENT REMOVAL	\$ 15.00	\$4,680.00
196.8	SY	TOPSOIL FURNISH AND PLACE, 4"	\$ 8.00	\$1,574.22
0.041	AC	SEEDING, CLASS 1	\$20,000.00	\$813.13
196.8	SY	EROSION CONTROL BLANKET	\$ 4.00	\$787.11
			Total:	\$413,444.57

Schroeder

Quantity	Unit	Item Name	Unit Cost	Total Cost
1	LS	MOBILIZATION		
1	LS	TRAFFIC CONTROL	\$15,000.00	\$15,000.00
16648	SY	HOT-MIX ASPHALT SURFACE REMOVAL, 2-1/4"	\$6,874.34	\$6,874.34
2097.65	TN	HOT-MIX ASPHALT BINDER COURSE, IL-19.0, N50	\$ 2.50	\$41,620.00
1398.43	TN	HOT-MIX ASPHALT SURFACE COURSE, MIX "D" N50	\$78.00	\$163,616.70
11320.64	POUND	BITUMINOUS MATERIALS (TACK COAT)	\$ 85.00	\$118,866.55
587	LF	CURB REMOVAL AND REPLACEMENT	\$ 0.01	\$113.21
25	SF	PORTLAND CEMENT CONCRETE SIDEWALK 5 INCH	\$ 100.00	\$58,700.00
25	SF	SIDEWALK REMOVAL	\$ 25.00	\$625.00
10	SF	DETECTABLE WARNINGS	\$ 10.00	\$250.00
312	SY	HOT-MIX ASPHALT DRIVEWAY PAVEMENT, 3"	\$ 50.00	\$500.00
312	SY	HOT-MIX ASPHALT DRIVEWAY PAVEMENT REMOVAL	\$ 36.00	\$11,232.00
196.8	SY	TOPSOIL FURNISH AND PLACE, 4"	\$ 11.00	\$3,432.00
0.041	AC	SEEDING, CLASS 1	\$ 6.00	\$1,180.80
196.8	SY	EROSION CONTROL BLANKET	\$15,000.00	\$615.00
			\$ 8.00	\$1,574.40
		Total		\$424,200.00

Notes / Qualifications:

- The proposal is based on completing all work in one (1) mobilization and is valid for work to be completed in the 2023 construction season.
- HMA and PCC materials furnished shall be IDOT approved mixtures. Pricing includes QC/QA plant and field testing of HMA & PCC materials.
- Pricing does not include sales tax on materials.
- This is a unit price proposal. If awarded a contract, J.A. Johnson Paving Company shall be paid for the actual quantities completed as measured in the field and/or as verified by material delivery tickets.

*Rounded long fractional quantity cells on highlighted items to balance extension amounts based on the actual quantities shown on City's "Pay Item List".

J. A. Johnson Paving Co.
1025 E. Addison Court
Arlington Heights, IL 60005



SUPERIOR PAVING Inc.

PO Box 98, Fox Lake, IL 60020
Phone: 847-587-1292 Fax: 847-587-1380

PROPOSAL

No: 230409

DATE
5/1/2023

TO:
Meritus Homes
2610 Lake Cook Rd., Suite 100
Riverwoods, IL 60015

CONTACT NAME
Jay Dulla

PHONE
(708) 899-6263

PHONE

FAX

JOB NAME & LOCATION
Reserve Of St. Charles - Road Resurfacing
Reserve Dr / Greywood Dr / Hilldale Ln / Foley Dr
St. Charles, IL

EMAIL
jmdulla@gmail.com

Roadway Resurfacing: 18,300 SY

- Mill roadway, 2" below existing pavement elevation, totaling 18,300 SY.
- Clean and sweep milled surface, and apply bituminous tack coat (SS-1) for proper bond.
- Install 2" compacted thickness HMA binder course, N50.
- Install 1.5" Compacted thickness HMA surface course, N50.

ADDITIONAL NOTES:

- Any extra gravel will be charged @ \$40.00 per ton installed.
- Client/Homeowner is responsible for obtaining permits, security deposits and fees if required.

In the event of any legal action to collect outstanding debts due Superior Paving Inc., customer agrees to assume the full amount, with interest of 1 1/2% per month on accounts over 30 days, plus the cost of all legal fees.

We propose to complete the above work in accordance with above specifications, for the sum of:

FOUR HUNDRED THIRTY-FIVE THOUSAND DOLLARS (\$ 435,000.00)

Payment to be made as follows: PAYMENT DUE UPON COMPLETION

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. Our workers are fully covered by Workman's Compensation Insurance.

Authorized Signature

Mike Madsen - Project Manager

Acceptance of Proposal - The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above. **Note: This proposal may be withdrawn by us if not accepted within 30 days.**

Date of Acceptance: _____

Signature: _____

OMNI-TECH LLC

July 12, 2023

City of St. Charles
2 E. Main Street
St. Charles, IL 60174

Re: Omni-Tech, LLC

To Whom It May Concern,

Please use this letter as authorization for Jay Dulla to discuss and propose resolutions with the City of St. Charles to resolve the remaining issues needed to complete the subdivision improvements required by the City.

Any and all resolutions are to be agreed upon by both Omni-Tech, LLC and the City of St. Charles.

Sincerely,



Gary Janko, Manager
Omni-Tech, LLC



Two East Main Street
St. Charles, IL 60174
630.377.4400

July 14, 2023

Mr. Jay Dulla
Appointed Agent/Representative for Meritus Homes, Inc. and Omni-Tech, LLC
2610 Lake Cook Road, Suite 100
Riverwoods, Illinois 60015

Emailed to: jdulla@meritushome.com

Re: Follow-up from our July 12, 2023 meeting about remaining developer obligations at The Reserve.

Dear Mr. Dulla:

Thank-you for meeting with City staff here at City Hall on July 12th. Thanks also for sending the letter, dated July 12, indicating that you are authorized to represent the developer in our discussions.

At our meeting on July 12th we discussed the remaining Land Improvements at The Reserve; namely, the requirement to A) remove and replace curb and gutter, which has failed, as marked in the field by city staff; B) remove and replace any damaged driveway aprons as a result of A above; C) remove the existing binder-course, which has failed; D) provide new binder-course; and E) provide new surface-course for all streets within the development. As I stated at our meeting, the City expects the developer (Omni-Tech, LLC) to complete construction of all required Land Improvements in “The Reserve” development. The requirement to provide the remaining Land Improvements is clearly stated in Section 1 of the “Land Improvement Agreement – The Reserves of St. Charles” -- approved by City of St. Charles Resolution No. 2009-27.

As you know, the City of St. Charles granted an extension of the deadline to complete these required Land Improvements via the “First Amendment” to this Land Improvement Agreement - - approved by City of St. Charles Resolution No. 2012-138. While the deadline granted by this “First Amendment” was extended to October 31, 2016, the requirement to provide the Land Improvements was not changed, and the developer’s requirement to construct these Land Improvements remains.

Currently, the required Land Improvements have not been completed. *Please send me a letter indicating the timeline for the commencement and completion of all remaining Land Improvements.* Completion of all required improvements should be before the end of this construction season. Please send this letter and timeline to me no later than August 4th, 2023.

During our discussion on July 12th, you asked if some of the requirements provided in the “Land Improvement Agreement” might be waived—such as the requirement provided in Section 9 for a Maintenance Surety. If you wish to request any specific waivers or exemptions from the provision of the Land Improvement Agreement, please specify any/all requests in your letter to me and I will discuss them with city staff.

If you need further information, please feel free to contact me at (630) 443-3676, or at Bsylvester@stcharlesil.gov

Sincerely,

Bruce Sylvester

Bruce Sylvester
Assistant Director of Community Development -
Planning and Engineering

RECEIVED
CITY OF ST. CHARLES
JUL 20 2009
CITY CLERK

City of St. Charles, Illinois
Resolution No. 2009-27

**A Resolution Approving the Execution of a Land Improvement
Agreement – The Reserves of St. Charles**

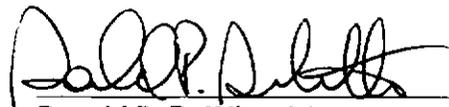
**Presented & Passed by the
City Council on 20 July 2009**

BE IT RESOLVED by the Mayor and City Council of the City of St. Charles, Kane and DuPage Counties, Illinois, that the Mayor and City Clerk be and the same are hereby authorized to execute that certain Land Improvement Agreement, in substantially the form attached hereto and incorporated herein as Exhibit "A," by and behalf of the City of St. Charles.

PRESENTED to the City Council of the City of St. Charles, Illinois, this 20th day of July 2009.

PASSED by the City Council of the City of St. Charles, Illinois, this 20th day of July 2009.

APPROVED by the Mayor of the City of St. Charles, Illinois, this 20th day of July 2009.



Donald P. DeWitte, Mayor

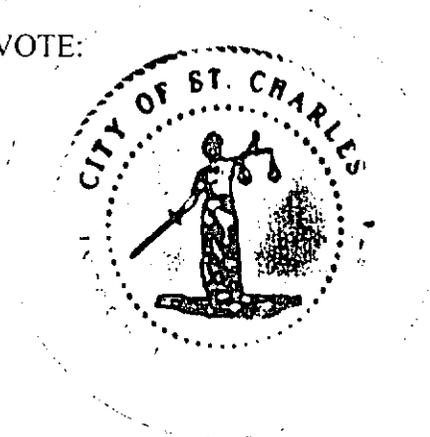
ATTEST:

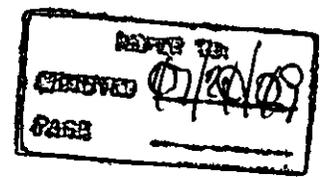


City Clerk

COUNCIL VOTE:

Ayes: 8
Nays:
Absent: 2
Abstain:





LAND IMPROVEMENT AGREEMENT

THIS AGREEMENT made and entered into this 20th day of July, 2009, by and among the City of St. Charles, Kane and DuPage Counties, Illinois, a municipal corporation of the State of Illinois, having its principal offices at 2 E. Main Street, St. Charles, Illinois (hereinafter called the "City"), Omni-Tech LLC, an Illinois limited liability company (hereinafter called "Developer") and The Ryland Group, Inc., a Maryland corporation (hereinafter called "Original Developer:").

WITNESSETH:

WHEREAS, on or about February 9, 2006, the City granted final subdivision approval to that certain Plat of Subdivision prepared by Cemcon, Ltd. recorded with the Kane County Recorder's Office on February 9, 2006 as Document No. 2006K015402, Certificate of Correction thereto recorded on February 14, 2006 as Document No. 2006K016494 and Certificate of Correction thereto recorded on May 30, 2006 as Document No. 2006K058157 (as so corrected, the "Final Plat"), with respect to the property legally described (and described by phases) on Exhibit "A" attached hereto which is, by this reference, incorporated herein ("Project Realty") so as to permit the construction of a residential development named The Reserve of St. Charles ("Project") by the Original Developer; and,

WHEREAS, pursuant to that certain Partial Assignment of Annexation Agreement and Prepaid Impact Fees executed by the Original Developer, a copy of which attached hereto as Exhibit "C", the Developer has acquired a portion of the Project Realty legally described on Exhibit "A-1" attached hereto which is, by this reference, incorporated herein (the "Subject Realty") from the Original Developer, who completed some, but not all, of the Land Improvements required by the St. Charles Municipal Code (the "City Code"); and,

WHEREAS, this Agreement is entered into as provided by Section 16.12.220 of the City Code.

NOW, THEREFORE, it is mutually agreed as follows:

1. Developer shall furnish, or cause to be furnished, at its own cost and expense, all the necessary materials, labor and equipment to complete the Land Improvements for the Project which have not yet been completed and accepted by the City, including but not limited to the following: storm sewer systems, including all appurtenances thereto, curbs, final lift paving for streets, street lighting in phase 2, sidewalks, seeding, bike path and parkway tree plantings, as described in Exhibit "B" (the "Developer Obligations"). The Developer Obligations shall not include any obligations with respect to the off site sanitary sewer and the off site sanitary sewer lift station previously completed by the Original Developer, accepted by the City and covered by the \$322,976.71 maintenance security previously posted by the Original Developer with the City. Any repairs or renewals to such off site sanitary sewer and off site sanitary sewer lift station during the warranty period therefore and determined by the Development Engineering Division Manager to be necessary following final inspection thereof by the City shall remain the obligation of the Original Developer (the "Original Developer's Obligations"). All Land Improvements shall be constructed in accordance with the standards, specifications, and requirements of the City of St. Charles and that certain Annexation Agreement recorded with the Kane County Recorder's Office on May 10, 2005 as Document No. 2005K052734 (the "Annexation Agreement") and Annexation Ordinance No. 2005-M-9 recorded with the Kane County Recorder's Office on May 10, 2005 as Document No. 2005K052735 (the "Annexation Ordinance"). Such Land Improvements are identified on the Final Engineering Plans (the "Final Engineering Plans") prepared by Cemcon, Ltd., dated April 20, 2005, and bearing the latest revision date of April 7, 2006, together with any amendments thereto approved by the City, and shall be constructed in a good and workmanlike manner and in accordance with all pertinent ordinances and regulations of the City and/or other agreements between the City and Developer.

2. Attached hereto and incorporated herein as Exhibit "B" is a complete cost estimate for the construction of the required Land Improvements (the "Engineer's Estimate"). The City Code and/or any applicable ordinance or agreement provides that the Developer shall collateralize its obligation to construct all required Land Improvements. The Developer shall submit either a performance bond or letter of credit (the "Surety"). Whichever form of surety Developer provides shall be issued by a sound financial institution authorized to transact business and maintaining an authorized agent for service in the State of Illinois. Such Surety shall contain such terms and provisions

required by the City Code, shall be subject to approval by the City Attorney of the City and shall be deposited with the City simultaneously with the execution of this Agreement. At such time as the Surety is so deposited by the Developer, and simultaneous with its receipt thereof, the City shall return Surety Bond No. 929378893 to the Original Developer.

Said Surety shall be in a principal amount of not less than one hundred fifteen percent (115%) of the approved Engineer's Estimate.

The Surety may provide for its reduction from time to time, based upon the Development Engineering Division Manager's determination of the value of any of the Land Improvements installed. The Development Engineering Division Manager's recommendation shall not be subject to question by the Developer. In no event shall the Surety be reduced to an amount less than one hundred fifteen percent (115%) of the Development Engineering Division Manager's estimate of the cost of completion of all remaining Land Improvements. So long as any portion of the Land Improvements remain uncompleted or unaccepted, the Developer shall not permit the Surety to expire, but shall, at least ninety (90) days prior to its expiration date, cause said Surety to be renewed. Failure of the Developer to renew said Surety shall be a breach of this Agreement. Any language in the Surety with respect to its reduction shall be subject to the approval of the City Attorney. In no event shall the Development Engineering Division Manager's authorization for a reduction to the Surety constitute final acceptance of any of the Land Improvements.

3. Developer shall furnish qualified field supervision for the installation of all Land Improvements in the person of a professional engineer licensed in the State of Illinois.

4. Developer will pay to the City all plan review, inspection and other fees as required by the City's form of Reimbursement of Fees Agreement or otherwise required by the City Code.

5. The Developer shall furnish the City with evidence of liability insurance in the amount of at least \$1,000,000/\$2,000,000 covering the construction activities of the Developer contemplated by this Agreement. Such insurance shall be written by a company rated by Best Reporting Service A VI or better or the carrier certificate attached hereto. Such certificate of insurance shall be deposited before the commencement of any work by the Developer. The policy shall provide a thirty (30) day "prior notice of termination" provision in favor of the City. Should the Developer allow such liability insurance to terminate prior to the final acceptance of all of the Land Improvements, the City may have recourse against the Surety for funds sufficient to cause the liability insurance to remain in effect until the final acceptance of all of the Land Improvements.

6. The Developer, by its execution of this Agreement, agrees to indemnify, hold harmless, defend, pay costs of defense, and pay any and all claims or judgments which may hereafter accrue against the City, or its agents, servants and employees, arising out of any of the Developer's construction activities contemplated by this Agreement.

7. Developer shall cause the Land Improvements to be completed, and as-built drawing tendered to the Development Engineering Division Manager, within two (2) years of the date of this Agreement, unless such time period is extended in writing by the City pursuant to the City Code.

If work relating to the Land Improvements is not completed within the time prescribed herein, the City shall have the right, but not the obligation, to provide for completion by drawing on the Surety in addition to any other available remedies.

8. Upon completion of any Land Improvement and, further, upon the submission to the City of a certificate from the engineering firm employed by Developer stating that the said Land Improvement has been completed in conformance with this Agreement, the Annexation Agreement, the City Code, the final engineering Plans and Specifications relative thereto, any applicable agreements and all State and Federal laws and standards, the Development Engineering Division Manager shall, within twenty (20) days after the City receives the aforesaid

certification from the Developer's engineer, either (i) recommend to the City's corporate authorities final acceptance of said Land Improvement, or (ii) designate in writing to Developer all corrections or alterations which shall be required to obtain a recommendation of final acceptance of said Land Improvement, specifically citing sections of the final engineering Plans and Specifications, the City Code or this Agreement, any applicable agreement or State or Federal law or standard, relied upon by said Development Engineering Division Manager. Should the Development Engineering Division Manager reject any Land Improvement, or any portion or segment thereof, for a recommendation of final acceptance, the Developer shall cause to be made to such Land Improvement such corrections or modifications as may be required by the Development Engineering Division Manager. The Developer shall cause the Land Improvement to be submitted and resubmitted as herein provided until the Development Engineering Division Manager shall recommend final acceptance of same to the corporate authorities of the City and the corporate authorities shall finally accept same. No Land Improvement shall be deemed to be finally accepted until the corporate authorities shall, by appropriate resolution, finally accept same.

Upon completion and as a condition of final acceptance by the City, Developer agrees to convey and transfer those Land Improvements which are deemed to be public improvements to the City by appropriate Bill(s) of Sale.

9. The Developer guarantees that the workmanship and materials furnished under the final Plans and Specifications and used in said Land Improvements will be furnished and performed in accordance with well-known established practices and standards recognized by engineers in the trade. All Land Improvements shall be new and of the best grade of their respective kinds for the purpose.

All materials and workmanship shall be warranted by the Developer for a period of twelve (12) months from the date of final acceptance by the City.

To partially secure the Developer's warranty, at the time or times of final acceptance by the City of the installation of any Land Improvement in accordance with this Agreement, Developer shall deposit with the City a Maintenance Surety in the amount of fifteen percent (15%) of the Engineer's Estimate of the Land Improvement finally accepted by the City. This Surety shall be deposited with the City and shall be held by the City.

The Developer shall make or cause to be made at its own expense, any and all repairs which may become necessary under and by virtue of this maintenance warranty and shall leave the Land Improvements in good and sound condition, satisfactory to the City and the Development Engineering Division Manager, at the expiration of the warranty period. In said event and at the expiration of such period, said Maintenance Surety(s) shall be returned to the Developer.

If during said warranty period, any Land Improvement shall require any repairs or renewals, in the opinion of the Development Engineering Division Manager, necessitated by reason of settlement of foundation, structure or backfill, or other defective workmanship or materials, the Developer shall, upon notification by the Development Engineering Division Manager of necessity for such repairs or renewals, make such repairs or renewals, at its own cost and expense. Should the Developer fail to make such repairs or renewals within thirty (30) days of such notification, or such additional time due to weather delays which shall extend the repair period for like number of days, as approved by the City, the City may cause such work to be done, either by contract or otherwise, and the City may draw upon said Maintenance Surety to pay the entire cost or expense thereof, including attorneys' fees and consultants' costs. Should such cost or expense exceed the amount set forth in said Maintenance Surety, the Developer will remain liable for any additional cost or expense incurred in the correction process.

The Developer's warranty and maintenance obligations under this Agreement are applicable to all of the Land Improvements for the Project, whether originally constructed by the Developer or the Original Developer, except for the off site sanitary sewer and lift station described in paragraph 1.

10. The Developer shall furnish the City with copies of lien waivers showing that all persons who have done work, or have furnished materials under this Agreement and are entitled to a lien therefore under any laws of the State of Illinois, have been fully paid or are no longer entitled to such lien.

11. The Developer shall be responsible for the maintenance of the Land Improvements until such time as they are finally accepted by the City. This maintenance shall include routine maintenance, as well as emergency maintenance such as sewer blockages and water main breaks. Such maintenance shall be sufficient to render the Land Improvements compliant with the Plans and Specifications at the time of their final acceptance by the City.

12. Developer shall be responsible for any and all damage to the Land Improvements which may occur during the construction of the Subject Realty irrespective of whether the Land Improvements damaged have or have not been finally accepted hereunder. Developer shall replace and repair damage to the Land Improvements installed within, under or upon the Subject Realty resulting from construction activities by Developer, its successors or assigns and its employees, agents, contractors or subcontractors during the term of this Agreement, but shall not be deemed hereby to have released any other party from liability or obligation in this regard.

13. The rights and remedies of the City as provided herein, in the ordinances of the City and/or in any agreements between the City and Developer regarding the Subject Realty, shall be cumulative and concurrent, and may be pursued singularly, successively, or together, at the sole discretion of the City, and may be exercised as often as occasion therefor shall arise. Failure of the City, for any period of time or on more than one occasion, to exercise such rights and remedies shall not constitute a waiver of the right to exercise the same at any time thereafter or in the event of any subsequent default. No act of omission or commission of the City, including specifically any failure to exercise any right, remedy or recourse, shall be deemed to be a waiver or release of the same; any such waiver or release to be effected only through a written document executed by the City and then only to the extent specifically recited therein. A waiver or release with reference to any one event shall not be construed as a waiver or release of any subsequent event or as a bar to any subsequent exercise of the City's rights or remedies hereunder. Except as otherwise specifically required, notice of the exercise of any right or remedy granted to the City is not required to be given.

14. From and after the date on which the Development Engineering Division Manager notifies the Developer, in writing, that the Developer is in default of any of its obligations under this Agreement, the Developer shall pay to the City, upon demand, all of the City's fees, costs and expenses incurred in enforcing the provisions of this Agreement against Developer, including, without limitation, engineers' and attorneys' fees, costs and expenses, and, if any litigation is filed as part of such enforcement, any court costs and filing fees.

15. This Agreement shall be binding upon and inure to the successors and assigns of the parties to this Agreement. The Developer shall provide written notice to the City not less than fourteen (14) days prior to any assignment of this Agreement.

