



December 5, 2011

Mayor and Board of Trustees  
Village of Island Lake  
3720 Greenleaf Avenue  
Island Lake, Illinois 60042

Attention: Jen Gomez, Village Clerk

**SUBDIVISION ONE-YEAR WARRANTEE RECOMMENDATION**

***Subject: Village of Island Lake - Retail Ring Road***

Dear Mayor and Trustees:

In accordance with the Village's direction, we have completed a review of Mr. Dix's request, on behalf of Shiner Group LLC, to release the Developer's subdivision surety, Letter of Credit No. 826416302, for the subject Project and replace it with a One-year Warrantee or Maintenance Bond. The following is our summary of construction costs for the project improvements:

<b><u>Description</u></b>	<b><u>Original Value</u></b>	<b><u>Value of Work Remaining</u></b>	<b><u>Guarantee Value</u></b>	<b><u>One-Year Warrantee Value</u></b>
Demolition	\$ 7,880.00	\$0.00	\$0.00	\$ 788.00
Earthwork	\$106,065.00	\$0.00	\$0.00	\$10,606.50
Erosion Control	\$ 10,000.00	\$0.00	\$0.00	\$ 1,000.00
Water Main Improvements	\$ 71,045.00	\$0.00	\$0.00	\$ 7,104.50
Storm Sewer Improvements	\$110,731.00	\$0.00	\$0.00	\$11,073.10
Roadway Improvements	\$ <u>67,602.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	\$ <u>6,760.20</u>
Total	\$373,323.00	\$0.00	\$0.00	\$37,332.30
Contingency Value	\$ <u>93,330.75</u>			
Total	\$466,653.75	\$0.00	\$0.00	\$37,332.30
<b>New Surety Value</b>	<b>\$ 37,332.30</b>			

- Guarantee Value = 125% of the Value of Remaining Work for estimated items.



**Mayor and Board of Trustees  
Village of Island Lake**

**December 5, 2011  
071795.60 • Page 2**

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- One-year Warrantee Value = (Original Value - Value of Work Remaining ) x 10%
- Contingency Value = 25% for Engineer's Opinion of Probable Cost (EOPC) Values
- New Surety Value = the Sum of the Totals for (Guarantee Value) + (One-year Warrantee Value)

We have made regular inspections of the improvements made during the progress of construction at the Retail Ring Road. To the best of our knowledge, the completed improvements have been constructed and installed in conformance with the approved plans and specifications and in accordance with good engineering and construction practice.

We recommend that the Village of Island Lake approve release of the current surety, Letter of Credit No. 826416302, for the Retail Ring Road and replace it with a One-year Maintenance Surety of a value not less than \$37,332.30. In addition to the \$37,332.30 maintenance surety, Shiner Group shall provide a check, bond or letter of credit in the amount of \$1,000 for minor water main punch list items that have not been completed.

The Maintenance Bond will serve as warranty for the materials and workmanship of the completed work and this Warranty is to commence on the date of said acceptance of the Project and end one year after and upon the Village's final verification of the satisfactory condition of all improvements within the Project.

Title to the public improvements shall be transferred to the Village by Bill of Sale prepared by the Village Attorney, David Silverman. We are awaiting waivers of lien as evidence from the developer that the improvements are free and clear of any and all liens and encumbrances from all subcontractors and material suppliers.



**Mayor and Board of Trustees  
Village of Island Lake**

**December 5, 2011  
071795.60 • Page 3**

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Please advise should you have any questions.

Very truly yours,

BAXTER & WOODMAN, INC.  
CONSULTING ENGINEERS

A handwritten signature in black ink, appearing to read "Erika M. Frable".

Erika M. Frable, P.E.  
EMF:py

C: Mayor Deborah Herrmann  
Willie Kootstra, Director of Public Works  
Frank DeSort, Building and Zoning Officer  
David Silverman, Ancel, Glink, Diamond, Bush, Dicianni, & Krafthefer, P.C.