16. The invalidity of any provision of this Agreement shall not impair the validity of any other provision. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable, that provision will be deemed severable and this Agreement may be enforced with that provision severed or as modified by the court.

17. This Agreement sets forth an agreement of the parties insofar as it specifically contradicts, modifies or amplifies any provision of the City Code. To the extent that this Agreement does not address an applicable provision of the City Code, the City Code shall continue to control the parties' activities contemplated by this Agreement regardless of the fact that the City Code has not been addressed within the specific terms of this Agreement.

18. This Agreement shall be in full force and effect from the date set forth above until the maintenance and warranty period for each any every Land Improvement terminates.

19. This Agreement shall be interpreted and construed in accordance with the laws of the State of Illinois.

20. All notices hereunder shall be in writing and must be served either personally or by registered or certified mail to:

A. City at:

City St. Charles
Attention: Development Engineering Division Manager
2 E. Main Street
St. Charles, Illinois 60174
Telefax No: 630-762-6922

B. Developer at:

Omni-Tech LLC
Attn: Gary R Janko
1650 Lake Cook Road
Suite 130
Deerfield, IL 60015
Telefax: 847-940-8815

With Copy to:
Evon Solms
Legal Counsel
1650 Lake Cook Road
Suite 130
Deerfield, IL 60015
Direct Fax: 650-360-6670

C. Original Developer at:

The Ryland Group, Inc.
1141 East Main Street, Suite 108
East Dundee, IL 60118
Attn: Matt Pagoria
Telefax: 224-293-3101

With a copy to:

Peter G. Skelly
Senior Vice President
The Ryland Group, Inc.
21925 Field Parkway, Suite 230
Deer Park, IL 60010
Telefax: 847-726-2628

21. This Agreement is executed in multiple counterparts, each of which shall be deemed to be and shall constitute one and the same instrument.

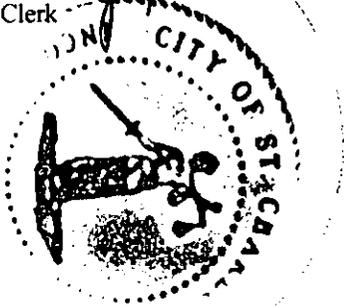
IN WITNESS WHEREOF, the parties hereto have set their hands and seals on the date first above written.

CITY OF ST. CHARLES

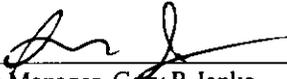
By: 
Mayor

ATTEST:


City Clerk



DEVELOPER
Omni-Tech LLC

By: 
Its Manager, Gary R Janko

ORIGINAL DEVELOPER
The Ryland Group, Inc.

By: _____

STATE OF ILLINOIS)
) SS.
COUNTY OF ~~LAKE~~ COOK)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Gary R. Janko, Manager of Omni-Tech, LLC, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Manager appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 16 day of July, 2009.

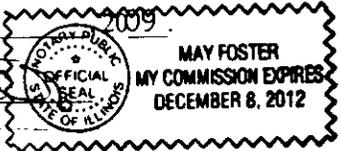
Charla Pierce
Notary Public

STATE OF ILLINOIS)
) SS.
COUNTY OF KANE)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Donald Dewitte, Mayor of the City of St. Charles, and Nancy Garrison, City Clerk of said City, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Mayor and City Clerk, respectively appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said City, for the uses and purposes therein set forth; and the said City Clerk then and there acknowledged that she, as custodian of the corporate seal of said City, did affix the corporate seal of said City to said instrument, as her own free and voluntary act and as the free and voluntary act of said City, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 20th day of July, 2009.

Mary Foster
Notary Public



STATE OF ILLINOIS)
) SS.
COUNTY OF _____)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that _____ of The Ryland Group, Inc., personally known to me to be the same person whose name is subscribed to the foregoing instrument as such _____ appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this _____ day of _____, 2009.

Notary Public

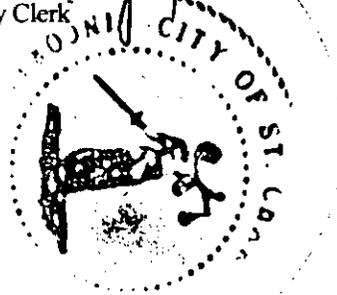
IN WITNESS WHEREOF, the parties hereto have set their hands and seals on the date first above written.

CITY OF ST. CHARLES

By: *David P. Phillips*
Mayor

ATTEST:

Nancy Garrison
City Clerk



DEVELOPER
Omni-Tech LLC

By: _____
Its Manager, Gary R Janko

ORIGINAL DEVELOPER
The Ryland Group, Inc.

By: *Matthew J. Pistoria*
MATTHEW J. PISTORIA
ENVIRONMENTAL RELATIONS COOR

STATE OF ILLINOIS)
) SS.
COUNTY OF LAKE)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Gary R. Janko, Manager of Omni-Tech, LLC, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Manager appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this _____ day of _____, 2009.

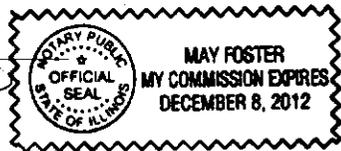
Notary Public

STATE OF ILLINOIS)
) SS.
COUNTY OF KANE)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Donald DeWitte, Mayor of the City of St. Charles, and Nancy Garrison, City Clerk of said City, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Mayor and City Clerk, respectively appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said City, for the uses and purposes therein set forth; and the said City Clerk then and there acknowledged that she, as custodian of the corporate seal of said City, did affix the corporate seal of said City to said instrument, as her own free and voluntary act and as the free and voluntary act of said City, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 20th day of July, 2009.

Mary Foster
Notary Public



STATE OF ILLINOIS)
) SS.
COUNTY OF KANE)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that MATTHEW J. PALORIA of The Ryland Group, Inc., personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Matthew J. Paloria appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 14th day of JULY, 2009.

Christine D Gach
Notary Public



EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROJECT REALTY

All Lots and Outlots in The Reserve of St. Charles, being a subdivision of Part of the South Half of Section 9, Part of the Southwest Quarter of Section 10, Part of the Northwest Quarter of Section 15, and Part of the Northeast Quarter of Section 16, Township 40 North, Range 8 East of the Third Principal Meridian, in Kane County, Illinois, pursuant to the plat thereof recorded in Kane County, Illinois, on February 9, 2006, as Document No. 2006K015402, Certificate of Correction thereto recorded on February 14, 2006 as Document No. 2006K016494 and Certificate of Correction thereto recorded on May 30, 2006 as Document No. 2006K058157.

Phase 1:

Lots 1 through 22, both inclusive, 82 through 104, both inclusive, in The Reserve of St. Charles, being a subdivision of part of the South Half of Section 9, part of the Southwest Quarter of Section 10, part of the Northwest Quarter of Section 15, and part of the Northwest Quarter of Section 16, Township 40 North, Range 8 East of the Third Principal Meridian, according to the plat thereof recorded February 9, 2006 as document 2006K015402, certificate of correction recorded February 14, 2006 as document 2006K016494, and certificate of correction recorded May 30, 2006 as document 2006K058157, in Kane County, Illinois.

Phase 2:

Lots 23-81, both inclusive, 105 through 133, both inclusive, in The Reserve of St. Charles, being a subdivision of part of the South Half of Section 9, part of the Southwest Quarter of Section 10, part of the Northwest Quarter of Section 15, and part of the Northwest Quarter of Section 16, Township 40 North, Range 8 East of the Third Principal Meridian, according to the plat thereof recorded February 9, 2006 as document 2006K015402, certificate of correction recorded February 14, 2006 as document 2006K016494, and certificate of correction recorded May 30, 2006 as document 2006K058157, in Kane County, Illinois.

EXHIBIT "A-1"

LEGAL DESCRIPTION OF SUBJECT REALTY

Lots 4 through 10, both inclusive, 12, 13, 17 through 81, both inclusive, 85, 87 through 91, both inclusive, 93 through 95, both inclusive, 97, and Lots 104 through 133, both inclusive, in The Reserve of St. Charles, being a subdivision of part of the South Half of Section 9, part of the Southwest Quarter of Section 10, part of the Northwest Quarter of Section 15, and part of the Northwest Quarter of Section 16, Township 40 North, Range 8 East of the Third Principal Meridian, according to the plat thereof recorded February 9, 2006 as document 2006K015402, certificate of correction recorded February 14, 2006 as document 2006K016494, and certificate of correction recorded May 30, 2006 as document 2006K058157, in Kane County, Illinois.

EXHIBIT "B"
CEMCOM ESTIMATES

CEMCON, Ltd.
ENGINEER'S OPINION
OF PROBABLE CONSTRUCTION COST

PROJECT: RESERVE OF ST. CHARLES - UNITS 1 & 2
 ON-SITE ONLY BOND REDUCTION
 JOB NO.: 608.068

DATE: APRIL 20, 2005
 REVISED: OCTOBER 27, 2008
 LAST REVISED: DECEMBER 16, 2008

NO.	ITEM	APPROX. QUANTITY	UNIT	PRICE	AMOUNT	PERCENT COMPLETE	NEW BOND AMOUNT
I. SANITARY SEWER IMPROVEMENTS - ON-SITE							
1	Sanitary Sewer, 8" PVC SDR 26, 4 - 8' Deep	2,623	L.F.	\$ 18.75	\$ 49,181.25	100%	\$ -
2	Sanitary Sewer, 8" PVC SDR 26, 8 - 12' Deep	1,584	L.F.	18.95	30,016.80	100%	-
3	Sanitary M.H. 4', Ty. A w/ Ty. 1 Fr & SS Lid, 4-8' Deep	5	E.A.	1,419.30	7,096.50	100%	-
4	Sanitary M.H. 4', Ty. A w/ Ty. 1 Fr & SS Lid, 8 - 12' Deep	7	E.A.	1,620.20	11,341.40	100%	-
5	Sanitary M.H. 4', Ty. A w/ Ty. 1 Fr & SS Lid, 12-16' Deep	3	E.A.	2,211.40	6,634.20	100%	-
6	Sanitary M.H. 4', Ty. A w/ Ty. 1 Fr & SS Lid, 12-16' Deep w/ Drop Connection	1	E.A.	4,865.70	4,865.70	100%	-
7	Sanitary Service, 6" PVC SDR 26 (Long) w/ 8x6" Tee	20	E.A.	1,751.40	35,028.00	100%	-
8	Sanitary Service, 6" PVC SDR 26 (Short) w/ 8x6" Tee	25	E.A.	309.00	7,725.00	100%	-
9	PVC Service Riser	3	E.A.	225.00	675.00	100%	-
10	Connect to Existing Sanitary Sewer	1	E.A.	500.00	500.00	100%	-
11	Trench Backfill	2,600	C.Y.	24.20	62,920.00	100%	-
Sub-Total Sanitary Sewer Improvements - On-Site					\$ 215,983.85		\$ -
II. WATERMAIN IMPROVEMENTS							
1	DIWM 8", Cl. 52 w/Polyethylene Wrap	3,775	L.F.	\$ 18.95	\$ 71,536.25	100%	\$ -
2	DIWM 8", Cl. 55 w/Polyethylene Wrap	14	L.F.	24.30	340.20	100%	-
3	DIWM 10", Cl. 52 w/Polyethylene Wrap	2,793	L.F.	24.62	68,763.66	100%	-
4	8" Valve in 4' Dia. Vault	9	E.A.	1,564.60	14,081.40	100%	-
5	10" Valve in 5' Dia. Vault	4	E.A.	2,499.80	9,999.20	100%	-
6	Hydrant w/Aux. Valve	18	E.A.	1,869.50	33,651.00	100%	-
7	Water Service 1 1/4", Ty. K w/ Box (Long)	28	E.A.	579.90	16,237.20	100%	-
8	Water Service 1 1/4", Ty. K w/ Box (Short)	18	E.A.	1,271.70	22,890.60	100%	-
9	Connect to Existing Watermain	2	E.A.	1,800.00	3,600.00	100%	-
10	Trench Backfill	100	C.Y.	24.20	2,420.00	100%	-
11	Water Tight Plug and Blocking	1	E.A.	350.00	350.00	100%	-
12	Watermain Protection	1	L.S.	6,500.00	6,500.00	100%	-
Sub-Total Watermain Improvements					\$ 250,369.51		\$ -

CEMCON, Ltd.
ENGINEER'S OPINION
OF PROBABLE CONSTRUCTION COST

PROJECT: RESERVE OF ST. CHARLES - UNITS 1 & 2
ON-SITE ONLY BOND REDUCTION
JOB NO.: 608.068

DATE: APRIL 20, 2005
REVISED: OCTOBER 27, 2008
LAST REVISED: DECEMBER 16, 2008

NO.	ITEM	APPROX. QUANTITY	UNIT	UNIT PRICE	AMOUNT	PERCENT COMPLETE	NEW BOND AMOUNT
III. STORM SEWER IMPROVEMENTS							
1	Storm Sewer, 6" PVC SDR 26	1,420	L.F.	\$ 12.00	\$ 17,040.00	100%	\$ 1,704.00
2	Storm Sewer, 12" RCP, Ty. 1	2,451	L.F.	14.70	36,029.70	100%	\$ 3,602.97
3	Storm Sewer, 12" RCP, Ty. 1 w/C-361 Joints	591	L.F.	16.00	9,456.00	100%	\$ 945.60
4	Storm Sewer, 15" RCP, Ty. 1	685	L.F.	16.60	11,371.00	100%	\$ 1,137.10
5	Storm Sewer, 15" RCP, Ty. 1 w/C-361 Joints	184	L.F.	17.25	3,174.00	100%	\$ 317.40
6	Storm Sewer, 18" RCP, Ty. 1	702	L.F.	19.80	13,899.60	100%	\$ 1,389.96
7	Storm Sewer, 21" RCP, Ty. 1	165	L.F.	23.20	3,828.00	100%	\$ 382.80
8	Storm Sewer, 21" RCP, Ty. 1 w/C-361 Joints	233	L.F.	25.50	5,941.50	100%	\$ 594.15
9	Storm Sewer, 24" RCP, Ty. 1	307	L.F.	27.20	8,350.40	100%	\$ 835.04
10	Storm Sewer, 27" RCP, Ty. 1	308	L.F.	32.20	9,917.60	100%	\$ 991.76
11	Inlet Ty. A w/ Ty. 8 Gr.	9	E.A.	475.20	4,276.80	100%	\$ 427.68
12	Inlet Ty. A w/ R-3015-R FR. & Gr.	12	E.A.	675.20	8,102.40	100%	\$ 810.24
13	Inlet Ty. B w/ Ty. 8 Gr.	3	E.A.	1,055.00	3,165.00	100%	\$ 316.50
14	Inlet Ty. B w/ R-3015-R FR. & Gr.	2	E.A.	1,055.00	2,110.00	100%	\$ 211.00
15	Catch Basin Ty. C w/ R-3015-R FR. & Gr., 2' Dia.	5	E.A.	805.00	4,025.00	100%	\$ 402.50
16	Catch Basin Ty. A w/ R-3015-R FR. & Gr., 3' Dia.	9	E.A.	1,305.00	11,745.00	100%	\$ 1,174.50
17	Storm M.H. Ty A w/TY. 1 FR. & C.L., 4' Dia.	7	E.A.	1,230.00	8,610.00	100%	\$ 861.00
18	Storm M.H. Ty A w/TY. 1 FR. & O.L., 4' Dia.	6	E.A.	1,230.00	7,380.00	100%	\$ 738.00
19	Storm M.H. Ty A w/TY. 1 FR. & C.L., 5' Dia.	2	E.A.	1,708.00	3,416.00	100%	\$ 341.60
20	Storm M.H. Ty A w/TY. 1 FR. & O.L., 5' Dia.	3	E.A.	1,708.00	5,124.00	100%	\$ 512.40
21	Storm M.H. Ty A w/TY. 1 FR. & C.L., 6' Dia.	1	E.A.	2,595.80	2,595.80	100%	\$ 259.58
22	Clean out Structure, w/ R-1706-1 Fr. & C.L.	7	E.A.	350.00	2,450.00	100%	\$ 245.00
23	Flared End Section, 12" RCP w/ Grate	3	E.A.	473.80	1,421.40	100%	\$ 142.14
24	Flared End Section, 15" RCP w/ Grate	2	E.A.	601.50	1,203.00	100%	\$ 120.30
25	Flared End Section, 18" RCP w/ Grate	4	E.A.	659.20	2,636.80	100%	\$ 263.68
26	Flared End Section, 21" RCP w/ Grate	1	E.A.	720.00	720.00	100%	\$ 72.00
27	Flared End Section, 27" RCP w/ Grate	1	E.A.	937.30	937.30	100%	\$ 93.73
28	Rip Rap w/ Maintenance	40	C.Y.	30.00	1,200.00	100%	\$ 120.00
29	Trench Backfill	300	C.Y.	24.20	7,260.00	100%	\$ 726.00
Sub-Total Storm Sewer Improvements					\$ 197,386.30		\$ 19,738.63

CEMCON, Ltd.
ENGINEER'S OPINION
OF PROBABLE CONSTRUCTION COST

PROJECT: RESERVE OF ST. CHARLES - UNITS 1 & 2
ON-SITE ONLY BOND REDUCTION
JOB NO.: 608.068

DATE: APRIL 20, 2005
REVISED: OCTOBER 27, 2008
LAST REVISED: DECEMBER 16, 2008

NO.	ITEM	APPROX. QUANTITY	UNIT	UNIT PRICE	AMOUNT	PERCENT COMPLETE	NEW BOND AMOUNT
IV. PAVEMENT IMPROVEMENTS							
1	Fine Grading	17,848	S.Y.	\$ 0.90	\$ 16,063.20	100%	1,606.32
2	Agg. Base Cse. Ty. B (CA-6) 4"	16,866	S.Y.	3.00	49,998.00	100%	4,999.80
3	Bit. Base Course, 6"	15,386	S.Y.	12.00	184,632.00	100%	18,463.20
4	Bit. Binder Cse., 1 1/2" Cl. 1	15,386	S.Y.	3.30	50,773.80	100%	5,077.38
5	Bit. Surface Cse., 1 1/2" Cl. 1	15,386	S.Y.	3.65	56,158.90	0%	56,158.90
6	Bit Material Prime Coat @ 0.3 Gal./SY	4,516	GAL.	1.10	5,077.60	0%	5,077.60
7	Bit Material Tack Coat @ 0.1 Gal./SY	1,539	GAL.	1.10	1,692.90	0%	1,692.90
8	PCC Sidewalk 4' Wide, 5" Thick w/3" CA-6 Subbase	44,312	S.F.	2.75	121,858.00	50%	60,929.00
9	PCC Curb & Gutter Ty. B-6.12	11,078	L.F.	8.00	88,624.00	100%	8,862.40
10	Backfill Curb	11,078	L.F.	0.50	5,539.00	100%	553.90
	Sub-Total Pavement Improvements				\$ 580,417.40		\$ 163,421.40
V. MISCELLANEOUS IMPROVEMENTS							
1	10' Wide Bike Path (2" Surface Course, 8" Agg. Base Course TY B)	1,725	L.F.	\$ 12.00	\$ 20,700.00	0%	\$ 20,700.00
	Sub-Total Miscellaneous Improvements				\$ 20,700.00		\$ 20,700.00
VI. SOIL EROSION IMPROVEMENTS							
1	Soil Erosion Repair		L.S.		\$ 10,000.00	0%	\$ 10,000.00
	Sub-Total Miscellaneous Improvements				\$ 10,000.00		\$ 10,000.00

**CEMCON, Ltd.
ENGINEER'S OPINION
OF PROBABLE CONSTRUCTION COST**

PROJECT: RESERVE OF ST. CHARLES - UNITS 1 & 2
ON-SITE ONLY BOND REDUCTION
JOB NO.: 608.068

DATE: APRIL 20, 2005
REVISED: OCTOBER 27, 2008
LAST REVISED: DECEMBER 16, 2008

NO.	ITEM	APPROX. QUANTITY	UNIT	UNIT PRICE	AMOUNT	PERCENT COMPLETE	NEW BOND AMOUNT
SUMMARY							
I.	SANITARY SEWER IMPROVEMENTS - ON-SITE				\$ 215,983.85		\$ -
II.	WATERMAIN IMPROVEMENTS				\$ 250,369.51		\$ -
III.	STORM SEWER IMPROVEMENTS				\$ 197,386.30		\$ 19,738.63
IV.	PAVEMENT IMPROVEMENTS				\$ 580,417.40		\$ 163,421.40
V.	MISCELLANEOUS IMPROVEMENTS				\$ 20,700.00		\$ 20,700.00
VI.	SOIL EROSION IMPROVEMENTS				\$ 10,000.00		\$ 10,000.00
	TOTAL IMPROVEMENTS				\$ 1,274,857.06		\$ 213,860.03
	LETTER OF CREDIT AMOUNT (115%)				\$ 1,466,085.62		\$ 245,939.03

PROFESSIONAL ENGINEER'S CERTIFICATION

STATE OF ILLINOIS)
COUNTY OF DUPAGE)

I, CHRISTOPHER R. MORGART, A LICENSED PROFESSIONAL ENGINEER OF ILLINOIS, HEREBY STATE THAT THIS TECHNICAL SUBMISSION WAS PREPARED ON BEHALF OF THE RYLAND HOMES, INC. UNDER MY PERSONAL DIRECTION.

DATED THIS _____ DAY OF _____, AD, 2008

ILLINOIS LICENSED PROFESSIONAL ENGINEER NO. 062-055768
MY LICENSE EXPIRES ON NOVEMBER 30, 2009

PROFESSIONAL DESIGN FIRM LICENSE NO. 184-002937, EXPIRES APRIL 30, 2009

NOTE:

UNLESS THIS DOCUMENT BEARS THE ORIGINAL SIGNATURE AND IMPRESSED SEAL OF THE DESIGN PROFESSIONAL ENGINEER, IT IS NOT A VALID TECHNICAL SUBMISSION.

CEMCON, Ltd.
ENGINEER'S OPINION
OF PROBABLE CONSTRUCTION COST

PROJECT: RESERVE OF ST. CHARLES - UNIT 3
ON-SITE ONLY BOND REDUCTION
JOB NO.: 608.068

DATE: APRIL 20, 2005
REVISED: OCTOBER 27, 2008
LAST REVISED: DECEMBER 16, 2008

NO.	ITEM	APPROX. QUANTITY	UNIT	UNIT PRICE	AMOUNT	PERCENT COMPLETE	NEW BOND AMOUNT
I. SANITARY SEWER IMPROVEMENTS - ON-SITE							
1	Sanitary Sewer, 8" PVC SDR 26, 4 - 8' Deep	1,223	L.F.	\$ 18.75	\$ 22,931.25	100%	\$ -
2	Sanitary Sewer, 8" PVC SDR 26, 8 - 12' Deep	3,859	L.F.	18.95	73,128.05	100%	\$ -
3	Sanitary Sewer, 8" PVC SDR 21, 12 - 16' Deep	583	L.F.	26.27	15,315.41	100%	\$ -
4	Sanitary M.H. 4', Ty. A w/ Ty. 1 Fr & SS Lid, 4-8' Deep	12	E.A.	1,419.30	17,031.60	100%	\$ -
5	Sanitary M.H. 4', Ty. A w/ Ty. 1 Fr & SS Lid, 8 - 12' Deep	10	E.A.	1,620.20	16,202.00	100%	\$ -
6	Sanitary M.H. 4', Ty. A w/ Ty. 1 Fr & SS Lid, 16-20' Deep w/ Drop Connection	1	E.A.	5,263.30	5,263.30	100%	\$ -
7	Sanitary Service, 6" PVC SDR 26 (Long) w/ 8x6" Tee	45	E.A.	1,751.40	78,813.00	100%	\$ -
8	Sanitary Service, 6" PVC SDR 26 (Short) w/ 8x6" Tee	43	E.A.	309.00	13,287.00	100%	\$ -
9	PVC Service Riser	4	E.A.	225.00	900.00	100%	\$ -
10	Trench Backfill	3,400	C.Y.	24.20	82,280.00	100%	\$ -
Sub-Total Sanitary Sewer Improvements - On-site					\$ 325,151.61		\$ -
II. WATERMAIN IMPROVEMENTS							
1	DIWM 8", Cl. 52 w/Polyethylene Wrap	5,823	L.F.	\$ 18.95	\$ 110,345.85	100%	\$ -
2	DIWM 8", Cl. 55 w/Polyethylene Wrap	652	L.F.	24.30	15,843.60	100%	\$ -
3	8" Valve in 4' Dia. Vault	9	E.A.	1,564.60	14,081.40	100%	\$ -
4	Hydrant w/Aux. Valve	17	E.A.	1,869.50	31,781.50	100%	\$ -
5	Water Service 1 1/4", Ty. K w/ Box (Long)	40	E.A.	579.90	23,196.00	100%	\$ -
6	Water Service 1 1/4", Ty. K w/ Box (Short)	47	E.A.	1,271.70	59,769.90	100%	\$ -
7	Trench Backfill	100	C.Y.	24.20	2,420.00	100%	\$ -
8	Watermain Protection	1	L.S.	8,500.00	8,500.00	100%	\$ -
Sub-Total Watermain Improvements					\$ 265,938.25		\$ -

CEMCON, Ltd.
ENGINEER'S OPINION
OF PROBABLE CONSTRUCTION COST

PROJECT: RESERVE OF ST. CHARLES - UNIT 3
ON-SITE ONLY BOND REDUCTION
JOB NO.: 608.068

DATE: APRIL 20, 2005
REVISED: OCTOBER 27, 2008
LAST REVISED: DECEMBER 16, 2008

NO.	ITEM	APPROX. QUANTITY	UNIT	UNIT PRICE	AMOUNT	PERCENT COMPLETE	NEW BOND AMOUNT
III. STORM SEWER IMPROVEMENTS							
1	Storm Sewer, 6" PVC SDR 26	617	L.F.	\$ 12.00	\$ 7,404.00	100%	\$ 740.40
2	Storm Sewer, 12" RCP, Ty. 1	2,069	L.F.	14.70	30,414.30	100%	\$ 3,041.43
3	Storm Sewer, 12" RCP, Ty. 1 w/C-361 Joints	1,236	L.F.	16.00	19,776.00	100%	\$ 1,977.60
4	Storm Sewer, 15" RCP, Ty. 1	1,002	L.F.	16.60	16,633.20	100%	\$ 1,663.32
5	Storm Sewer, 15" RCP, Ty. 1 w/C-361 Joints	929	L.F.	17.25	16,025.25	100%	\$ 1,602.53
6	Storm Sewer, 18" RCP, Ty. 1	919	L.F.	19.80	18,196.20	100%	\$ 1,819.62
7	Storm Sewer, 18" RCP, Ty. 1 w/C-361 Joints	179	L.F.	21.00	3,759.00	100%	\$ 375.90
8	Storm Sewer, 21" RCP, Ty. 1	1,800	L.F.	23.20	41,760.00	100%	\$ 4,176.00
9	Storm Sewer, 24" RCP, Ty. 1	1,463	L.F.	27.20	39,793.60	100%	\$ 3,979.36
10	Storm Sewer, 27" RCP, Ty. 1	1,171	L.F.	32.20	37,706.20	100%	\$ 3,770.62
11	Storm Sewer, 30" RCP, Ty. 1	233	L.F.	33.90	7,898.70	100%	\$ 789.87
12	Storm Sewer, 36" RCP, Ty. 1	75	L.F.	45.50	3,412.50	100%	\$ 341.25
13	Storm Sewer, 36" RCP, Ty. 1 w/C-361 Joints	185	L.F.	51.00	9,435.00	100%	\$ 943.50
14	Inlet Ty. A w/ Ty. 8 Gr.	9	E.A.	475.20	4,276.80	100%	\$ 427.68
15	Inlet Ty. A w/ R-3015-R FR. & Gr.	16	E.A.	675.20	10,803.20	100%	\$ 1,080.32
16	Inlet Ty. B w/ Ty. 8 Gr.	12	E.A.	1,055.00	12,660.00	100%	\$ 1,266.00
17	Inlet Ty. B w/ R-3015-R FR. & Gr.	1	E.A.	1,055.00	1,055.00	100%	\$ 105.50
18	Catch Basin Ty. C w/ R-3015-R Fr. & Gr., 2' Dia.	9	E.A.	805.00	7,245.00	100%	\$ 724.50
19	Catch Basin Ty. A w/ R-3015-R Fr. & Gr., 3' Dia.	8	E.A.	1,305.00	10,440.00	100%	\$ 1,044.00
20	Storm M.H. Ty A w/TY. 1 FR. & O.L., 4' Dia.	27	E.A.	1,230.00	33,210.00	100%	\$ 3,321.00
21	Storm M.H. Ty A w/TY. 1 FR. & C.L., 5' Dia.	4	E.A.	1,708.00	6,832.00	100%	\$ 683.20
22	Storm M.H. Ty A w/TY. 1 FR. & O.L., 5' Dia.	7	E.A.	1,708.00	11,956.00	100%	\$ 1,195.60
23	Clean out Structure, w/ R-1706-1 Fr. & C.L.	3	E.A.	350.00	1,050.00	100%	\$ 105.00
24	Flared End Section, 18" RCP w/ Grate	1	E.A.	659.20	659.20	100%	\$ 65.92
25	Flared End Section, 36" RCP w/ Grate	1	E.A.	1,287.50	1,287.50	100%	\$ 128.75
26	Rip Rap w/ Maintenance	20	C.Y.	30.00	600.00	100%	\$ 60.00
27	Trench Backfill	500	C.Y.	24.20	12,100.00	100%	\$ 1,210.00
Sub-Total Storm Sewer Improvements					\$ 366,388.85		\$ 36,638.87

CEMCON, Ltd.
ENGINEER'S OPINION
OF PROBABLE CONSTRUCTION COST

PROJECT: RESERVE OF ST. CHARLES - UNIT 3
ON-SITE ONLY BOND REDUCTION
JOB NO.: 608.068

DATE: APRIL 20, 2005
REVISED: OCTOBER 27, 2008
LAST REVISED: DECEMBER 16, 2008

NO.	ITEM	APPROX. QUANTITY	UNIT	UNIT PRICE	AMOUNT	PERCENT COMPLETE	NEW BOND AMOUNT
IV. PAVEMENT IMPROVEMENTS							
1	Fine Grading	19,272	S.Y.	\$ 0.90	\$ 17,344.80	100%	1,734.48
2	Agg. Base Cse. Ty. B (CA-6) 4"	16,614	S.Y.	3.00	49,842.00	100%	4,984.20
3	Bit. Base Course, 6"	16,614	S.Y.	12.00	199,368.00	100%	19,936.80
4	Bit. Binder Cse., 1 1/2" Cl. I	16,614	S.Y.	3.30	54,826.20	100%	5,482.62
5	Bit. Surface Cse., 1 1/2" Cl. I	16,614	S.Y.	3.65	60,641.10	0%	60,641.10
6	Bit Material Prime Coat @ 0.3 Gal./SY	4,984	GAL.	1.10	5,482.40	0%	5,482.40
7	Bit Material Tack Coat @ 0.1 Gal./SY	1,661	GAL.	1.10	1,827.10	0%	1,827.10
8	PCC Sidewalk 4' Wide, 5" Thick w/3" CA-6 Subbase	47,848	S.F.	2.75	131,582.00	0%	131,582.00
9	PCC Curb & Gutter Ty. B-6.12	11,962	L.F.	8.00	95,696.00	100%	9,569.60
10	Backfill Curb	11,962	L.F.	0.50	5,981.00	100%	598.10
Sub-Total Pavement Improvements					\$ 622,590.60		\$ 241,838.40
V. SOIL EROSION IMPROVEMENTS							
1	Soil Erosion Repair		L.S.		<u>\$ 20,000.00</u>	0%	<u>\$ 20,000.00</u>
Sub-Total Miscellaneous Improvements					\$ 20,000.00		\$ 20,000.00

CEMCON, Ltd.
ENGINEER'S OPINION
OF PROBABLE CONSTRUCTION COST

PROJECT: RESERVE OF ST. CHARLES - UNIT 3
ON-SITE ONLY BOND REDUCTION
JOB NO.: 608.088

DATE: APRIL 20, 2005
REVISED: OCTOBER 27, 2008
LAST REVISED: DECEMBER 16, 2008

NO.	ITEM	APPROX. QUANTITY	UNIT PRICE	AMOUNT	PERCENT COMPLETE	NEW BOND AMOUNT
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SUMMARY

I.	SANITARY SEWER IMPROVEMENTS - ON-SITE			\$ 325,151.61		\$ -
II.	WATERMAIN IMPROVEMENTS			\$ 285,938.25		\$ -
III.	STORM SEWER IMPROVEMENTS			\$ 366,388.65		\$ 36,638.87
IV.	PAVEMENT IMPROVEMENTS			\$ 822,590.60		\$ 241,838.40
V.	SOIL EROSION IMPROVEMENTS			\$ 20,000.00		\$ 20,000.00
	TOTAL IMPROVEMENTS			\$ 1,600,069.11		\$ 298,477.27
	LETTER OF CREDIT AMOUNT (115%)			\$ 1,840,079.48		\$ 343,248.85

PROFESSIONAL ENGINEER'S CERTIFICATION

STATE OF ILLINOIS)
COUNTY OF DUPAGE)

I, CHRISTOPHER R. MORGART, A LICENSED PROFESSIONAL ENGINEER OF ILLINOIS, HEREBY STATE
THAT THIS TECHNICAL SUBMISSION WAS PREPARED ON BEHALF OF THE RYLAND HOMES, INC.
UNDER MY PERSONAL DIRECTION.

DATED THIS _____ DAY OF _____, AD., 2008

ILLINOIS LICENSED PROFESSIONAL ENGINEER NO. 062-055788
MY LICENSE EXPIRES ON NOVEMBER 30, 2009

PROFESSIONAL DESIGN FIRM LICENSE NO. 184-002937, EXPIRES APRIL 30, 2009

NOTE:

UNLESS THIS DOCUMENT BEARS THE ORIGINAL SIGNATURE AND IMPRESSED SEAL OF THE
DESIGN PROFESSIONAL ENGINEER, IT IS NOT A VALID TECHNICAL SUBMISSION.

"EXHIBIT C"
PARTIAL ASSIGNMENT
OF ANNEXATION AGREEMENT AND PREPAID IMPACT FEES

*THIS INSTRUMENT PREPARED
BY AND SHOULD BE RETURNED
TO:*

*Scott Gudmundson
MELTZER, PURTILL & STELLE LLC
1515 East Woodfield Road
Second Floor
Schaumburg, Illinois 60173-5431*

**PARTIAL ASSIGNMENT OF ANNEXATION
AGREEMENT AND PREPAID IMPACT FEES**

THIS PARTIAL ASSIGNMENT OF ANNEXATION AGREEMENT AND PREPAID IMPACT FEES (this "**Assignment**") is made and entered into this 23rd day of December, 2008 by and between The Ryland Group, Inc., a Maryland corporation ("**Assignor**"), as assignor, and Omni-Tech, LLC, an Illinois limited liability company ("**Assignee**"), as assignee.

RECITALS

A. Assignor was the owner of a parcel of real estate legally described on Exhibit A attached hereto and commonly known as The Reserve of St. Charles, together with any and all improvements, structures and fixtures presently located thereon (the "**Development**"), all which is located in St. Charles (the "**City**"), Kane County, Illinois;

B. The Development has been annexed to the City pursuant to that certain Annexation Agreement recorded with the Kane County Recorder's Office on May 10, 2005 as Document No. 2005K052734 (the "**Annexation Agreement**") and Annexation Ordinance No. 2005-M-9 recorded with the Kane County Recorder's Office on May 10, 2005 as Document No. 2005K052735 (the "**Annexation Ordinance**").

C. The City has also approved (i) that certain Plat of Subdivision prepared by Cemcon, Ltd. recorded with the Kane County Recorder's Office on February 9, 2006 as Document No. 2006K015402, Certificate of Correction thereto recorded on February 14, 2006 as Document No. 2006K016494 and Certificate of Correction thereto recorded on May 30, 2006 as Document No. 2006K058157 (as so corrected, the "**Final Plat**"); and (iii) those certain Final Site Improvement Plans prepared by Cemcon, Ltd. dated April 20, 2005, and last revised April 7, 2006, for public improvements installed and to be installed on the Development (the "**Final Engineering**").

D. Assignor and Assignee have entered into that certain Lot Sale Agreement dated December 23, 2008 (as amended, the "**Purchase Agreement**") with respect to the sale of that portion of the Development legally described on Exhibit B attached hereto and made a part hereof (the "**Sale Parcel**") by Assignor to Assignee.

E. Pursuant to the terms of the Purchase Agreement, Assignor has agreed to assign to Assignee all of its: (i) rights and obligations under the Annexation Agreement, the Annexation Ordinance, the Final Engineering and the Final Plat, but only to the extent of Seller's interest in the Sale Parcel; and (ii) right, title, interest and benefit, in and to the prepaid impact fees paid by Assignor to the City in the amount of \$23,974.38 per Lot of the Sale Parcel, but only with respect to the 113 Lots within the Sale Parcel and not for any of the other Lots within the Development.

NOW, THEREFORE, in consideration of Recitals set forth above, which are incorporated by reference herein, and the mutual covenants and agreements of the parties hereinafter set forth, the parties hereto mutually covenant and agree as follows:

1. Assignment. Assignor does hereby sell, assign, transfer, set over, grant, bargain and convey unto Assignee, its successors and assigns, all of Assignor's right, title and interest in and to the following (collectively the "**Development Documents**") but only with respect to Assignor's interest in and to the Sale Parcel:

- (i) the Annexation Agreement;

- (ii) the Annexation Ordinance;
- (iii) the Final Engineering;
- (iv) the Final Plat; and
- (v) all of Assignor's right, title, interest and benefit, in and to the prepaid impact fees paid by Assignor to the City in the amount of \$23,974.38 per Lot of the Sale Parcel, but only with respect to the 113 Lots within the Sale Parcel and not for any of the other Lots within the Development.

Assignee acknowledges and agrees that Assignor retains all rights and obligations under the Development Documents with respect to portions of the Development not included in the Sale Parcel, except to the extent otherwise provided for in the Purchase Agreement. Further, with respect to the prepaid impact fees described in clause (v) above, the impact fees assigned by Assignor to Assignee hereunder are only for the 113 Lots comprising the Sale Parcel, and not for any of the other Lots within the Development, and Assignor expressly retains all right, title, interest and benefit of the impact fees previously paid by Assignor with respect to the balance of the Lots within the Development.

2. Authority. Each party represents and warrants to the other party that it has full power and authority to enter into this Assignment.

3. Acceptance/Assumption and Indemnity. Assignee hereby accepts the assignment from Assignor; provided that Assignee shall assume obligations under the Development Documents only to the extent that the Final Plat, the Final Engineering and any permits included in the Development Documents impose obligations with respect to work to be performed by Assignee with respect to the Sale Parcel and the balance of the Development pursuant to the terms and conditions of the Purchase Agreement. Assignee agrees to assume all obligations of a builder of homes to be constructed on the Lots comprising the Sale Parcel under the Annexation Agreement. Assignee shall pay all building permit and tap-on fees when required by the terms of the Annexation Agreement. Assignor will retain the obligations under the Annexation Agreement specifically relating to Seller's Retained Lots (as defined in the Purchase Agreement) and not assumed by Assignee thereunder. Each of Assignor and Assignee shall promptly perform their respective obligations under the Development Documents, as assigned or reserved herein, in such a manner and within such a timeframe as shall be necessary for the other to fully avail themselves of their respective rights under the Development Documents without delay or interruption and shall defend, indemnify and hold harmless the other party and its successors and assigns from and against any claims, damages or claims of action whatsoever, which may be asserted against that party arising out of the failure to perform such obligations. Each of the parties shall also provide full and reasonable cooperation to the other in enabling or assisting the other party to avail itself of its rights and performing its obligations under the Development Documents. Nothing contained herein is intended to or shall modify the respective rights, obligations and agreements between the Parties as are set forth in the Purchase Agreement.

4. Governing Law. This Assignment shall be construed and enforced in accordance with and governed by the laws of the State of Illinois.

5. Binding Effect. This Assignment shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, personal representatives, successors and assigns.

6. Counterparts. This Assignment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

(signature page follows)

IN WITNESS WHEREOF Assignee and Assignor have executed this Assignment as of the date first above written.

Omni-Tech, LLC, an Illinois
limited liability company

By: _____
Name: Gary R. Janko
Title: Manager

THE RYLAND GROUP, INC.
a Maryland corporation

By: _____
Name: John K. Adams
Title: Operational Vice President

STATE OF ILLINOIS)

) SS.

COUNTY OF Kane)

I, _____, a notary public in and for said County, in the State aforesaid, do hereby certify that John K. Adams, the Operational Vice President of The Ryland Group, Inc., a Maryland corporation (the "Corporation"), personally known to me to be the same person whose name is subscribed to the foregoing Assignment and Acknowledgement, appeared before me this day in person and acknowledged that he signed, sealed and delivered the said instrument, on behalf of the Corporation and as his free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and seal, this 23rd day of December, 2008.

Notary Public

STATE OF ILLINOIS)

) SS.

COUNTY OF _____)

I, _____, a notary public in and for said County, in the State aforesaid, do hereby certify that Gary R. Janko, the sole Manager of Omni-Tech, LLC, an Illinois limited liability company ("Company"), personally known to me to be the same person whose name is subscribed to the foregoing Assignment and Acknowledgement, appeared before me this day in person and acknowledged that he signed, sealed and delivered the said instrument, on behalf of the Company and as his free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and seal, this 23rd day of December, 2008.

Notary

EXHIBIT A

Legal Description of the Development

All Lots and Outlots in The Reserve of St. Charles, being a subdivision of Part of the South Half of Section 9, Part of the Southwest Quarter of Section 10, Part of the Northwest Quarter of Section 15, and Part of the Northeast Quarter of Section 16, Township 40 North, Range 8 East of the Third Principal Meridian, in Kane County, Illinois, pursuant to the plat thereof recorded in Kane County, Illinois, on February 9, 2006, as Document No. 2006K015402, Certificate of Correction thereto recorded on February 14, 2006 as Document No. 2006K016494 and Certificate of Correction thereto recorded on May 30, 2006 as Document No. 2006K058157.

EXHIBIT B

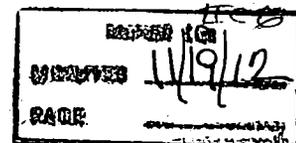
Legal Description of the Sale Parcel

Lots 4 through 9, both inclusive, 12, 13, 17 through 81, both inclusive, 85, 87 through 91, both inclusive, 93 through 95, both inclusive, 97, and Lots 104 through 133, both inclusive, in The Reserve of St. Charles, being a subdivision of part of the South Half of Section 9, part of the Southwest Quarter of Section 10, part of the Northwest Quarter of Section 15, and part of the Northwest Quarter of Section 16, Township 40 North, Range 8 East of the Third Principal Meridian, according to the plat thereof recorded February 9, 2006 as document 2006K015402, certificate of correction recorded February 14, 2006 as document 2006K016494, and certificate of correction recorded May 30, 2006 as document 2006K058157, in Kane County, Illinois.

<u>Lot</u>	<u>Address</u>	<u>PIN</u>
4	440 Reserve Drive	09 - 09 - 480 - 008
5	480 Reserve Drive	09 - 09 - 480 - 007
6	4520 Foxgrove Drive	09 - 09 - 480 - 006
7	4550 Foxgrove Drive	09 - 09 - 480 - 004
8	4620 Foxgrove Drive	09 - 09 - 480 - 003
9	4640 Foxgrove Drive	09 - 09 - 480 - 002
12	4765 Grandfield Drive	09 - 09 - 427 - 012
13	4745 Grandfield Drive	09 - 09 - 427 - 011
17	4665 Grandfield Drive	09 - 09 - 476 - 008
18	4645 Grandfield Drive	09 - 09 - 476 - 009
19	4625 Grandfield Drive	09 - 09 - 476 - 010
20	4585 Grandfield Drive	09 - 09 - 476 - 011
21	4565 Grandfield Drive	09 - 09 - 476 - 012
22	4535 Grandfield Drive	09 - 09 - 476 - 013
23	4540 Foley Lane	09 - 09 - 476 - 006
24	4560 Foley Lane	09 - 09 - 476 - 005
25	4580 Foley Lane	09 - 09 - 476 - 004
26	4630 Foley Lane	09 - 09 - 476 - 003
27	4650 Foley Lane	09 - 09 - 476 - 002
28	4670 Foley Lane	09 - 09 - 476 - 001
29	4720 Foley Lane	09 - 09 - 427 - 007
30	4740 Foley Lane	09 - 09 - 427 - 006
31	4760 Foley Lane	09 - 09 - 402 - 011
32	4780 Foley Lane	09 - 09 - 402 - 010
33	4830 Foley Lane	09 - 09 - 402 - 009
34	4850 Foley Lane	09 - 09 - 402 - 008
35	4870 Foley Lane	09 - 09 - 402 - 007
36	4960 Foley Lane	09 - 09 - 402 - 006
37	4965 Foley Lane	09 - 09 - 404 - 009
38	4945 Foley Lane	09 - 09 - 404 - 010
39	4925 Foley Lane	09 - 09 - 404 - 011
40	4885 Foley Lane	09 - 09 - 404 - 012
41	4875 Foley Lane	09 - 09 - 404 - 013
42	4865 Foley Lane	09 - 09 - 404 - 014
43	4745 Foley Lane	09 - 09 - 404 - 015
44	4685 Foley Lane	09 - 09 - 404 - 016
45	840 Hilldale Lane	09 - 09 - 452 - 009

46	860 Hilldale Lane	09	-	09	-	452	-	008
47	880 Hilldale Lane	09	-	09	-	452	-	007
48	940 Hilldale Lane	09	-	09	-	452	-	006
49	970 Hilldale Lane	09	-	09	-	452	-	005
50	990 Hilldale Lane	09	-	09	-	452	-	004
51	1030 Hilldale Lane	09	-	09	-	452	-	003
52	1120 Hilldale Lane	09	-	09	-	452	-	002
53	1130 Hilldale Lane	09	-	09	-	452	-	001
54	1140 Hilldale Lane	09	-	09	-	404	-	008
55	1150 Hilldale Lane	09	-	09	-	404	-	007
56	1160 Hilldale Lane	09	-	09	-	404	-	006
57	1170 Hilldale Lane	09	-	09	-	326	-	022
58	1180 Hilldale Lane	09	-	09	-	326	-	021
59	4695 Greywood Drive	09	-	09	-	326	-	018
60	4685 Greywood Drive	09	-	09	-	326	-	019
61	4665 Greywood Drive	09	-	09	-	326	-	020
62	4645 Greywood Drive	09	-	09	-	378	-	005
63	4625 Greywood Drive	09	-	09	-	378	-	006
64	4585 Greywood Drive	09	-	09	-	378	-	007
65	4565 Greywood Drive	09	-	09	-	378	-	008
66	4545 Greywood Drive	09	-	09	-	378	-	009
67	4525 Greywood Drive	09	-	09	-	378	-	010
68	1195 Reserve Drive	09	-	09	-	378	-	011
69	1175 Reserve Drive	09	-	09	-	454	-	001
70	1155 Reserve Drive	09	-	09	-	454	-	002
71	1125 Reserve Drive	09	-	09	-	454	-	003
72	1075 Reserve Drive	09	-	09	-	454	-	004
73	1045 Reserve Drive	09	-	09	-	454	-	005
74	1025 Reserve Drive	09	-	09	-	454	-	006
75	965 Reserve Drive	09	-	09	-	454	-	007
76	935 Reserve Drive	09	-	09	-	454	-	008
77	875 Reserve Drive	09	-	09	-	454	-	010
78	845 Reserve Drive	09	-	09	-	454	-	011
79	825 Reserve Drive	09	-	09	-	454	-	012
80	775 Reserve Drive	09	-	09	-	478	-	001
81	745 Reserve Drive	09	-	09	-	478	-	002
85	4440 Rosebud Drive	09	-	09	-	479	-	002
87	545 Reserve Drive	09	-	09	-	479	-	004
88	535 Reserve Drive	09	-	09	-	479	-	005
89	520 Reserve Drive	09	-	09	-	477	-	016
90	4545 Foxgrove Drive	09	-	09	-	477	-	015
91	4565 Foxgrove Drive	09	-	09	-	477	-	014
93	4635 Foxgrove Drive	09	-	09	-	477	-	012
94	4655 Foxgrove Drive	09	-	09	-	477	-	011
95	4675 Foxgrove Drive	09	-	09	-	477	-	010
97	4720 Grandfield Drive	09	-	09	-	477	-	001
104	540 Reserve Drive	09	-	09	-	477	-	008
105	840 Reserve Drive	09	-	09	-	453	-	023
106	860 Reserve Drive	09	-	09	-	453	-	022
107	880 Reserve Drive	09	-	09	-	453	-	021

108	940 Reserve Drive	09	-	09	-	453	-	020
109	980 Reserve Drive	09	-	09	-	453	-	019
110	1030 Reserve Drive	09	-	09	-	453	-	018
111	1050 Reserve Drive	09	-	09	-	453	-	017
112	1080 Reserve Drive	09	-	09	-	453	-	016
113	1120 Reserve Drive	09	-	09	-	453	-	015
114	1160 Reserve Drive	09	-	09	-	453	-	014
115	4540 Greywood Drive	09	-	09	-	380	-	006
116	4560 Greywood Drive	09	-	09	-	380	-	005
117	4580 Greywood Drive	09	-	09	-	380	-	004
118	4630 Greywood Drive	09	-	09	-	380	-	003
119	4650 Greywood Drive	09	-	09	-	380	-	002
120	4680 Greywood Drive	09	-	09	-	380	-	001
121	1145 Hilldale Lane	09	-	09	-	453	-	001
122	1135 Hilldale Lane	09	-	09	-	453	-	002
123	1125 Hilldale Lane	09	-	09	-	453	-	003
124	1095 Hilldale Lane	09	-	09	-	453	-	004
125	1065 Hilldale Lane	09	-	09	-	453	-	005
126	1045 Hilldale Lane	09	-	09	-	453	-	006
127	1025 Hilldale Lane	09	-	09	-	453	-	007
128	995 Hilldale Lane	09	-	09	-	453	-	008
129	965 Hilldale Lane	09	-	09	-	453	-	009
130	935 Hilldale Lane	09	-	09	-	453	-	010
131	875 Hilldale Lane	09	-	09	-	453	-	011
132	845 Hilldale Lane	09	-	09	-	453	-	012
133	825 Hilldale Lane	09	-	09	-	453	-	013



City of St Charles
Resolution No. 2012-138

A Resolution Approving the Execution of the First Amendment to the Land Improvement Agreement – The Reserves of St. Charles

**Presented & Passed by the
City Council on 19 November 2012**

WHEREAS, in 2009, the City, The Ryland Group, Inc. and Omni Tech, LLC (the “Developer”) entered into a land improvement agreement (“Agreement”) for the completion of certain public improvements of the property commonly known as The Reserves of St Charles (“Property”); and

WHEREAS, the Agreement was approved and authorized by the City pursuant to Resolution No. 2009-27 on July 20, 2009; and

WHEREAS, the Developer of the Property desires to amend certain provisions of the Agreement as to those matters Developer is obligated to complete pursuant to the Agreement and has requested the City to approve the amendments thereto; and

WHEREAS, after reviewing and considering the Developer’s request, the Mayor and City Council finds that amending the Agreement is in the best interests of the City and its residents.

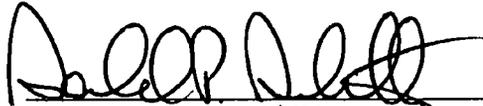
NOW THEREFORE, be it resolved by the City Council of the City of St. Charles, Kane and DuPage Counties, Illinois, that the Mayor and City Clerk be and the same are hereby authorized to execute that certain First Amendment to Land Improvement Agreement, in substantially the form attached hereto and incorporated herein as Exhibit A, by and behalf of the City of St Charles, with such changes as may be approved by the City Attorney.

This Resolution shall be in full force and effect following its passage and approval as required by law.

PRESENTED to the City Council of the City of St. Charles, Illinois this 19th day of November, 2012.

PASSED by the City Council of the City of St. Charles, Illinois this 19th day of November 2012.

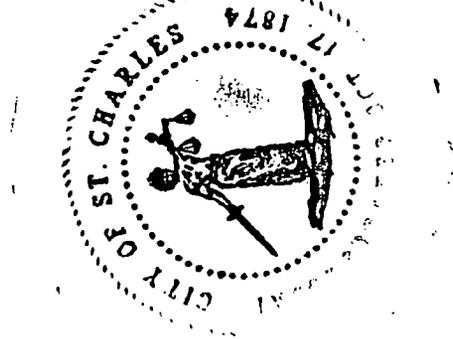
APPROVED by the Mayor of the City of St. Charles, Illinois this 19th day of November, 2012.



Mayor Donald P. DeWitte

ATTEST:


City Clerk



COUNCIL VOTE:

Ayes: 9
Nays: 0
Abstain: 1
Absent: _____

EXHIBIT A

**First Amendment to the
Land Improvement Agreement**

RECORD NO. 11/19/12
DATE

This space reserved for Recorder's use only.

Prepared by:

Evon S. Solms
Janko Group, LLC
1650 Lake Cook Rd., Suite 130
Deerfield, IL 60015

Return After Recording to:

Tina Nilles
City of St. Charles
2 E. Main Street
St. Charles, IL 60174

FIRST AMENDMENT
TO
LAND IMPROVEMENT AGREEMENT

This First Amendment to Land Improvement Agreement for The Reserves of St Charles (the "First Amendment") is made and entered into this ___ day of _____, 2012 between the City of St Charles, Illinois, a municipal corporation (the "City") and Omni-Tech, LLC, an Illinois limited liability company (the "Developer"; the Developer and the City are herein collectively called the "Parties").

WITNESSETH:

WHEREAS, the City, the Original Developer and Developer entered into a land improvement agreement dated July 20, 2009 ("Agreement") for the completion of certain public improvements of the property commonly known as The Reserves of St Charles ("Property"); and

WHEREAS, the Developer desires to amend certain provisions in the Agreement and the

City desires to consent to such modifications; and

WHEREAS, there is no requirement for a Public Hearing to be conducted in order for the Agreement to be amended; and

WHEREAS, all other procedures have been followed and notices have been given and resolutions, ordinances and other matters shall be enacted to give lawful effect to the approvals and agreements contained herein.

NOW, THEREFORE, in consideration of the mutual covenants, agreements and conditions herein contained and by the authority of and in accordance with the Statutes of the State of Illinois, the parties hereto agree that:

1. The improvements completed by the Original Developer pursuant to the Agreement have been accepted by the City, the warranty period has expired and the maintenance security has been released by the City; therefore, the Original Developer Obligations under the Agreement have been completed.

2. The City hereby grants to Developer an extension of time to complete the repairs to binder, curb and gutter and install final surface to Phase 1 of the Property (as described in Exhibit A of the Agreement) to August 30, 2013 (collectively referred to as the "**Road Work**").

3. Upon completion of the Road Work, the Developer may request acceptance by the City of the completed Land Improvements and submit a Maintenance Letter of Credit per Title 16 of the City Code. Upon receipt of the Maintenance Letter of Credit, the Developer's performance letter of credit shall be reduced by the appropriate amount for the accepted improvements. The twelve month maintenance period referenced in Section 9 of the Agreement shall, for that portion of Reserve Drive located in Phase 1, be extended so as to expire at the same time that the maintenance period for Phase 2. The Developer shall either (i) provide a

separate Maintenance Letter of Credit for Reserve Drive with an expiration date in accordance with this First Amendment, (ii) include language in the Maintenance Letter of Credit for all Phase 1 Improvements that provides for the extension of its expiration date with respect to the extended Reserve Drive maintenance period, or (iii) amend the Phase 2 Letter of Credit to increase it by the amount required to secure the extended maintenance period for Reserve Drive. The form of any Letter of Credit delivered hereunder shall be subject to approval by the City Attorney.

4. The City hereby grants to Developer an extension of time to October 31, 2016 to complete all the remaining Land Improvements in Phase 2 (as described in Exhibit A of the Agreement), as well as any required bike path in Phase 1.

4. Notwithstanding anything contained herein to the contrary, the Developer shall be permitted to construct the sidewalks adjacent to each residential unit being constructed on the Property concurrently with each such unit. No certificate of occupancy for a residential unit shall be issued until the sidewalk adjacent thereto is completed and accepted by the City. The sidewalks shall be secured by a Maintenance Letter(s) of Credit in the same manner as all other Land Improvements.

5. All terms and conditions set forth in the Agreement are in full force and effect unless expressly amended herein by this First Amendment. In the event of any conflict between the terms and conditions in this First Amendment and the terms and conditions of the Agreement, the terms and conditions of this First Amendment shall govern and control. All terms not otherwise defined in this First Amendment shall have the meanings ascribed to them in the original Agreement. In the event of a conflict in such meanings, the definitions set forth in this First Amendment shall control. If any pertinent existing resolutions or ordinances, or

interpretations thereof, of the City are inconsistent or in conflict with any provision hereof, then the provisions of this First Amendment and the ordinances passed in pursuance hereof shall constitute lawful and binding amendments to, and shall supersede the terms of said inconsistent ordinances or resolutions, or interpretations thereof, as they may relate to the Property.

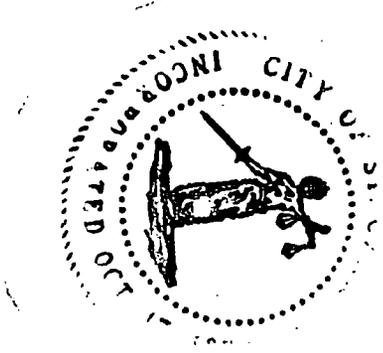
6. This First Amendment and the Agreement shall be deemed as covenants running with the land, and shall bind any person having an interest in the Property and such First Amendment and the Agreement shall inure to the benefit of the Developer, its successors and assigns.

7. The "Effective Date" of this First Amendment shall be the date of its execution by the City.

8. This First Amendment may be executed in counterparts, all of which together shall constitute one and the same instrument.

SIGNATURES ARE ON THE FOLLOWING PAGE.

IN WITNESS WHEREOF, the parties have executed this Second Amendment on the day and year first above written.



CITY:

City of St Charles

By: *Joseph A. Bell*

Its: Mayor

ATTEST:

Nancy Garrison

Its: City Clerk

DEVELOPER:

OMNI-TECH, LLC

By: *Gary R. Janko*

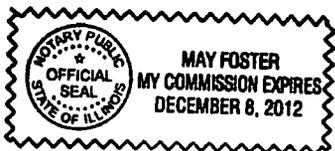
Its: Gary R. Janko, Manager

ACKNOWLEDGEMENT

STATE OF ILLINOIS)
)
COUNTY OF _____)

The undersigned, a Notary Public in and for the State aforesaid, CERTIFIES THAT Donald P. DeWitte, as Mayor and Nancy Garrison, as Clerk of the CITY OF ST CHARLES, an Illinois municipal corporation, personally known to me to be the same persons whose names are subscribed to the foregoing First Amendment, appeared before me this day in person and acknowledged that they signed, and delivered the instrument as their free and voluntary act, and as the free and voluntary act and deed of said corporation for the uses and purposes therein set forth.

Given under my hand and notarial seal this 19th day of November, 2012.



{SEAL}

May Foster

Notary Public



Copy.

Morton Community Bank

Performance Letter of Credit

IRREVOCABLE LETTER OF CREDIT NO. 70505

DATE: July 22, 2009

BENEFICIARY: City of St. Charles ("City")
ATTN: Development Engineering Division Manager
2 East Main Street
St. Charles, IL 60174

FOR THE ACCOUNT OF: Omni-Tech, LLC ("Owner/Developer")
1650 Lake Cook Road, Suite 130
Deerfield, IL 60015

RE: The Reserve of St Charles Phase 2-Unit 3 (See legal description attached hereto as Exhibit "A")

Morton Community Bank hereby establishes and issues this Irrevocable Letter of Credit No. 70505 in favor of the City of St. Charles ("City") in the amount of \$343,248.86 which is available to be drawn upon by City upon presentation to us of its demand for payment accompanied by this original executed Irrevocable Letter of Credit as further described below.

This Irrevocable Letter of Credit is issued for the purpose of securing and paying for the installation of the following Land Improvements as defined in the St. Charles Municipal Code for the aforesaid project and/or reimbursement to the City of expenses or other costs relating thereto:

DIVISION "A" - STORM SEWER SYSTEMS AND APPURTENANCES

(engineer's estimate = \$36,638.87)

DIVISION "B" - STREETS (PAVEMENT AND CURBS)

(engineer's estimate = \$241,838.40)

DIVISION "C" - SOIL EROSION

(engineer's estimate = \$20,000.00)

TOTAL ENGINEER'S COST ESTIMATE = \$298,477.27

115% OF TOTAL ENGINEERS COST ESTIMATE = \$343,248.86

The above divisions shall not preclude the City of St. Charles from drawing on funds allocated for work of one division from another division regardless of whether the work is completed for the division from which the funds are drawn.

Such Land Improvements shall be constructed by Omni-Tech, LLC (the "Owner/Developer"), our customers, in accordance with plans, specifications and cost estimates prepared by Cemcon, Ltd , Professional Engineer, dated April 20, 2005, and last revised April 7, 2006 and approved by the City.

We hereby agree that this Irrevocable Letter of Credit shall remain in full force and effect and pertain to any and all amendments or modifications which may be made from time to time to the plans, specifications and cost estimates for said Land Improvements regardless of whether we have been given notice of such amendments or modifications.

This Irrevocable Letter of Credit shall expire at our office as of our close of business on July 21, 2010, provided, however, that we shall notify the Development Engineering Division Manager, at the above address, by certified or registered mail, return receipt requested, at least ninety (90) days prior to said expiration date that said Irrevocable Letter of Credit is about to expire. It is a condition of this Irrevocable Letter of Credit that it shall be automatically extended, without amendment, for additional periods of one year from the present and each future expiration date, unless we notify you in writing via Certified Mail, Return Receipt Requested, at least ninety (90) days prior to any given expiry date that we have elected not to renew this Letter of Credit for such additional period of time. Upon receipt of such notice, you may make demand on this Irrevocable Letter of Credit as described below.

This Irrevocable Letter of Credit shall remain in effect without regard to any default in payments of sums owed us by the Owner or Developer and without regard to other claims which we may have against the Owner or Developer.

Demands on this Irrevocable Letter of Credit shall be made by presenting Morton Community Bank with this original Irrevocable Letter of Credit, and all amendment(s) thereto (if any), along with a letter from the Mayor of the City demanding payment, accompanied by the certificate of the Director of Public Works for the City, or his designee, or by a copy of a resolution of the City Council of the City, stating:

1. That this Irrevocable Letter of Credit will expire within ninety (90) days and has not been amended to extend the expiration date for one year; or
2. That the aforesaid Land Improvements have not been completed by the completion date required by the City Code or otherwise set forth in the Land Improvement Agreement between the Owner, Developer and the City of St. Charles.

No consent from the Developer or Owner shall be required in order for the City to make demand hereunder.

Morton Community Bank agrees that this Irrevocable Letter of Credit shall not be reduced or discharged except upon receipt of a certificate from the Director of Public Works for the City of St. Charles, or his designee, certifying that this Irrevocable Letter of Credit may be reduced and the amount by which it may be reduced. The outstanding balance of this Irrevocable Letter of Credit shall be the face amount of this Irrevocable Letter of Credit less any amount which is discharged upon certification of the Director of Public Works, or his designee.

In respect to the written certification above, Morton Community Bank and any negotiating bank or bankers are authorized to accept the certification as binding and correct without investigation or responsibility for the accuracy, veracity, correctness or validity of the same or any part thereof.

It is further acknowledged that the consideration for this Irrevocable Letter of Credit is provided by agreements between the undersigned financial institution and the Developer.

We hereby engage with you that all demands for payment made in conformity with the terms of this Irrevocable Letter of Credit will be duly honored on presentation to us prior to expiration of this Irrevocable Letter of Credit. Partial drawings and multiple drawings are allowed. In the event that we do not make payouts in accordance with this Irrevocable Letter of Credit and the City is required to file a lawsuit to compel compliance with this Irrevocable Letter of Credit and shall prevail, we will be obligated to pay to the City its expenses and costs of litigation, including attorneys' fees.

This Irrevocable Letter of Credit sets forth in full terms our undertaking and such an undertaking shall not in any way be modified, amended or amplified by reference to any document, instrument, or agreement except as referred to herein or in which this Irrevocable Letter of Credit relates, and any such reference shall be deemed to be incorporated herein by reference to any document, instrument or agreement, all as previously stated.

The undersigned institution hereby represents and warrants to the City that it has the full power, right and authority to deliver this Irrevocable Letter of Credit, that the Letter of Credit is within all lending limits of such institution, is in full conformity with all state and federal law, and is binding in accordance with its terms on the undersigned institution. All acts, requirements and other preconditions for the issuance of this Irrevocable Letter of Credit have been completed.

This credit is subject to the Uniform Customs and Practice for Documentary Credits (1993 Revision), International Chamber of Commerce Publication No. 500.

MORTON COMMUNITY BANK

BY: Robert H. Hays Sec. LO

ATTEST: Lou Jacek

EXHIBIT A

Lots 23-81, both inclusive, 105 through 133, both inclusive, in The Reserve of St. Charles, being a subdivision of part of the South Half of Section 9, part of the Southwest Quarter of Section 10, part of the Northwest Quarter of Section 15, and part of the Northwest Quarter of Section 16, Township 40 North, Range 8 East of the Third Principal Meridian, according to the plat thereof recorded February 9, 2006 as document 2006K015402, certificate of correction recorded February 14, 2006 as document 2006K016494, and certificate of correction recorded May 30, 2006 as document 2006K058157, in Kane County, Illinois.

 <p>CITY OF ST. CHARLES ILLINOIS • 1834</p>	AGENDA ITEM EXECUTIVE SUMMARY		Agenda Item number: 7a.
	Title:	St Charles Initiative Background, Fundraising Update, and 1st Street Plaza Construction Update – Discussion Only.	
	Presenter:	City Administrator Heather McGuire Director of Public Works Peter Suhr	
Meeting: Government Operations Committee		Date: September 18, 2023	
Proposed Cost: \$		Budgeted Amount: \$	Not Budgeted: <input type="checkbox"/>
TIF District: None			
Executive Summary:			
<p>The St. Charles Initiative is a partnership formed in 2018 between the City of St. Charles and the Community Foundation of the Fox River Valley with the purpose of creating public/private cooperation to support public projects in St. Charles. Funding is partially provided through charitable donations and endowments, as an alternative to tax-based financing sources.</p> <p>The St. Charles Initiative is an independent advisory committee comprised of St. Charles community leaders and residents, acting as volunteers.</p> <p style="padding-left: 40px;">Ed Bessner – Chair Emir Abinion Cris Anderson Julie Christman – CEO, Community Foundation of the Fox River Valley Sara Corcoran Conrad Hurst Raymond Rogina Thomas Russe Steve Waszkowiak Lora Vitek</p> <p>The Initiative Advisory Group considered several projects and decided to initially focus on the 1st Street Plaza Expansion, with the intention to shift efforts to additional projects in the future. \$66,586 has been raised since the last update to City Council (dated March 13, 2023.) As of September 15, 2023, the total funds raised by the Initiative is \$1,534,213, which includes the \$600,000 Exelon Grant and the \$56,153 Riverboat Grant.</p>			
Attachments (please list): Memorandum of Understanding			
Recommendation/Suggested Action (briefly explain): For Information Only			

First Street Plaza Overview of Funding and Costs

Phase 1

Site Acquisition, Design and Construction Costs	\$	2,042,707
Grants, and First Street Initiative Donations (Includes \$600,000 Exelon Grant and \$56,153 Riverboat Grant)	\$	794,171
Net Phase 1 City Costs	<u>\$</u>	<u>1,248,536</u>

Phase 2

Plaza Construction and Construction Management (Includes \$105,000 for Construction Mgmt; Other Svcs)	\$	4,384,041
Additional Initiative Donations Received (As of 9/13/23)	\$	739,966
Net Phase 2 City Costs (Current Estimated; Not Final)	<u>\$</u>	<u>3,644,075</u>

Summary

Total Grants and Donations Received	\$	1,534,137
Total Acquisition, Design and Construction Costs	\$	6,426,748

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MEMORANDUM OF UNDERSTANDING

St. Charles Initiative

THIS MEMORANDUM OF UNDERSTANDING ("MOU") is entered into this 19th day of November, 2018 by and between the City of St. Charles, Illinois (the "City") and The Community Foundation of the Fox River Valley, ("the Foundation"), for the purpose of establishing and administering the St. Charles Initiative ("the Initiative").

WHEREAS, the Foundation is an established, independent, not-for-profit corporation with its own Board of Trustees, based in Aurora, Illinois, and organized exclusively for charitable purposes as provided for under Section 501(c)(3) of the Internal Revenue Code;

WHEREAS, the City is a municipal corporation organized under the laws of the State of Illinois;

WHEREAS, the City and certain community-minded residents of St. Charles have determined that they wish to partner with an established community foundation experienced in building and administering endowments and other charitable Funds to create opportunities for funding through charitable donations to support agencies and current and future programs, projects, capital improvements and other opportunities for and within the City designed to benefit its residents;

WHEREAS, the City and the Foundation desire to collaborate and encourage the establishment of one or more charitable Funds at the Foundation for the Initiative with such Fund(s) not being supported by City tax dollars but rather through charitable contributions, both outright and deferred, from City residents and other individuals, corporations and entities seeking to benefit the community of St. Charles, Illinois now and into the future. Fund(s) will not be supported with City tax dollars, but may be used to compliment City tax dollars.

WHEREAS, the City and the Foundation desire to enter into this MOU to establish certain parameters and working arrangements which they agree are necessary to successfully implement and manage the Initiative; and

WHEREAS, the parties acknowledge that no contractual relationship is created between them by this MOU, but agree to work together in the true spirit of collaboration to ensure that there is united, visible, and responsive leadership for the Initiative, and to demonstrate financial, administrative, and managerial commitment to it;

NOW, THEREFORE, in consideration of the aforementioned objectives, the parties hereby agree to the following terms:

1. Foundation Role and Responsibilities:

- a. The Foundation shall appoint standing members of its Board of Trustees, Committees and/or staff and various representatives of the St. Charles community to serve on an ad hoc Advisory Committee for the Initiative (hereafter the "Advisory Committee"), as further described in Exh. A.
- b. The Foundation shall facilitate, manage and administer the Initiative's charitable giving program and exclusively receive, deposit, manage, administer and provide acknowledgment for all charitable contributions made in support of it.
- c. Gifts, grants and other contributions in support of the Initiative must adhere to the Foundation's Gift Acceptance Policy (Exh. B) and other relevant policies. A minimum gift or deposit of \$10,000.00 is required to establish any endowed Fund at the Foundation. Proposed gifts of less than \$500.00 are not to be encouraged by the Advisory Committee, Foundation or City. The Foundation expressly reserves the right to refuse any gift, grant or other contribution offered in support of the Initiative.
- d. The Foundation shall support the Advisory Committee in identifying, qualifying, soliciting and facilitating charitable gifts for the Initiative from current and prospective donors. This may include Foundation staff accompanying Initiative Advisory Committee members on prospecting calls (as necessary), attending and speaking at certain Initiative events and activities, reviewing documents, letters and other communications, and helping coach Advisory Committee members on how to field basic inquiries regarding giving opportunities, gift strategies and Fund options.
- e. The Foundation shall work directly with donors and, as necessary, the City and Advisory Committee, to establish parameters for the various charitable Funds that may support this Initiative.
- f. The Foundation shall provide donors with the following Fund Types (Exh. C):
 - Field-of-Interest Funds (Endowed)
 - Designated Funds (Endowed/Pass-Through)
 - Donor-Advised Funds (Endowed/Pass-Through)
 - Scholarship Funds (Endowed/Pass-Through)
- g. Certain proposed gifts may require additional review by City representatives. Whenever necessary, the Foundation shall communicate with the City in conjunction with the Advisory Committee Chair to obtain the requisite approval before accepting any contribution that would bind, encumber or otherwise obligate the City.
- h. The Foundation shall allow the Advisory Committee and City the use of its corporate name and logo for marketing and promotional purposes relating to the Initiative,

subject to advance written approval by the Foundation.

2. City Role and Responsibilities:

- a. The City shall appoint a representative to serve as the primary point of contact between it, the Foundation and Advisory Committee regarding the Initiative and any activities pertaining to it.
- b. The City, at the sole discretion of the City Council, shall provide the Foundation and Advisory Committee with an annual budget for the Initiative that they can utilize to plan Initiative activities and events. Said budget should be discussed in conjunction with the Foundation and Advisory Committee so that all parties are informed of one another's plans and have knowledge of the amount of resources available to be utilized.
- c. The City shall pay for any and all direct expenses associated with the implementation, marketing and promotion of the Initiative provided that the City Administrator or his/her designee has pre- authorized, in writing, such expenditures. Certain expenses can and should be paid directly by the City. The Advisory Committee may seek additional resources, either direct or in-kind, through contributions, sponsorships, etc. in conjunction with the Foundation.
- d. The City shall help facilitate, as necessary, the timely review and consideration of any projects, initiatives or other opportunities proposed to be funded by current or prospective donors through the Initiative for the benefit of the City and its residents. City review will include, but not be limited to, any standard regulatory reviews from the City's Municipal Code, including but not limited to City committee/commission and City Council approvals.
- e. The City shall allow the Advisory Committee and the Foundation the use of its corporate name and logo for marketing and promotional purposes relating to the Initiative, subject to advance written approval by the City.
- f. While no City employee will actively engage in the direct solicitation of charitable gifts for the Initiative, the City and its employees may assist the Foundation and Advisory Committee in passive forms of marketing and solicitation for the Initiative such as promoting events, activities and giving opportunities by making available the City's existing communication vehicles as space and time permit. Inquiries regarding charitable gifts shall be directed to the Foundation or designated representatives of the Advisory Committee.
- g. The City shall at all times take any and all reasonable measures to maintain and protect the confidentiality of current and prospective donors to the Initiative to the fullest extent permitted under both Illinois and federal law.

3. Miscellaneous:

- a. The Foundation and City agree to adhere to and abide by the terms and conditions of the Foundation's Bylaws (Exh. E), and other policies including, but not limited to, the Foundation's Gift Acceptance Policy (Exh. B), Fee Structure (Exh. F) and Statement of Investment Policy (Exh. D).

- b. Any Funds established at the Foundation in conjunction with this Initiative shall be charged standard investment and administrative fees by the Foundation and used for the general charitable purposes of the Foundation as provided in its Bylaws, subject to the following paragraphs:
- It is understood and declared that, except as otherwise specifically provided, any and all contributions to any Fund relating to this Initiative are irrevocable. The funds shall be the property of the Foundation held by it in its corporate capacity and shall not be deemed trust funds held by it in a trustee capacity.
 - It is also understood that any Fund agreements established in association with this Initiative are subject to the Foundation's authority to vary the terms of any gift given to a Fund as stated in Section VIII of the Foundation's Bylaws (Exh. E). The Foundation adheres to Treasury Regulation 1.170A-9(t)(1)(v)(B)(1), commonly known as Variance Power. This allows the Foundation to "modify any restriction or condition on the distribution of funds for any specified charitable purpose or to any specified organization if in the sole judgment of the governing body (without the necessity of the approval of any participating trustee, custodian, or agent), such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community or area served."
 - The Pension Protection Act prohibits grants, loans, compensation, expense reimbursement, and similar payments to donors, advisors or related parties from donor-advised funds. It also prohibits grants to individuals from donor-advised funds, which includes checks written directly to an individual or checks written to an entity for the benefit of a specified individual.
 - A representative of the Foundation shall periodically consult with the Advisory Committee regarding potential distributions from any Fund or Funds for which it has been appointed Advisor. All grant recommendations from the Advisory Committee shall be in writing from the Advisory Committee Chair. Each grant distribution shall be at least \$500.00. Recommendations for grants from the Advisory Committee shall be advisory only, with the final decision to be made by the Foundation Board of Trustees. No distribution from any Fund of the Initiative shall be used to satisfy any charitable pledge made by any donor to said Fund. All distributions must be for charitable purposes and consistent with the exempt purposes of the Foundation as specified in its Articles of Incorporation and Bylaws.
 - Should the charitable purposes of any Fund of the Initiative become unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the community, they shall be devoted to benefit the community of St. Charles, Illinois and area agencies and programs which serve its residents.
- c. This MOU sets forth the entire understanding between the parties as of the date of its full execution by all parties. No representation, promise or condition, whether oral or written, not incorporated herein shall be binding upon any party to this MOU. This MOU shall not be waived, amended or modified except in writing and signed by the authorized representative(s) of all parties.

- d. The Parties reserve the right to terminate their collaboration upon providing thirty (30) days written notice to the other. If the collaborative is terminated by either party, the following shall occur:
- Endowed Funds shall continue on for their designated purposes (primary or contingent) pursuant to the terms of the Fund agreements governing them.
 - Non-endowed Funds shall also continue to be utilized for their designated purposes (primary or contingent) pursuant to the terms of their Fund agreements until they are spent down.
 - Remaining, unused marketing funds that were budgeted by the City as part of this Agreement, will remain available for the Advisory Committee to use under the same terms and conditions of this MOU, until such funds are exhausted or the City's fiscal year has ended, whichever comes first.
- e. Whenever the concurrence or approval of the City and the Foundation is required, such concurrence or approval shall not be unreasonably withheld, conditioned or delayed by either party, and both parties agree to cooperate with each other to accomplish the terms and conditions of this MOU.
- f. Nothing contained in this MOU shall be construed to constitute the City or the Foundation as an agent, representative or employee of any of the other parties hereto. Nor shall anything contained in this MOU be construed in any manner to create any relationship between the City and the Foundation other than what is expressly specified herein, and the parties shall not be considered partners or co-venturers for any purpose on account of this MOU.
- g. Any notice required to be delivered shall be deemed to have been received when the notice has been sent by certified mail, return receipt, overnight carrier, or hand delivered with signed receipt to the following addresses:

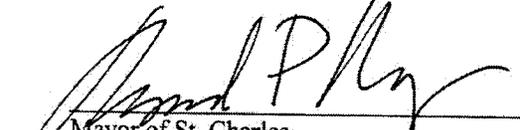
TO THE CITY OF ST. CHARLES: City Administrator
City Administrator's Office
2 E. Main Street
St. Charles, IL 60174

WITH COPY TO: City Attorney

TO THE FOUNDATION: Community Foundation of the Fox River Valley
President & CEO
111 W. Downer Place, Suite 312
Aurora, IL 60506

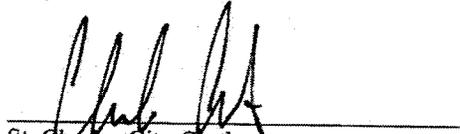
IN WITNESS WHEREOF, the parties have executed this MOU the day and year first written above.

CITY OF ST. CHARLES, ILLINOIS



Mayor of St. Charles

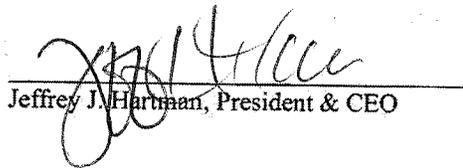
11/19/18
Date



St. Charles City Clerk

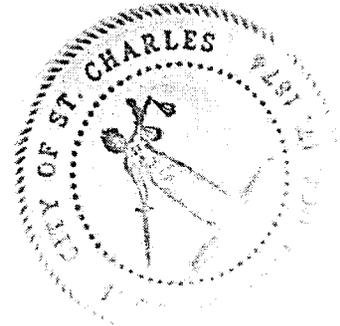
11/19/2018
Date

COMMUNITY FOUNDATION OF THE FOX RIVER VALLEY



Jeffrey J. Hartman, President & CEO

11-30-18
Date



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— OF THE FOX RIVER VALLEY —



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127 South First Street, Suite 215 • Geneva, Illinois 60134
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EXHIBIT A

**ROLES AND EXPECTATIONS FOR MEMBERS OF THE
ST. CHARLES INITIATIVE ADVISORY COMMITTEE:**

The St. Charles Initiative Advisory Committee (Advisory Committee) shall be an ad hoc Committee of the Community Foundation of the Fox River Valley focused on promoting charitable giving opportunities for current and former residents of St. Charles and other donors who are passionate about the community and who wish to help sustain and enhance its quality of life.

COMMITTEE MEMBER RESPONSIBILITIES:

Be the driving force in the identification, qualification, solicitation and facilitation of charitable gifts from current and prospective donors for the St. Charles Initiative;

Be the primary ambassadors and champions of the St. Charles Initiative and coordinate with the City and Foundation to plan, promote and market the Initiative's activities, events and giving opportunities;

Devise and execute activities, events, solicitations and other tactics aimed to help grow the Initiative and provide stewardship for its supporters, subject to Foundation approval and the obtaining of requisite funding (if needed) from the City or other sources;

Develop and maintain, in conjunction with the City, a current list of approved City projects or initiatives that would be eligible for charitable support through one or more of the Initiative's Funds;

Serve as an independent reviewing body for the Initiative that may evaluate and recommend to the Foundation and City proposed initiatives, programs, projects, capital improvements and other opportunities that could potentially be funded through the Initiative, and serve as a liaison between the Foundation and City as needed;

Make grant recommendations to the Foundation Board of Directors regarding distributions from certain Initiative Funds to support current and future programs, projects, capital improvements and other opportunities aimed at benefiting the City.

COMPOSITION:

The Advisory Committee shall be comprised of the following members:

- Two Community Foundation Board of Directors
- Five St. Charles residents and/or St. Charles community leaders
- *Ex-Officio*: Community Foundation Senior Management Official – V.P., CEO, etc.

The Committee shall annually elect a Chair who will convey the Committee's recommendations to the Foundation and City with regard to grants from certain Initiative Funds and other matters as appropriate.

TIME COMMITMENT:

The Advisory Committee shall meet as needed with the expectation that members attend most meetings in person. Special meetings may be called when circumstances require Committee discussion (e.g., the acceptance or disposition of a major gift). Such meetings may be conducted in person or via teleconference.

Advisory Committee members shall be expected to attend most informational/marketing events and other activities hosted for the Initiative in addition to appropriate City and Foundation events/meetings.

TERMS:

Advisory Committee members may serve one three-year term, renewable for one additional three-year term at the discretion of the Foundation's Board of Directors for a total of six years.

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Policy: Gift Acceptance Policies
Total Pages: 11
Attachments: 2 (5 pages)
Date Last Revised: 5/18/17
Date Last Reviewed: 5/18/17
Approved By: Executive Committee
Date To Be Reviewed: May 2018

GIFT ACCEPTANCE POLICIES

Background

The purpose of these policies is to advance the Community Foundation's mission of connecting donor interests to community needs by utilizing the Foundation's knowledge and leadership. Further, these policies are designed to ensure that all gifts to the Foundation are structured to provide maximum benefits to the community, the donor, the Foundation and the beneficiaries of our organization's charitable programs.

The purpose of a gift to the Foundation is to further the Foundation's charitable purpose and mission. The Foundation offers citizens a convenient way to give to charity according to their own plans and interests, and special ways to make their gifts more useful and effective. Its funds are the result of many gifts, large and small, and are primarily for the benefit of the communities in the Fox River Valley.

Financial support to the Foundation may be in the form of outright current gifts or deferred gifts. Specifically, the Foundation seeks to: (1) help donors meet their charitable goals by making gifts tailored to suit their individual circumstances; (2) encourage gifts to the Foundation that benefit the Foundation and other charities in our community; and (3) increase the permanent endowment funds of the Foundation, thereby providing a growing charitable resource for future generations in our community.

Charitable gifts may be made for unrestricted purposes. Such gifts, left entirely to the Foundation's discretion, are especially useful since they allow the board to apply the funds when and where they are most needed. In other situations, the donor may designate the use of income as well as principal, or establish a permanent fund for the use of income only. All gifts to the Foundation are deductible to the extent allowed under Federal income, gift and estate tax laws.

Gifts may be made in memory or honor of a relative or friend, or to establish a special fund in the name of the donor, the donor's family, a business, an organization or other entity. All of the Foundation's funds are open and may receive additional gifts at any time.

Each Foundation fund is governed by a written fund agreement or deferred gift instrument. Fund agreements created by individual donors are signed by the donor, or his or her appointed representative, and if appropriate, an authorized representative of the Foundation. Fund agreements will be prepared and reviewed by staff and must be approved by the Foundation's Board of Directors.

In most cases, additional gifts may be made to existing funds of the Foundation without restating the original purpose of the gift.

In conformance with Treasury Department regulations governing community foundations, gifts to the Foundation may not be directly or indirectly subjected by a donor to any material restriction or condition that prevents the Foundation from freely and effectively employing the gift assets or the income derived therefrom, in furtherance of its charitable purposes.

In addition, the Foundation reserves the right to reject any gift that might place the other assets of the Foundation at risk or that is not readily convertible into assets that fall within the Foundation's investment guidelines. The Foundation may also decline a gift if it is not able to administer the terms of the gift in accordance with the donor's wishes.

Ethical Standards

Every person acting for or on the Foundation's behalf shall adhere to those standards set forth by the Association of Fundraising Professionals in "A Donor Bill of Rights", as well as the National Association of Charitable Gift Planners in "Model Standards of Practice for the Charitable Gift Planner", as attached in Exhibit A and Exhibit B.

The Foundation is committed to the highest ethical standards of philanthropy and development. In all transactions between potential donors and the Foundation, the Foundation will aspire to provide accurate information and full disclosure of the benefits and liabilities that could influence a donor's decision, including with respect to the Foundation's fees, the irrevocability of a gift, prohibitions on donor restrictions, items that are subject to variability (such as market value, investment return, and income yield), the Foundation's responsibility to provide periodic financial statements with regard to donor funds, and investment policies and other information needed by donors to make an informed choice about using the Foundation as a vehicle of charitable gifts. In addition, all donors will be strongly encouraged to discuss their gifts with their own financial and tax advisors before signing any gift agreement. The role of the Foundation's staff is to inform, guide, and assist the donor in fulfilling his or her philanthropic goals, without pressure or undue influence.

The Foundation recognizes the paramount role of donors and their gifts to the Foundation in executing its charitable mission. In carrying out the Foundation's development program, staff will recognize and acknowledge donors in appropriate ways, both publicly and privately, subject to the Foundation's Policy on Confidentiality. Donors reserve the freedom to determine the degree and type of recognition that they prefer and the Foundation respects the confidentiality of donors who do not wish to be publicly recognized.

Types of Funds

Unrestricted Funds

Unrestricted Funds permit the Foundation the greatest flexibility in responding to present and future charitable needs within the Foundation's service area. Donors establishing Unrestricted Funds rely on the expertise of the Foundation board and staff to identify and evaluate the most effective uses for the fund.

Field Of Interest Funds

These types of funds enable donors to choose a particular field of interest, such as youth, education, senior citizen needs, the arts, etc. The Foundation evaluates needs within the specified field and responds to those needs in the name of the fund.

Donor Advised Funds

Donor Advised Funds allow donors to make suggestions for distributions to meet current needs. Although Internal Revenue Service regulations require these suggestions to be nonbinding, each suggestion receives serious consideration by the Foundation's Board of Directors.

Restricted Funds

These funds are designed to benefit specific charitable organizations such as a non-profit agency, a civic institution or a religious house of worship. If a specific beneficiary of a fund ceases to exist, the Foundation will follow the original intentions of the donor by identifying organizations of similar purpose. Thus, donors have the assurance that their charitable objectives will continue to be fulfilled.

Scholarship Program Funds

The Community Foundation is well known for its extensive scholarship program. Many donors create Scholarship Funds as memorials to loved ones and friends. Donors have the option to define the criteria of their funds (e.g., to serve students entering a particular field of study or graduating from a specific high school, etc.). Scholarship Funds can be structured to reflect most charitable objectives or can be left "open-ended" to give the Foundation latitude in the selection of deserving students.

Grantmaking Program Funds

The Community Foundation is able to award charitable grants to the community due to the thoughtfulness of donors who have contributed to one of our unrestricted funds and also through the generosity of individuals who have created their own charitable funds which support our discretionary grantmaking program.

Agency & Institutional Endowment Funds

The Community Foundation manages the endowments of many organizations. These funds are structured to serve their intended charitable purpose(s) in perpetuity. The amount available for distribution is carefully established by the Foundation to ensure the preservation and long-term growth of each endowment fund. Through affiliation with our organization, the agency is relieved of the accounting and reporting requirements which accompany the management of an endowment. Finally, since the assets of the Foundation are pooled for investment purposes, each endowment is able to benefit from a more diverse investment portfolio.

Administrative Funds

Funds assisting the Foundation in its work enable our organization to maintain modest levels of fees for services to the community. An Administrative Endowment Fund receives ongoing recognition in the Foundation's Annual Report and ensures our ability to maximize grant payouts to the community.

Combination Of Charitable Purposes

If donors wish to support several charitable causes, it is possible to design a fund which will distribute a combination of charitable grants each year. For example, a percentage of a fund's annual income can be distributed to a specific charity and the balance can be reserved for scholarships. Or, set percentages can be awarded to specific charities with the balance earmarked for a particular field of interest, such as senior citizen needs or the environment.

Disaster Relief and Emergency Hardship Funds

Contributions to these funds help people in time of need and help our community recover when disasters strike. The Foundation makes distributions from these funds to support effective organizations that provide assistance to individuals and community organizations.

Variance Power

At times, the purposes for which a fund was established can no longer be served (e.g., a charitable organization goes out of existence). The Foundation has the ability to address these situations through its variance power. This power gives the Foundation's board the ability to make changes to a fund when its purpose is no longer necessary, can no longer be fulfilled, or has become inconsistent with the charitable needs of the community. This power to update funds helps protect donors by avoiding the need for complex and costly legal proceedings.

Administration

The minimum required to create a named fund within the Community Foundation is \$500. Such funds are placed in the Consolidated Fund of the Foundation. The Foundation's administrative fee shall not be charged against any fund within the Consolidated Fund. Funds of \$10,000 or greater may be separately invested and the Foundation administrative fee then in effect shall be charged against those funds.

The Foundation reserves the right to accept or reject any gift as it sees fit. All gifts to the Foundation will be ultimately received by the President on behalf of the Board. The President handles inquiries, assists donors, assembles documentation, retains expert and technical consultants and executes agreements on the Foundation's behalf. The President will give expeditious, yet thorough consideration to each gift. Any potential gift that is not covered by this policy must be reviewed and approved by the Board of Directors prior to final acceptance.

Gifts received in the following forms may be accepted by the Chairman, Vice-Chairman, President, Treasurer, or a designee of the Foundation and will not require prior review and approval of the Board of Directors.

- Cash
- Checks
- Credit cards or wire transfer to the Foundation's account(s)
- Publicly Traded Securities
- Real Property
- Closely Held Stock
- Tangible Personal Property
- Proceeds from Life Insurance, Charitable Gift Annuities, Charitable Remainder or Lead Trusts, Private Foundation transfers

Legal Counsel shall be consulted for gifts of Closely Held Stock, Limited Liability Corporations, Sub S Corporations, Real Property and Tangible Personal Property.

Gifts that require prior review and approval of the Board of Directors include:

- Gifts whose purposes fall outside the purposes, mission and bylaws of the Foundation
- Patents and Copyrights
- Partnership Interests
- Life Estate Agreements
- Unusual or non-conventional gifts

Notwithstanding the authority granted above, gifts requiring immediate action (such as gifts in late December) may be exempted from full board of directors review if, in the President's judgment, in consultation with the Chairman and Vice-Chairman of the board, that gift may be accepted without in any way jeopardizing the Foundation's exempt status.

Gifts requiring board of director review will be handled promptly. Foundation staff will immediately notify donors if a gift is not accepted.

Investment of Gifts

The Foundation reserves the right to make any or all investment decisions regarding gifts to it in accordance with its Investment Policy, as amended from time to time. In making a gift to the Foundation, donors give up all right, title, and interest to the assets contributed. In particular, donors give up the right to choose investments and investment managers, brokers, or to veto investment choices for their gifts.

Costs of Accepting and Administering Gifts

Generally, costs associated with the acceptance of a gift, such as the donor's attorneys' fees, accounting fees, and appraisal and escrow fees, are borne by the donor. The direct costs of administering gifts are generally paid out of the assets of the individual funds. Custodial, investment, and administrative fees are paid from the respective funds in accordance with the Foundation's guidelines and fee schedules. The Foundation reserves the right to assess a set-up fee.

Fundraising By Donors

Because the Foundation is legally responsible for all fundraising undertaken on its behalf, fundraising undertaken by donors in connection with funds of the Foundation must be approved in advance by the Foundation pursuant to the Foundation's policy on fundraising by donors. All such fundraising activities are also subject to the Foundation's supervision.

Illiquid Assets

The Foundation's general policy is to liquidate all gifts promptly. On occasion, the Board may decide that it will not liquidate certain gifts immediately. Factors the Board will consider include:

- Market conditions – a gift may be retained for a reasonable period of time if the likely sales price would be substantially less than the asset's real value. Similarly, a large block of stock might be sold over a period of time in order not to artificially depress the price.
- Use by the foundation – the Foundation may elect to keep gifts that it will employ directly in furtherance of its exempt purposes. For example, the Foundation might keep real property that it will use as its offices.
- Desirability as an investment – on rare occasions, the Foundation may be given property that it wishes to retain as an investment. Considerations in this decision include the projected return and how the asset fits into the Foundation's investment portfolio.

If a fund's illiquid assets do not generate a sufficient return to permit grantmaking that is consistent with the assets' value, the Foundation will seek an additional gift of cash or marketable securities to allow the fund to begin making distributions.

Treatment of Excess Business Holdings

Under the Pension Protection Act of 2006 (PPA), the private foundation excess business holdings rules now apply to donor advised funds as if they were private foundations¹. That is, the holdings of a donor advised fund in a business enterprise, together with the holdings of persons who are disqualified persons with respect to that fund, may not exceed any of the following:

- Twenty percent² of the voting stock³ of an incorporated business
- Twenty percent of the profits interest of a partnership or joint venture or the beneficial interest of a trust or similar entity
- Any interest in a sole proprietorship

Ownership of unincorporated businesses that are not substantially related to the fund's purposes is also prohibited.

Donor advised funds receiving gifts of interests in a business enterprise after the date of the PPA's enactment (August 17, 2006) will have five years to divest holdings that are above the permitted amount, with the possibility of an additional five years if approved by the Secretary of the Treasury. Funds that currently hold such assets will have a much longer period to divest under the same complicated transition relief given to private foundations in 1969⁴.

What is a business enterprise?

A "business enterprise" is the active conduct of a trade or business, including any activity which is regularly carried on for the production of income from the sale of goods or the performance of services. Specifically excluded from the definition are:

- Holdings that take the form of bonds or other debt instruments unless they are a disguised form of equity
- Income from dividends, interest, royalties and from the sale of capital assets
- Income from leases unless the income would be taxed as unrelated business income
- Functionally-related⁵ businesses and program-related investments
- Businesses that derive at least 95 percent of their income from passive sources (dividends, interest, rent, royalties, capital gains). This will have the effect of excluding gifts of interest in most family limited partnerships, and other types of holding company arrangements.

What is a disqualified person?

Donors and persons appointed or designated by donors are disqualified persons if they have - or reasonably expect to have - advisory privileges with respect to the donor advised fund by virtue of their status as donors. Members of donors' and advisors' families are also disqualified, but the section does not define "family" and does not cross-reference either section 4958 or 4946 for the definition. Finally, the term includes 35 percent controlled entities as defined in section 4958(f)(3).

Policy with regard to assets categorized under the PPA as "excess business holdings"

The Community Foundation will identify and monitor any new gift to a donor advised fund of any interest qualifying as an "excess business holding" under the PPA. The Community Foundation will exercise its best effort to dispose of the contributed interest at the best possible price within five years of the date of the gift, as required under the PPA. In any event, the Community Foundation will dispose of any excess business holding prior to the five year time limit, except in the event that the Treasury Department grants an additional five year holding period. The Community Foundation will notify potential donors of such interests of this requirement prior to the contribution of such interest.

¹The language is clear that it is only the donor advised fund – not the sponsoring charity – that is to be treated as a private foundation. Accordingly, it appears that this section does not apply to assets held by the sponsoring charity's investment pools, or assets held by funds that are not donor advised.

²Thirty-five percent if it can be shown that persons who are not disqualified persons have effective control of the business.

³Additionally, the donor advised fund will be barred from holding non-voting stock of an incorporated business unless the disqualified persons collectively own less than 20 percent of the voting stock. Under the de minimis rule, the donor advised fund could continue to hold an interest that did not exceed two percent of the voting stock and two percent of the value. Additional rules apply to cover situations such as mergers, redemptions and acquisitions.

⁴Excess holdings acquired by purchase must be disposed of immediately. If purchases by disqualified persons cause the donors advised fund to have excess holdings, the donor advised fund will have 90 days to dispose of the excess.

Deferred Gifts

The Community Foundation's planned giving program encompasses all types of gifts whose benefits do not fully accrue to the Foundation until a future time (such as the death of the donor or other income beneficiaries, or the expiration of a predetermined period of time), or whose benefits to the Foundation are then followed by the interests of noncharitable beneficiaries. All deferred gifts to the Foundation will be accepted by an Officer, or a designee, of the Foundation, with coordination through the President & CEO. This office serves as primary liaison with any outside parties to the transaction, or to a given transaction, (bank trust departments, probate court, executor/administrator of the estate, estate counsel and other advisors). All donors contemplating a deferred gift should consult their own financial, legal and tax advisors.

Bequests

The Community Foundation accepts bequests from donors who have directed in their wills that certain assets be transferred to the Foundation and honors the wishes of the donor as expressed, but reserves the right of refusal as necessary and appropriate. Sample bequest language for restricted and unrestricted gifts is available from the Foundation to donors and/or advisors, upon request. The Foundation may not be named as executor for a donor in his/her will and will not serve if named. The Foundation may create a named fund in memory of the donor if there is no stipulation for anonymity.

Retirement Plans or IRA Accounts

Donors may make lifetime gifts of retirement assets or name the Foundation as the beneficiary of their plan. Retirement plans include, but are not limited to, Individual Retirement Accounts (IRA), 401(k), 403(b) and defined contribution plans.

Charitable Remainder and Lead Trusts

The Community Foundation encourages those interested in doing so to establish Charitable Remainder Unitrusts, Charitable Remainder Annuity Trusts, or Charitable Lead Trusts for the benefit of the Foundation. It is understood that Charitable Remainder Trusts and other deferred gifts will be encouraged as vehicles, the primary purpose of which are to make gifts to the Community Foundation. Such trusts will not be marketed as tax avoidance devices or as investment vehicles, as it is understood such activity may violate federal and state securities regulations. The Community Foundation will not serve as Trustee of Charitable Remainder or Lead Trusts. Upon the death of the life income beneficiaries and the transfer of the remaining principal to the Foundation, the minimum fund size policies will apply.

Pooled Income Funds

At the present time, the Foundation has not established a pooled income fund. It reserves the right, however, to review or change this policy at a future date.

Charitable Gift Annuities

The Community Foundation currently offers a Charitable Gift Annuity Program. It is understood that Charitable Gift Annuities will be encouraged as vehicles, the primary purpose of which are to make gifts to the Community Foundation. Such trusts will not be marketed as tax avoidance devices or as investment vehicles, as it is understood such activity may violate federal and state securities regulations. Upon the death of the life income beneficiaries and the transfer of the remaining principal to the Foundation, the minimum fund size policies will apply.

Gifts of Life Insurance

A donor may make a gift of life insurance to the Community Foundation by irrevocably designating the Foundation as the exclusive beneficiary for life insurance policies owned by the donor or by designating the Foundation as a percentage beneficiary. Contributions of Life Insurance also may be made by contributing a fully or partially paid policy or by purchasing a new policy in which the Foundation is named owner. The Foundation may accept gifts of life insurance policies so long as: (a) the policy is not encumbered (*i.e.*, there is no outstanding loan against the policy); and (b) the Foundation is made the policy's owner and primary beneficiary. When premium payments can no longer be made because there is insufficient value in the policy to keep it in force, or because the Foundation chooses to discontinue premium payments, the policy will be surrendered. The Foundation may accept gifts of life insurance policy in any amount to any existing fund. Gifts of life insurance policy to establish a new component fund at the Foundation must meet the applicable minimum funding requirement. Each gift of life insurance policy giving rise to a charitable deduction of more than \$5,000 must be appraised in accordance with federal tax law.

Life Estate Agreements

A donor may contribute a personal residence or farm to the Foundation and retain a life estate, or the right to occupy the property until death. Upon the donor's death, the Foundation will own the entire interest in the property. Gifts of life estate are subject to Foundation policies on gifts of real property.

Current Gifts

Cash

Gifts of cash should include a statement of purpose, or identify the specific fund to which the contribution is being made. In the absence of such direction, all such gifts shall be placed in the Community Foundation Permanent Endowment Fund.

Checks

All checks should be made payable to the Community Foundation of the Fox River Valley, CFFRV, or to the specific fund to which the contribution is being made. All checks are to be deposited as soon as practicable.

Credit Cards

Gifts may be made to individual funds through the Community Foundation's website via credit card. All credit card gifts are processed through a third party payment processing partner. The Community Foundation does not retain any credit card information on its donors. Applicable transaction fees are deducted from the original gift.

Publicly Traded Securities

Publicly Traded Securities may be accepted by the Foundation. It shall be the general practice of the Foundation to sell all such securities as soon as practicable, unless the Board of Directors determines that such securities should be held as investments of the organization. No agreements shall be made with a donor prior to or subsequent to a gift that such securities will be held for any period of time. All proceeds from such redemption or sale less commissions and expenses are then credited to the component fund to which the stocks or bonds were originally contributed. The Foundation may accept gifts of publicly-traded stocks and bonds in any amount to any existing fund. However, gifts to establish a new component fund at the Foundation must meet the applicable minimum funding requirement. No appraisal is required so long as the stock or bond is not subject to any restrictions, including those imposed by contract or the Securities Exchange Commission. Where appraisal is not required, the value of the gift is determined by calculating the mean of the high and low prices of the securities on the date of the gift.

Electronic Transfers

The Community Foundation accepts electronic transfers of publicly traded securities and bonds upon the request of the donor. Please refer to *Attachment B* for further information on the process of making such a gift.

Personal Property

The Community Foundation may accept jewelry, artwork, collections and other personal property only if the Foundation determines that the property will be used in furtherance of the Foundation's exempt purposes or the Foundation will be able to sell the property. Establishing the value of the gift is the responsibility of the donor. If the value exceeds \$5,000, the donor must have a qualified appraisal performed and submitted on the appropriate IRS form. The donor will be responsible for paying for such an appraisal. Personal property shall not be accepted where the Foundation is obligated to maintain ownership of it in perpetuity or to retain it for a specific period of time. Gifts of personal property that cannot readily be sold or that require unusual expenses prior to sale are discouraged. If a lengthy selling period is anticipated, the Foundation may refuse the gift or request that the donor cover the expenses with a cash gift.

The Foundation may accept gifts of personal tangible property in any amount to any existing fund. Gifts of tangible personal property to establish a new component fund at the Foundation must meet the applicable minimum funding requirement.

The following procedures apply to all proposed gifts of personal tangible property: (1) The Foundation will review all prior appraisals and authentication documents, if any, relating to the property. (2) If the property is to be sold, the Foundation will ascertain the market for such property and estimate the costs to be incurred in connection with the sale as well as the costs of holding the property prior to sale. (3) All costs incurred by the Foundation in connection with the holding and sale of the property shall be charged against the sale proceeds, with the balance being credited to the fund to which the property has been contributed.

Other Property

Other property such as mortgages, notes, copyrights, royalties, easements, whether real or personal, will be considered subject to review by the Board of Directors.

Real Property

This policy applies to all gifts of real property, including outright gifts of residential and commercial property and farmland, bargain-sale transactions and gifts of remainder interests in which the donor retains a life estate. The Foundation does not accept gifts of time shares.

Real property may be accepted as a gift only if the Foundation is free to do whatever it chooses with the property and only if there is a reasonable certainty that the property will be sold within a reasonable period of time.

Due to the ever-changing and complex nature of tax laws governing gifts of real property, the President of the Foundation shall consult with the Foundation's Legal Counsel prior to the acceptance of such gifts.

The Foundation will accept gifts of real property in most circumstances. Generally, the property must be marketable, free of debt and free from environmental contamination.

In deciding whether to accept real property gifts, the Foundation will:

- Determine whether the real estate gift is an acceptable minimum value.
- Confirm that the donor has legal capacity and is entitled to convey the property through copies of deed, title report, etc., provided by donor.
- Determine whether, if property is encumbered by debt, the debt is of a level that will not unduly burden the Foundation or adversely affect the marketability of the property.
- Perform a market and financial analysis prior to acceptance of the gift to determine whether the gift is a financially sound acquisition.
- Weigh its ability to manage commercial property for the time necessary to sell the property. For example, income producing property may subject the Community Foundation to unrelated business income tax and/or other types of expenses, including but not limited to, upkeep of land, maintenance of buildings and management of property.
- Evaluate whether any restrictions on the gift desired by donor will jeopardize the classification of such gift as charitable.

Real property that is encumbered by a trust deed loan or mortgage will be accepted only in exceptional circumstances and upon advice of the Foundation's Legal Counsel. The Foundation will determine whether the debt is of a level that will not unduly burden the Foundation or adversely affect the marketability of the property prior to considering its acceptance.

Prior to the gifting and acceptance of real property, the donor and the Foundation shall agree in writing on arrangements for paying expenses associated with the property, such as commissions, transfer taxes and assessments, insurance, closing costs, appraisal fees and environmental evaluations.

All fees associated with the acceptance of real property shall be assessed against the income generated from the property or from the proceeds of the sale of the property.

Establishing the value of the gift of real property shall be the responsibility of the donor. The value shall be established by at least one qualified appraisal in accordance with all federal tax law requirements.

The Foundation generally will require a title report, opinion, policy or other evidence of title in form and substance acceptable to the Foundation. In instances deemed necessary, the Foundation also will require a survey of the proposed gift of real property.

A Phase I environmental impact audit addressed to the Foundation will generally be required for all proposed gifts of real property and assets relating to real property (such as real estate held by a limited partnership).

To determine whether acceptance of a gift of real property is in the best interests of the Foundation, the Foundation shall evaluate the costs associated with ownership of the property, including carrying costs, existing liabilities and contracts, contingent liabilities and unrelated business income tax.

Gifts of real property will be transferred by general warranty deed or such other deed as is acceptable to the Foundation. Such deed or other appropriate document shall contain environmental indemnification provisions in those instances in which it is deemed necessary or appropriate by the foundation and its Legal Counsel. The Foundation may also require such other documentation as it deems necessary in connection with such transfer, including without limitation, a release of all liens and an affidavit of the owner that there are no mechanic liens or parties in possession.

Each gift of real property giving rise to a charitable deduction of more than \$5,000 must be appraised in accordance with federal tax law. The donor will be responsible for obtaining such appraisal.

Donors will provide the information and documents requested in the Real Property Donation Checklist and the Real Property Inquiry Form at the earliest possible time prior to the acceptance of the gift. Copies of those forms are appended to this policy. The Foundation may request additional information or documents when necessary to its evaluation of the proposed gift.

Whenever possible, a member of the Foundation staff or an authorized representative will visit the property to determine its nature and type and to identify any potential problems not evident from information supplied by the donor that might hinder or prevent the foundation's sale of the property.

Please refer to *Attachment A* for more information on gifting real property.

Closely-Held Stock and S Corporation Stock

Gifts of closely-held and S corporation stock must be reviewed by the Community Foundation's Legal Counsel. Subject to Counsel's approval, the Foundation may accept gifts of closely-held or S corporation stock in any amount to any existing fund. Gifts to establish a new component fund at the Foundation must meet the applicable minimum funding requirement.

The Foundation may accept gifts of stock in closely-held or S corporation that generate unrelated business income only if certain agreements are reached with the donor and/or the corporation. These include an agreement by the donor that the taxes on the unrelated business income and the Foundation's associated administrative expenses (e.g., accounting and tax return preparation) will be charged against the fund holding the contributed stock. Further, the donor should agree to contribute additional cash to the fund to pay the foregoing taxes and administrative expenses to the extent there is insufficient cash in the subject fund balance to cover such taxes and expenses.

Each gift of closely-held or S corporation stock giving rise to a charitable deduction of more than \$5,000 must be appraised in accordance with federal tax law. The donor will be responsible for obtaining such appraisal.

Distributions from a component fund that consists entirely of closely-held or S corporation stock are limited to the income generated by the securities less fees assessed by the Foundation and any unrelated business tax imposed thereon.

The Foundation will generally seek to redeem or sell closely-held or S corporation stock contributed as soon as possible and generally will not accept gifts that cannot be liquidated within three years.

The following procedures apply to all proposed gifts of S corporation stock:

- The Foundation will review corporate governing documents to determine the rights and obligations associated with the stock and whether or not the Foundation should undertake such obligations in light of such rights.
- The Foundation will review the corporation's most recent tax returns and the donor's most recent K-1 to determine the nature of the income associated with the stock (e.g., unrelated business income, active versus passive business).
- All proposed transfer documents must conform to the Foundation's form or be approved by the Foundation's Legal Counsel.
- As a condition for the Foundation's acceptance of the gift, a written agreement between the donor and the Foundation should be in place that provides for the payment of administrative expenses and unrelated business income taxes generated by the stock to the extent there is insufficient cash in the fund to which the stock has been donated to cover such expenses and taxes. The agreement should also require the donor to indemnify the Foundation against all liabilities incurred by the donor on account of the stock up to the date of the gift.
- The donor shall provide the Foundation with all documents which outline, discuss or relate to the duties and liabilities which shareholders have, including Shareholder Agreements.

The Foundation generally does not accept gifts of general partnership interests due to the unlimited liability of general partners.

Gifts of limited partnership interests must be reviewed by the Board of Directors. Subject to the Board's approval, the Foundation may accept gifts of limited partnership interests in any amount to any existing fund. Gifts to establish a new component fund at the Foundation must meet the applicable minimum funding requirement. The Foundation reserves the right to carefully screen all proposed gifts of limited partnership interests to ensure that they place no undue risk upon the Foundation.

The Foundation generally does not accept gifts of interests in partnerships that carry on active business. Interests in passive, investment-type limited partnerships such as those holding real estate, stocks and bonds, are preferred.

The Foundation may accept gifts of limited partnership interests that generate unrelated business income only if certain agreements are reached with the donor. These include an agreement by the donor that the taxes on the unrelated business income and the Foundation's associated administrative expenses (e.g., accounting and tax return preparation) will be charged against the fund holding the partnership interest. Further, the donor would have to agree to contribute additional cash to the fund to pay the foregoing taxes and administrative expenses to the extent there is insufficient cash in the subject fund balance to cover such taxes and expenses.

Each gift of limited partnership interest must be appraised in accordance with federal tax law. The donor will be responsible for obtaining such appraisal.

Distributions from a component fund that consists entirely of limited partnership interests are limited to the income distributed to the Foundation by the partnership less fees assessed by the Foundation and any unrelated business income taxes imposed thereon.

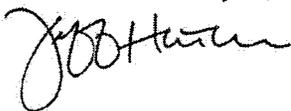
The Foundation will generally seek to redeem or sell limited partnership interests contributed to it within three years.

The following procedures apply to all proposed gifts of limited partnership interests:

- The Foundation will review the partnership governing documents to determine the rights and obligations associated with the limited partnership interest and whether or not the Foundation should undertake such obligations in light of such rights. If required, the donor should be asked to obtain the other partners' consent to the gift as a condition to the Foundation's accepting the gift.
- The Foundation will review the donor's most recent K-1 and the partnership's tax returns to determine the nature of the income associated with the limited partnership interest (e.g., unrelated business income, active versus passive business).
- All proposed transfer documents must conform to the Foundation's form or be approved by the Foundation's Legal Counsel.
- As a condition for the Foundation's acceptance of the gift, a written agreement between the donor and the Foundation income should be in place that provides for the payment of administrative expenses and unrelated business taxes generated by the interest to the extent there is insufficient cash in the fund to which the interest has been donated to cover such expenses and taxes. The agreement should also require the donor to indemnify the Foundation against all liabilities incurred by the donor on account of the limited partnership interest up to the date of the gift.

The same considerations given to gifts of limited partnership interests apply to gifts of interests in limited liability companies.

Approved by: Executive Committee
Date: May 18, 2017



Jeffrey J. Hartman, President & CEO
Corporate Secretary

COMMUNITY FOUNDATION
— OF THE FOX RIVER VALLEY —



111 West Downer Place, Suite 312 • Aurora, Illinois 60506
127 South First Street, Suite 215 • Geneva, Illinois 60134
www.CommunityFoundationFRV.org • 630-896-7800

ATTACHMENT A:

REAL PROPERTY DONATION CHECKLIST

- Exact legal name of donor and federal identification number.
- Description of property (copy of deed).
- Description of any buildings or other structures located on the land.
- Boundary survey of property with location of all structures, easements, and encumbrances appearing on the face of the survey.
- Information regarding existing zoning status.
- Information on all ingress/egress for the property.
- Description of prior use of the property.
- Description of use of surrounding property, with specific disclosure of any storage tanks or potential environmental factors affecting the property.
- Disclosure of any contemplated or anticipated condemnations, right-of-ways or other actions by municipalities that may affect the subject property.
- Phase I environmental report on the property, including environmental report on any structures located on the real estate.
- Evidence of title, such as title examination and report, title insurance commitment, or schedule describing any liens, encumbrances, or title matters affecting the property.
- Copy of appraisal showing the fair market value of the property current within sixty days.
- Disclosure of amount of existing real estate taxes, insurance premiums, and assessments attributable to the property.
- Discussion with proposed donor regarding any special arrangements for donor's fund or other sources to address ongoing expenses for taxes, insurance, assessments, maintenance, grass cutting, security, utilities, and similar items.

ATTACHMENT A (CONTINUED):

REAL PROPERTY INQUIRY FORM

Owner(s)	Phone
Address	
Property Location	
Land area (acres or square feet)	
Building area (sq. ft. each floor)	
Zoning	
Replacement cost of building	
Current property insurance coverage	
Date of acquisition/form of acquisition	
Current cost basis (includes improvements)	
Principal balance of mortgage	Current fair market value
Assessed value for real estate taxes	
Real estate taxes	
Land value	Building value
Most recent appraisal (date)	Appraised value
Appraiser	
Occupancy status after transfer of title to charity	
Unimproved (no buildings)	
Unoccupied (building, but not occupant)	
Occupied (building with occupants)	

ATTACHMENT A (CONTINUED):

Please indicate by checking "yes" your awareness of any condition or problem which may affect the title or marketability of the property. Use Section VII to provide additional information.

I. Title/Zoning	Yes	No
A. Title	_____	_____
B. Zoning variances, violations or special permits	_____	_____
C. Zoning violations	_____	_____
D. Restrictions or easements	_____	_____
E. Survey available	_____	_____
II. Condition of Building	Yes	No
A. Foundations/slab	_____	_____
B. Basement water/dampness/sump pump	_____	_____
C. Roof leaks	_____	_____
D. General structural	_____	_____
E. UFFI (formaldehyde insulation)	_____	_____
F. Asbestos	_____	_____
G. Lead paints	_____	_____
H. Termites/ants/pests	_____	_____
I. Swimming pool	_____	_____
J. Radon	_____	_____
K. Building systems	_____	_____
1. Plumbing	_____	_____
2. Electrical	_____	_____
3. Heating	_____	_____
4. Air conditioning	_____	_____
5. Hot water	_____	_____
6. Water supply	_____	_____
7. Sewage; type	_____	_____
8. Other fixtures	_____	_____
III. Rental/Condominium/Cooperative	Yes	No
A. Building systems	_____	_____
1. Leases	_____	_____
2. Rental arrears	_____	_____
3. Last month's rent/security deposit	_____	_____
B. Common area fees in arrears	_____	_____
C. Building or sanitary code violations	_____	_____
D. Operating/capital budget	_____	_____
IV. Environmental	Yes	No
A. History of property	_____	_____
1. Property has prior or current use for industrial, commercial, agricultural, manufacturing, waste disposal or any other non-residential purposes	_____	_____
B. Condition of property	_____	_____
1. Stressed or denuded vegetation or unusual barren areas	_____	_____
2. Discoloration, oil sheens, or foul/unusual odors in water	_____	_____
3. Storage drums	_____	_____
4. Above or underground storage tanks; vent or filler pipes	_____	_____
5. Evidence of oil or other chemicals in soil	_____	_____
6. Evidence of PCBs	_____	_____
7. Evidence of toxic air emissions	_____	_____
C. Adjacent properties	_____	_____
1. Properties adjacent or close to subject have conditions requiring "yes" answer to any questions in (A) and (B) above	_____	_____
D. Flood plain/wetlands/drainage	_____	_____
E. Endangered plants or wildlife	_____	_____
F. Are you aware of any other information concerning any part of the land or buildings which might affect the decision of a buyer or affect value of property or affect use by buyer?	_____	_____

ATTACHMENT A (CONTINUED):

V. Property Expense Budget

To hold this property as a Foundation asset, the following income and expenses are anticipated:

	Annual
A. Income	
1. Rent	_____
2. Other	_____
B. Expenses	
1. Real estate taxes:	
a) First payment due date _____	
b) Second payment due date _____	
2. Utilities:	
a) Gas	_____
b) Oil	_____
c) Electric	_____
d) Water/sewer	_____
e) Other	_____
3. Services:	
a) Caretaker/property manager	_____
b) Landscaping	_____
c) Heating/cooling service contract	_____
d) Snow removal	_____
e) Pool services	_____
f) Common area charge (condominium)	_____
g) Security	_____
h) Other	_____
4. Maintenance/Repairs	_____
5. Insurance	_____
Total Expenses	_____
Net Income (Loss)	_____

VI. Additional Information on Sections I through V

VII. Acknowledgments

Owner(s) hereby acknowledge that the information set forth above is true and accurate to the best of my (our) knowledge

Owner

Date

Owner

Date

ATTACHMENT B:

COMMUNITY FOUNDATION OF THE FOX RIVER VALLEY



111 West Downer Place, Suite 312 • Aurora, Illinois 60506
127 South First Street, Suite 215 • Geneva, Illinois 60134
www.CommunityFoundationFRV.org • 630-896-7800

I would like to make a donation to the
Community Foundation of the Fox River Valley with an electronic transfer of:

If stock, complete this section:

Number of Shares: _____

Name of Stock: _____

If bonds, complete this section:

Issue Date: _____ Due Date: _____

Issue Value: _____

Issuer of Bond: _____

CUSIP #: _____

Transfer Book Entry Free To

DTC # 2669

Institution # 17925

Agent Bank # 20290

For Account # 17-68405

Old Second National Bank For Further Credit To The Community Foundation of the Fox River Valley

Please complete this section for all electronic transfers:

Brokerage Name: _____

Address: _____

Account Number: _____

Contact Person: _____

Phone Number: _____ Email: _____

Donor(s) Name: _____

Address: _____

Phone Number: _____ Email: _____

Purpose of Gift: _____

Signature(s): _____

Please complete this form and mail or fax it back to the Community Foundation at your convenience.
Our fax number is: 630-896-7811.

COMMUNITY FOUNDATION OF THE FOX RIVER VALLEY



111 West Downer Place, Suite 312 • Aurora, Illinois 60506
127 South First Street, Suite 215 • Geneva, Illinois 60134
www.CommunityFoundationFRV.org • 630-896-7800

EXHIBIT C

FUND TYPES

Donors can realize nearly any charitable intent by choosing from the variety of fund types offered by the Foundation. These Fund types can be created as (1) “endowment funds” which are structured to serve their intended charitable purpose(s) in perpetuity or as (2) “pass-thru funds” which are temporary charitable vehicles that close upon the fulfillment of their purposes.

The Foundation offers the following types of Funds in support of the St. Charles Initiative:

DONOR ADVISED:

A popular alternative to a private foundation, Donor Advised Funds allow donors to make suggestions for distributions to meet current needs. While these suggestions are nonbinding per the IRS, they are nonetheless given serious consideration by our Board of Directors.

FIELD OF INTEREST:

From youth, to education, to senior citizen needs, to the arts and more, donors can choose a field of interest, the needs of which are then evaluated by the Foundation and attended to in the name of the Fund.

DESIGNATEDS:

These Funds are designed to benefit specific charitable organizations (a non-profit agency, civic institution, religious house of worship, etc.). If a specific beneficiary of a Fund ceases to exist, the Foundation will follow the original intentions of the donor by identifying organizations of similar purpose, ensuring that the donor’s objectives are fulfilled.

SCHOLARSHIP:

The Community Foundation is well known for its extensive scholarship program. Many donors create Scholarship Funds as memorials to loved ones and friends. Donors can define the criteria of their Funds, awarding students according to a specific high school, field of study, etc.

AS STATED ABOVE, funds can be created as (1) "endowment funds" (permanent resources for the community) or as (2) "pass-thru funds" (temporary charitable vehicles).

ENDOWEMENT FUNDS:

Once a Fund reaches \$10,000, it can be created as an endowment to serve the community in the donor's name on a permanent basis. The amount available for distribution from these Funds is carefully established by the Foundation to ensure the preservation and long-term growth of each endowment Fund. A modest administrative fee is charged for the services provided to these funds.

PASS THROUGH FUNDS:

Funds with balances of less than \$10,000 are typically considered Pass Through Funds. No administrative fees are charged against these Funds and the income earned by the Consolidated Fund assists the Foundation with its expenses. Several Donors who maintain "pass-thru funds," which have a value of \$10,000 or more, have requested that their Funds be invested to accrue income. Administrative fees apply to these Funds.

COMMUNITY FOUNDATION OF THE FOX RIVER VALLEY



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Policy: Statement Of Investment Policy
Total Pages: 9
Attachments: 3 (3 pages)
Date Last Revised: 5/19/16
Date Last Reviewed: 5/18/17
Approved By: Executive Committee
Date To Be Reviewed: May 2018

STATEMENT OF INVESTMENT POLICY

ORGANIZATION VISION AND MISSION

Foundation Vision:

To be recognized as a trusted philanthropic leader in the communities it serves through the delivery of the highest quality donor services, customized and unique grant and scholarship programs, and bold initiatives to address community needs.

Foundation Mission:

To provide effective and rewarding ways for donors to fulfill their charitable objectives.

SCOPE OF THIS INVESTMENT POLICY

This Statement of Investment Policy (SIP) reflects the investment policy, objectives, and constraints of the Community Foundation of the Fox River Valley (Foundation). The Finance Committee (Committee) and Board of Directors must approve any exceptions to the SIP. All individuals covered by this SIP must act with the care, skill, prudence and diligence then prevailing that an ordinary prudent person in like capacity and familiar with such business matters would exercise.

This SIP will be reviewed at least annually, and, if appropriate, can be amended to reflect changes in the capital markets, Foundation objectives, or other factors relevant to the Foundation.

PURPOSE OF THIS STATEMENT OF INVESTMENT POLICY

The general purpose of this SIP is to outline a philosophy and attitude which will guide the investment management of the assets toward the desired results. It is intended to be sufficiently specific to be meaningful, yet flexible enough to be practical.

The investment portfolio consists of all funds managed by the Foundation.

RESPONSIBILITIES

Board of Directors

The Board of Directors of the Foundation has delegated supervisory authority over its investing activities to the Committee.

The Chairman of the Foundation shall be a member of the Committee. The Chair of the Committee, who shall be a director, shall be appointed by the Foundation's Chairman of the Board. Members of the Committee shall be appointed by the Chairman of the Committee. There shall be a minimum of three and a maximum of six members of the Committee.

At the recommendation of the Committee, the Foundation's Executive Committee shall approve the hiring or dismissal of Investment Managers.

Finance Committee

The Committee is responsible for:

1. Managing the Foundation's assets in compliance with its mission and purpose.
2. Ensuring that the Foundation is in compliance with applicable laws and regulations.
3. Maintaining sufficient liquid reserves to meet obligations arising from unanticipated, planned, and unplanned activities.
4. Setting and overseeing asset allocation across the total investment portfolio.
5. Identifying, selecting and overseeing Investment Manager (Managers).
6. Allocating funds for investment among selected Managers.
7. Monitoring the Managers performance at least quarterly. Meet with each Manager at least annually.
8. Reporting periodically to the Board of Directors regarding Committee activities and investment performance.
9. Reviewing and recommending changes to the SIP as needed.

Staff

The Committee expects the Staff to provide day-to-day monitoring, supervision and administration of Foundation assets.

The Committee designates the President to act on behalf of the Foundation to:

1. Negotiate, sign and administer contracts with and terminate service providers as authorized by the Board.
2. Monitor investment portfolios and compliance with the approved strategies.
3. Review investment management fees/expenses and report to the Committee at least annually.
4. Monitor the flow of funds.
5. Coordinate the activities of outside Managers, Trustees, and Legal Advisor.
6. Ensure that all financial aspects comply with applicable laws and regulations.
7. Confirm appropriate level of insurance coverage for each Manager and any changes to policy annually.
8. Communicate exceptions to the Gift Acceptance Policy to the Committee.
9. Maintain a list of active Managers.

Investment Advisor

(As of July 2015, the Community Foundation has elected to forgo the services of an Investment Advisor)

Investment Manager

The duties and responsibilities of each Manager retained by the Foundation include:

1. Manage the Foundation's assets under its care, custody, and/or control in accordance with the SIP and as expressed in separate written agreements when deviation is deemed prudent and desirable by the Committee.
2. Exercise investment discretion (including holding cash equivalents as an alternative) within the SIP objectives and guidelines.
3. Report, on a timely basis and on a schedule and format agreed upon with the Committee, portfolio holdings and activity, and investment performance results for all assets under its control, including cash. Results are to be reported on a time-weighted basis, net of all fees and expenses, and vs. benchmarks as agreed upon with the Committee.
4. Be available to meet with the Committee when requested, and at least annually.
5. Promptly inform the Staff of all substantive matters and events pertaining to the Foundation's assets it manages including, but not limited to: investment strategy, portfolio structure, market value of managed assets, fees and expenses, recommendations for guideline changes, ownership, organizational structure, financial condition, professional staff, and all material legal, SEC and other regulatory agency proceedings affecting the investment management organization.
6. When the Manager has such discretionary authority, promptly vote all proxies and related actions in a manner consistent with the long-term interests and objectives of the Foundation.
7. Coordinate with the Foundation to meet its liquidity needs.
8. Liquidate non-cash gifts, namely securities, and re-invest proceeds as soon after the gift is completed as possible unless otherwise directed by the Committee.
9. Act in accordance and compliance with all applicable laws, rules, and regulations for local, state, and federal entities as they pertain to fiduciary duties and responsibilities.
10. Informing the Staff of the "soft-dollar" arrangements between the Manager and brokerage organizations and describing the services that are purchased with the soft-dollars generated by the Foundation's assets. This information shall be updated annually and conform to industry standards.
11. Acknowledge and agree in writing to its fiduciary responsibility as set forth in the SIP.
12. Comply with the "treatment of excess business holdings" section of the Foundation's Gift Acceptance Policies.

SELECTION OF INVESTMENT MANAGERS

The Committee will hire appropriate Managers to manage the Foundation's assets. Managers may be hired that specialize in specific asset classes, market sectors, or investment styles; Managers also may be hired to construct a broadly diversified portfolio with exposure to multiple asset classes, market sectors, and investment styles. Managers that specialize must maintain the investment style and discipline they were hired to implement; style drift is prohibited. In addition, Managers must adhere to the model as assigned by the Committee.

Prospective Managers must meet the following minimum criteria:

1. Be a bank, insurance company, investment management company, or Investment Advisor as defined by the Registered Investment Advisor Act of 1940.
2. Provide detailed information on the history of the firm, key personnel, key clients, fee schedule, and support personnel.
3. Clearly articulate the investment strategy that will be followed and document that the strategy has been successfully adhered to over time.

Furthermore, Managers hired by the Foundation agree that:

1. The Foundation is the sole owner of assets held in the fund.
2. All such assets are and must remain under the Foundation's sole control.
3. The Manager will not purchase securities on margin or sell securities short without the advance approval of the Committee or its designee.
4. The Manager will rebalance as necessary to fall within the described target ranges for the investment pool or fund under management. The Manager will review the need for rebalancing at least quarterly.
5. The Manager agrees to fees that are reasonable and consistent with what the Foundation pays other money managers for similar services. The Manager must agree to distribute to the Foundation such sums as the Foundation may request from time to time, including the Foundation's administrative fee for any fund under separate management and distributable income.
6. The agreement may be terminated at any time and assets will be transferred to a successor manager immediately.

The Manager will provide monthly statements to the Committee or its designee, which shall include the current market value of the assets; the cost basis and date of acquisition; income received; distributions made; fees paid; securities transactions; and periodic statements of performance. The statement shall also include gains and losses, both realized and unrealized. The Committee or its designee may request additional information from time to time as it deems necessary to measure performance.

The Foundation will not pay any investment professional or any other party for referring a donor to the Foundation and no existing funds of the Foundation will be transferred to such a person as compensation for a referral.

Managers will advise the Foundation promptly of any event that is likely to adversely affect the management, professionalism, integrity or financial position of the manager's firm or its progress toward the goals and objectives of this policy.

Managers shall not invest any part of the Foundation's assets through transactions that involve self-dealing or an actual or perceived conflict of interest.

Committee will not approve any manager who is a member of the donor's family or any investment firm controlled by the donor either individually or together with members of the person's family.

DONOR-REQUESTED OR PROFESSIONAL ADVISOR-REQUESTED INVESTMENT MANAGER

When a donor or professional Advisor requests that the funds he or she has donated or referred be managed by a specific Investment Manager or if the funds will be managed using an asset allocation that precludes the Foundation from using an existing pool, the Foundation will consider the request and may accept or reject it in its sole discretion, provided that the donation is \$1 million or more. If accepted, the requested Investment Manager shall abide by the Foundation's SIP.

STANDARD OF CARE

A person with special skills or expertise, or selected in reliance upon his or her representation that he or she has special skills or expertise, will use those skills or that expertise in managing and investing institutional funds.

STANDARDS FOR PRUDENT INVESTING

In investing and managing the portfolio, the Committee will consider both the purposes of the Foundation and the purpose of any specific institutional fund.

Management and investment decisions about an individual asset will be made not in isolation but rather in the context of the portfolio as a whole and as part of an overall investment strategy having risk and return objectives reasonably suited to the Foundation.

In managing the portfolio, the Committee will incur only those costs that are appropriate and reasonable in relation to the portfolio or any specific institutional fund, the purposes of the Foundation, and the skills available to it and will use reasonable efforts to verify facts relevant to the management and investment of the portfolio or any specific institutional fund.

Except as a donor's gift instrument otherwise requires, the following factors must be considered, if relevant, in managing and investing the investment portfolio, including the requirements for any specific institutional funds:

1. General economic conditions
2. The possible effect of inflation or deflation
3. The expected tax consequences, if any, of investment decisions or strategies
4. The role that each investment or course of action plays within the Foundation's overall investment portfolio
5. The expected total return from income and the appreciation of investments
6. Other resources of the Foundation
7. The needs of the Foundation and a given institutional fund to make distributions and to preserve capital; and
8. An asset's special relationship or special value, if any, to the purpose of the Foundation

EXPECTATIONS

Due to the inevitability of short-term market fluctuations which may cause variations in investment performance, it is intended that the following performance objectives will be achieved by the Managers over a moving five-year period, calculated on a time-weighted basis. However, the Committee does not guarantee that the Managers will be given a five-year horizon and reserves the right to evaluate and make Manager changes at any time.

1. Each Manager's performance will be measured against a representative market style index and will be expected to exceed this benchmark over a rolling five-year period.
2. Where possible, each Manager will also be evaluated against a universe of Managers with a similar investment style and will be expected to rank in the top 50% over a rolling five-year period.

The Board of Directors adheres to the philosophy that the Foundation will exist in perpetuity and should provide for grant making in perpetuity. Therefore, long-term expectations may be expressed by the following equation: Expected Average Annual Total Return Net of Fees \geq Grants + Inflation (as measured by the Consumer Price Index)

Currently, this equation would result in an expected long-term return of approximately 4.5% + 2.4% or 6.9%, net of fees. The expectation is a moving target based on the variable nature of inflation, as such, the current expectation is not fixed.

The Committee will review this equation annually based on a three-year rolling average of the Consumer Price Index.

INVESTMENT GUIDELINES

I. General

Each Manager is required to manage each respective fund within the parameters of the CFFRV Balanced Investment Allocation (Attachment A). The following factors shall be considered by the Investment Manager in selecting ranges in the allocation:

1. The need for annual cash flow
2. The length of time before funds are required
3. Fund classification as advisory vs. endowment
4. Projected life-span of fund
5. Donor goals for fund as indicated by the terms of the fund
6. Other relevant factors such as donor intent, needs of community, etc.

The Committee has determined four major asset categories: Cash, Bonds, Equities and Alternatives and prescribed minimum and maximum percentage allocations by model type (Attachment A). The categories are broad and the percentages are wide in order to allow each Manager investment flexibility within each model. To further specify investment guidelines, allowable assets and prohibited assets and transactions are listed below.

In addition, for equities, we emphasize portfolio diversification for all of our accounts and limit exposure to any individual security to 5% of the portfolio's value. We expect our Managers to outperform the S & P 500 index over a 5 to 10 year period by keeping pace with the S & P 500 returns in up markets and out performing the S & P in down markets. To accomplish this goal, we expect our Managers to continually evaluate stocks and stock weighting in the various market sectors and make selections for overweighting or underweighting these sectors based on the market outlook for the economy.

For fixed income, we emphasize the maximizing of income by investing in high quality bonds with an average maturity of less than 15 years. We also limit exposure to any investment in a corporate bond issuer to 5% of the total portfolio's value and an investment grade credit rating of at least an A for at least 90% of the bond portfolio with the ability to hold up to 10% of the portfolio less than investment grade.

We expect our managers to monitor the outlook for interest rates over the next 18-month period, make investment decisions based upon where they see the best value and manage the duration of the portfolio to conform to the established guidelines.

Mutual Funds are to be used to enhance the overall performance of the portfolios as needed to complete the proper asset allocation of the individual portfolios where the Managers believe necessary. These investments usually are made in Small Cap or International markets where it is more difficult to provide proper diversification by using individual securities. Mutual Funds are also used in portfolios that are small (usually under \$250,000) and can not be invested properly to conform to our diversification guidelines.

II. Allowable Assets

1. Cash Equivalents
 - a) Treasury Bills
 - b) Money Market Funds
 - c) Short-Term Investment Funds
 - d) Commercial Paper
 - e) Banker's Acceptances
 - f) Repurchase Agreements

2. Fixed Income Securities
 - a) U.S. Government and Agency Securities
 - b) Corporate Notes and Bonds
 - c) Mortgage Backed Bonds
 - d) Preferred Stock
 - e) Fixed Income Securities of Foreign Governments and Corporations (Global Bonds)
 - f) Planned Amortization Class Collateralized Mortgage Obligations (PAC CMOs) or other "early tranche" CMOs
 - g) High Yield Securities
 - h) Municipal Obligations (taxable or tax exempt)
 - i) Floating Rate Bank Loans or funds containing such loans
 - j) Certificates of Deposit including structured CDs

3. Equity Securities
 - a) Common Stocks
 - b) Convertible Notes and Bonds
 - c) Convertible Preferred Stocks
 - d) American Depository Receipts (ADRs) of Non-U.S. Companies
 - e) Stocks of Non-U.S. Companies (Ordinary Shares)

4. Mutual Funds and Exchange-Traded Funds
 - a) Mutual and Exchange-Traded Funds which invest in securities as allowed in this SIP
 - b) Fund of Funds allowed with committee approval up to 25% of an account's balance with a range of 0 to 15% overall, with not more than 5% in any one category

5. Other Assets & Alternatives – Requires Committee Approval
 - a) Guaranteed Investment Contracts
 - b) Commodities
 - c) Real Estate Investment Trusts
 - d) Hedge Funds
 - e) Mutual Funds or ETF's which invest in other assets or alternatives

6. Derivatives
 - a) With the exception of approved hedge fund strategies, the use of derivatives is limited to use as part of a risk management strategy or as investments which are equivalents of securities as allowed in this SIP.

7. As a general policy, only funds with account balances greater than \$250,000 will be allowed to participate in Alternative Assets. Any exception to this policy will need individual approval of the Committee before participation will be allowed.

III. Prohibited Assets and Transactions

Prohibited Investments include, but are not limited to, the following:

1. Private Placements
2. Private Equity
3. Limited Partnerships
4. Venture-Capital Investments
5. Real-Estate Properties
6. Interest-Only (IO), Principal-Only (PO), and Residual Tranche CMOs
7. Short-selling and the use of margin trading

IV. EXCESS BUSINESS HOLDINGS

The Pension Protection Act of 2006 amended section 4943 of the Internal Revenue Code to limit ownership of closely-held business interests in a donor advised fund. A fund's holdings, together with the holdings of disqualified persons (donor, advisor, members of their families and businesses they control) may not exceed any of the following:

1. 20% of the voting stock of an incorporated business
2. 20% of the profits interest of a partnership, joint venture, or the beneficial interest in a trust or similar entity
3. Any interest in a sole proprietorship

These limitations do not apply if the donor-advised fund holds an interest that does not exceed two percent of the voting stock and two percent of the value of the business.

Donor-advised funds receiving gifts of interests in a business enterprise have five years from the receipt of the interest to divest holdings that are above the permitted amount, with the possibility of an additional five years if approved by the Secretary of the Treasury. To prevent a violation of these rules, it is the Foundation's policy is to divest itself of such holdings within five years from the date the Foundation acquired the asset. If that is not possible, the asset will be transferred to a new or existing fund that is not an advised fund.

V. Notwithstanding the above, suggestions or deviations will be considered and require the approval of the Committee and notification of the Executive Committee.

REPORTING

In order to ensure that the Board of Directors and the Committee are able to fulfill their duties with respect to prudent management of the portfolio, the Foundation's President will provide detailed reports at least quarterly to the Committee. Such reports shall include, though not be limited to, performance of the Foundation's investment portfolio, actions taken with respect to the investment portfolio, and expected changes in investments.

The Chair of the Committee will report on the status of the investment portfolio and any actions taken to the Board of Directors at each Board meeting.

CONFLICTS OF INTEREST

Any actual or potential conflicts of interest possessed by a member of the Finance Committee must be disclosed and resolved pursuant to the Foundation's Conflict of Interest Policy.

Adopted by the Board of Directors: _____
Date

Board Chairman

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ATTACHMENT A:

CFFRV Balanced Investment Asset Allocation

Overall Allocation Ranges

Range

50 – 70%

Equity

20 – 50%

Fixed Income

0 – 15%

Alternatives

0 – 30%

Cash

Equity Ranges

Range

5 – 25%

Category

International & Emerging
Markets

50 – 70%

Large-Cap Domestic

0 – 20%

Small-Cap Domestic

0 – 20%

Mid-Cap Domestic

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ATTACHMENT B:

Investment Performance Benchmarks

Overall Portfolio:

Blend of: 60% S&P 500 Index and 40% Barclays Capital Aggregate Bond Index

Large Cap U.S. Equity:

S&P 500 Index
Russell 1000 Index

Mid Cap U.S. Equity:

S&P 400 Index
Russell Mid Cap Index

Small Cap U.S. Equity:

S&P 600
Russell 2000 Index

International Equity:

Morgan Stanley Capital International Europe, Australia, and Far East Index ("MSCI EAFE")
Net Dividends (ND)
Morgan Stanley Capital International ("MSCI") Emerging Markets Free Index

Fixed Income:

Barclays Capital Aggregate Bond Index
Barclays Capital High Yield U.S. Corporate Bond Index (with 2% issuer cap)

Hedge Fund of Funds:

HFR Funds of Funds Index: Composite
HFR Funds of Funds Index: Conservative

Commodities:

Dow Jones – AIG Commodities Index

Real Estate:

FTSE – EPRA/NAREIT Global Real Estate Index

Short Term Investments:

90 Day T-Bill

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ATTACHMENT C:

Certification of Acceptance by Investment Professionals

I have received, read, and understand the Community Foundation of the Fox River Valley's Investment Policy dated _____. I will abide by the Policy with respect to the assets for which I am the investment manager, investment consultant, custodian or other investment professional.

I will notify the Foundation's Finance Committee, or its designee, in advance of any proposed investment that is inconsistent with this Policy and I will not make such investment without the advance written approval of same.

INVESTMENT MANAGER

Signature

Print Name

Title

Print Name of Firm

COMMUNITY FOUNDATION OF THE FOX RIVER VALLEY

Signature

Print Name

Title

Date

COMMUNITY FOUNDATION OF THE FOX RIVER VALLEY



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BY-LAWS OF THE COMMUNITY FOUNDATION OF THE FOX RIVER VALLEY

Section I -- Members

1. The Community Foundation of the Fox River Valley is organized to dispense charitable funds when and where it finds they are most needed; but it could not perform this community service without its reserve of discretionary funds. To help maintain that vital reserve, the Foundation has always depended on its contributing members.
2. Any individual, partnership or corporation which contributes the undesignated or unrestricted minimum sum of twenty-five dollars (\$25.00) in a single gift shall be a member of this Foundation for the calendar year in which said sum is contributed.
3. Any individual who contributes the undesignated or unrestricted minimum sum of five hundred dollars (\$500.00), as either a single annual gift or five annual gifts of \$100, shall be a member of this Foundation for the period of the contributor's natural lifetime. Other life memberships may be awarded, at the discretion of the Board of Directors, to individuals, partnerships, corporations, and other organizations.
4. Contributing members shall have the right to designate whether their contribution shall be added to the Administrative Endowment Fund to cover administrative expenses or to the Permanent Endowment Fund to provide income for discretionary grants, but shall not have the right to designate the purpose for which the contribution shall be used. The contribution shall be added to the Permanent Endowment Fund if neither fund is designated.
5. The spouse of a contributing member may exercise the latter's rights of membership. The rights of life membership shall continue during the lifetime of a surviving spouse.
6. Meetings of members may be held at such place either within or out of this State, as may be determined by the Board of Directors. An annual meeting of the members shall be held on the second Thursday in March.
7. Special meetings of the members may be called by the President or by the Board of Directors, upon notice in writing which shall be mailed and/or emailed to said members at least ten (10) days before said meeting.

Section II -- Voting

1. In all elections of Directors, every member shall be entitled to one vote for each Director to be elected, but shall not be entitled to cumulate the vote.
2. Elections of Directors may be conducted by mail and/or email.

Section III -- Quorum

Ten percent (10%) of the members, represented in person or by proxy, shall constitute a quorum at a meeting of members. A majority of the whole Board of Directors shall constitute a quorum at a meeting of the Board of Directors.

Section IV -- Board of Directors

1. Directors are the ultimate governing body of the Foundation. There shall be not less than fifteen (15) nor more than eighteen (18) Directors of this Foundation chosen as set forth hereafter.
2. The Directors shall be elected from amongst the members at the annual meeting of members for a term of three (3) years each.
3. A Director may not serve for more than three (3) consecutive terms (otherwise defined as a total of nine (9) consecutive years), but may be eligible for election as a new Director subsequent to an absence of at least one (1) year.
 - a. The Chairman or Executive Committee may ask an individual who has served the maximum consecutive period of time, to assist in an advisory or consultative way and/or to attend certain meetings, although such person shall not have any voting rights in any Board and/or Executive Committee matters during such period of absence.
 - b. Notwithstanding the numerical provision of this Section IV, if a Director is serving as an Officer as provided in Section V when that Director reaches the above maximum of three (3) consecutive terms or nine (9) consecutive years as a Director, such Officer shall be permitted to complete his or her current term of office and the number of Directors shall be increased automatically during the remainder of such current term as an Officer. At the end of such term as an Officer, the Officer/Director shall commence the above period of absence from the Board.
 - c. In the event that the Board of Directors elects a Chairman who has completed the above maximum of three (3) consecutive terms or nine (9) consecutive years as a Director immediately preceding the date of that person's election as Chairman, the newly elected Chairman who otherwise would be ineligible for reelection as a Director, shall now continue as a Director and the number of Directors shall be increased automatically during such term of office as Chairman. At the end of such term as Chairman, the Officer/Director shall commence the above period of absence from the Board.
4. The Directors shall hold office until their successors are duly elected and qualified.
5. Meetings of the Board of Directors shall be held upon notice in writing which shall be mailed and/or emailed to said Directors at least ten (10) days before said meeting. A minimum of two (2) meetings of the Board of Directors shall be held each year.
6. The Board of Directors shall have the power to fill vacancies in the Office of Director.
7. A Director who has completed the maximum three (3) consecutive terms or nine (9) consecutive years as a Director shall be eligible for membership in the President's Council. The President's Council shall meet annually, or more often as deemed necessary, to review the activities of the Foundation and to serve the Foundation in an advisory or consultative capacity. The Board of Directors shall have the power to appoint any active or former member of the Board of Directors to the President's Council as a tribute for outstanding service to the Foundation regardless of the length of time served. Members of the President's Council shall be eligible to hold membership for life.
8. The Board of Directors shall have the power to replace any participating trustee, custodian or agent for breach of fiduciary duty under Illinois law. If it appears that there may be grounds for exercising this power with respect to any fund, the Board of Directors shall notify the trustee, custodian or agent involved and provide a reasonable opportunity for explanation and/or correction. The Board of Directors shall exercise this power by the affirmative vote of a majority of the members of the Board. Before it exercises this power, the Board of Directors may seek advice of legal counsel as to whether a breach has been committed under Illinois law.

9. The Board of Directors shall have the power to replace any participating trustee, custodian or agent for failure to produce a reasonable return of net income (or appreciation where not inconsistent with the Foundation's need for current income), with due regard to the safety of principal, over such reasonable period of time as is determined by the Board of Directors. In exercising this power, the determination with respect to a reasonable return of net income or appreciation shall be made separately with respect to each restricted fund and shall be made in the aggregate with respect to unrestricted funds of the Foundation. As used herein, the term "restricted fund" means a fund, the income of which has been designated by the donor of the gift or bequest as being available only for the use or benefit of a named charitable organization or agency or for the use or benefit of a particular class of charitable organizations or agencies, the members of which are readily ascertainable and are not less than five in number. If it appears that there may be grounds for exercising this power with respect to any fund, the Board of Directors shall notify the trustee, custodian or agent involved and provide a reasonable opportunity for explanation and/or correction. The Board of Directors shall exercise this power of replacement upon the affirmative vote of a majority of the members of the Board.

Section V -- Officers

1. Officers of this Foundation shall consist of a Chairman, a Vice-Chairman, a President and CEO, a Secretary (also designated as Corporate Secretary) and a Treasurer, each of whom shall be elected for a term of two years by the Board of Directors at a meeting next following the annual meeting of members. Vacancies may be filled, or other offices created and filled or abolished, at any meeting of the Board of Directors, provided that a notice in writing shall be mailed and/or emailed to said Directors at least ten (10) days before said meeting, which notice shall state the substance of the action proposed to be taken at said meeting. Officers shall hold their respective offices until their successors are elected and qualified.
2. Chairman - The Chairman shall preside at all meetings of the members and of the Board of Directors; shall sign with the Secretary or any other proper Officer of the Foundation thereunto authorized by the Board of Directors all contracts, deeds and other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors to the President or agent of the Foundation or shall be required by law to be otherwise signed or executed; and in general shall perform all duties as may be prescribed by the Board of Directors from time to time.

In all cases where the duties of any Officer of the Foundation are not prescribed in the By-Laws, or by rules or resolution of the Board of Directors, such Officer shall obey the instructions of the Chairman.

3. Vice-Chairman - The Vice-Chairman shall perform the duties of the Chairman in case of the latter's absence or disability, and in such case shall act in the Chairman's place on all committees of which the Chairman is a member.

The official execution of any instrument by a Vice-Chairman shall have the same force and effect as if it were executed by the Chairman.

In the event of the Vice-Chairman's absence or disability, the Secretary, or if the latter is absent or disabled, the Treasurer shall perform the duties of the Vice-Chairman.

4. President and Chief Executive Officer (CEO) - The President and CEO shall be the principal executive officer of the Foundation and shall be responsible for all of the business affairs of the Foundation. The President will be appointed to the position by the Board of Directors and will serve with a salary and benefits package determined by the Board of Directors and reviewed annually by the Executive Committee. The term of office will continue solely at the will of the Board of Directors unless the President chooses to resign or retire.
5. Secretary - The Secretary shall keep a list of the members, and shall keep a record of the proceedings of the members' and the Directors' meetings, and shall sign all such instruments of contract and conveyances as are required to be signed by the President and attested by the Foundation seal.

The Secretary shall be the custodian of all books, correspondence and papers relating to the business of the Foundation except those of the Treasurer, and shall be custodian of the official seal. The Secretary shall prepare and keep, or cause to be kept, such books except those of the Treasurer, as the Board of Directors may from time to time determine to be necessary for the proper conduct of the business of the Foundation, which books shall be at all times open to the inspection of the Board of Directors.

The Secretary shall present at each annual meeting a full report in a general way of the transactions of the Foundation for the past fiscal year, and shall also prepare and present to the Board of Directors at any time such general or special reports as they may desire and request, and shall perform such other duties as may be prescribed by the Board of Directors.

6. Treasurer - The Treasurer shall have the custody of the corporate funds and securities other than those deposited with a bank under a custodial agreement between said bank and the Foundation; shall keep full and accurate accounts of receipts and disbursements of funds coming into the Treasurer's hands and shall deposit all monies and other valuable effects that come into the Treasurer's hands in the name and to the credit of the Foundation in such depositories as may be designated by the Board of Directors.

The Treasurer shall disburse the funds of the Foundation when proper to do so, making proper vouchers for such disbursements, and shall render to the President and Directors whenever required an account of all transactions of the Treasurer and the financial condition of the Foundation.

If required by the Board, the Treasurer shall give the Foundation a bond in such sum and with such surety as shall be satisfactory to the Board of Directors for the faithful performance of the duties of that office and for the restoration to the Foundation in case of death, resignation, retirement or removal from office of all books, papers, vouchers, money and all other assets of whatever kind in the possession or control of the Treasurer belonging to the Foundation.

Section VI -- Committees

The Chairman shall annually appoint such committees, and shall from time to time add, modify or abolish such committees, as the Chairman deems necessary for the conduct of the Foundation's affairs, except that the Executive Committee shall be elected by the Board of Directors.

Section VII -- Executive Committee

At any regular meeting or special meeting duly called for the purpose, the Board of Directors, by majority vote of those present, may elect an Executive Committee, consisting of at least one-third (1/3) of the total board membership, to serve for one (1) year or until their successors are elected or the Committee is abolished in the same manner. The Committee shall exercise all powers of the Board of Directors, to the extent permitted by statute, during the interim between meetings of the Board. The Chairman, or in the Chairman's absence, the Vice-Chairman, shall be the Chairman and the Secretary shall act as Secretary of the Committee. Minutes of the Committee shall be reported to the Board at its next meeting. In case of absence of any member of the Committee, the Chairman may appoint any Director to be a member of the Executive Committee for the meeting.

Section VIII -- Gifts to the Community Foundation of the Fox River Valley

1. All gifts to the Foundation are subject to Board of Directors approval, primarily to protect against accepting gifts that are not in accordance with the purpose of the Foundation. Funds received by the Foundation shall be held and invested in accordance with policies determined by the Board of Directors.

Types of Gifts:

- a. Restricted - Funds that are given by contribution or bequest to the Foundation to be paid at a later date for charitable purpose within the general purpose of the Foundation as designated by the donor at the time gift is made.

- b. Unrestricted - Outright contributions and bequests to the Foundation, money or property, to be invested and used as the Foundation deems advisable in accordance with the Foundation By-Laws and policies.
 - c. Special - This class involves any contribution or bequest to the Foundation that does not qualify under the definition of Restricted or Unrestricted. The Board of Directors shall always be alert in determining and following the proper accounting and auditing necessary to carry out the terms and conditions of this type of contribution or bequest.
2. The Board of Directors shall have the power to modify any restriction or condition on the distribution of funds for any specified charitable purposes or to specified organizations if in the sole judgment of the Board of Directors (without the necessity of the approval of any participating trustee, custodian or agent), such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of Aurora or the surrounding area. The Board of Directors shall exercise this power upon the affirmative vote of a majority of its members.

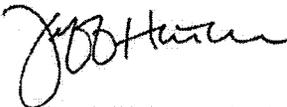
Section IX -- Fiscal and Miscellaneous

1. There shall be an annual audit of the books and records of the Foundation by a certified public accountant licensed to practice accounting in the State of Illinois.
2. No compensation shall be paid to any Director of this Foundation except for special services as authorized by the Board of Directors.
3. The Fiscal Year of this Foundation shall be January 1 through December 31.
4. Absent a finding by a Court of competent jurisdiction that a Director, Officer, or employee has committed an intentional wrong doing, or acted in bad faith, the Foundation shall indemnify and hold harmless, all Directors, Officers and employees from any and all costs and expenses (including costs of defense) which the Director, Officer or employee may incur by reason of serving the Foundation in said capacity.

Section X -- Amendments

These By-Laws may be amended, altered or repealed by vote of a majority of the whole Board of Directors at any meeting of the Board, if notice of the proposed By-Laws change is mailed and/or emailed to the Directors prior to the meeting.

Approved by: Executive Committee
Date: May 18, 2017



Jeffrey J. Hartman, President & CEO
Corporate Secretary

COMMUNITY FOUNDATION OF THE FOX RIVER VALLEY



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Policy: Administrative Fee Structure
Total Pages: 1
Attachments: 0
Date Last Revised: 5/18/17
Date Last Reviewed: 5/18/17
Approved By: Executive Committee
Date To Be Reviewed: May 2018

ADMINISTRATIVE FEE STRUCTURE

The Community Foundation of the Fox River Valley has adopted the following fee structure for the administration of charitable funds entrusted to its care.

Consolidated Fund: No fees are charged to funds within the Community Foundation's Consolidated Fund. Funds within the Consolidated Fund do not accrue their own income. Any income earned through the investment of such funds is retained by the Community Foundation to assist with its administrative expenses.

Separately Invested Funds: Once a fund reaches and maintains a balance of at least \$10,000.00, the fund may be separately invested to accrue income. For these funds, the following policies apply. All fees are assessed on an annual basis:

A fee of 0.50% is assessed on the first \$1 million of a fund's market value.

A reduced fee of 0.25% is assessed on all amounts over \$1 million of a fund's market value.

Funds created by non-profit organizations or churches are charged a reduced fee of 0.50% on the first \$250,000 and 0.25% on assets over \$250,000.

However, if it appears that a fund (either in the Consolidated Fund or a Separately Invested Fund) is requiring a significant amount of staff time or the need for legal assistance, the Foundation's President may discuss an added fee with the fund to help offset added Foundation administration.

Funds created in the last quarter of the Foundation's fiscal year will not be charged an administrative fee for that quarter. The Foundation's fiscal year is January 1 thru December 31.

Funds created in the first three quarters of the Foundation's fiscal year will be charged one-half of the administrative fee.

Approved by: Executive Committee
Date: May 18, 2017

Jeffrey J. Hartman, President & CEO
Corporate Secretary