

# FINANCE COMMITTEE

## AGENDA

**Called by:** Jaime Salgado, Chairman

**Members:** Steve Schultz, John

Butitta, Paul Arena, Joe Hoffman,

Jean Crosby, Keith McDonald

**DATE:** THURSDAY, MARCH 3, 2022

**TIME:** 5:30 PM

**LOCATION:** ROOM 303

COUNTY ADMINISTRATION BLDG

404 ELM STREET

ROCKFORD, IL 61101

### AGENDA:

A. Call to Order

B. Roll Call

C. Approval of Minutes – None

D. Public Comment – This is the time we invite the public to address the Finance Committee with issues and concerns. We ask you to limit your comments to three minutes. Personal attacks or inappropriate language of any sort will not be tolerated. We will allow a maximum of five speakers on a first come basis with sign up at the meeting. Speakers may not address zoning matters which are pending before the ZBA, the Zoning Committee or the County Board. Personnel matters or pending or threatened litigation may not be addressed in open session. An individual may speak a maximum of three times per calendar year on the same topic. This prohibition shall include the repetition of the same topic in a statement on what is purported to be a different topic. After acknowledgement by the chair, please stand and state your name. Thank you.

E. Resolution Authorizing Settlement of Litigation (Cailyn Kottman and Christopher Wilkinson v. County of Winnebago)

F. Discussion Item Pro Forma Financial Statements River Bluff Nursing Home Presented by Mark Lofgren

G. Ordinance for Approval of Budget Amendment for Implementing the PREA Standards, Protecting Inmates and Safeguarding Communities

H. Ordinance for Approval of Budget Amendment for the Emergency Rental Assistance Program I

I. Resolution to Exercise Option to Purchase the Parking Lot Located at 310 South Church and 320 and 324 Chestnut Street, Rockford, Illinois

J. Closed Session to Discuss Pending Litigation

K. Other Matters

L. Adjournment



## Resolution Executive Summary

**Prepared By:** Lafakeria S. Vaughn  
**Committee:** Finance Committee  
**Committee Date:** March 3, 2022  
**Resolution Title:** Resolution Authorizing Settlement of Litigation (Cailyn Kottman and Christopher Wilkinson v. County of Winnebago)  
**County Code:** Not Applicable  
**Board Meeting Date:** March 10, 2022

**Budget Information:**

<b>Was item budgeted?</b> Yes	<b>Appropriation Amount:</b> \$35,000
<b>If not, explain funding source:</b> N/A	
<b>ORG/OBJ/Project Code:</b>	<b>Budget Impact:</b> Within budgeted amount

**Background Information:** Settlement of claim by the Plaintiffs against the County of Winnebago.

**Recommendation:** Staff concurs

**Contract/Agreement:** N/A

**Legal Review:** Legal review conducted by the State's Attorney's Office

**Follow-Up:** N/A

**RESOLUTION  
OF THE  
COUNTY BOARD OF THE COUNTY OF WINNEBAGO, ILLINOIS**

2022 CR \_\_\_\_\_

SUBMITTED BY: FINANCE COMMITTEE

SPONSORED BY: JAIME SALGADO

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**RESOLUTION AUTHORIZING SETTLEMENT OF LITIGATION (*Cailyn Kottman and Christopher Wilkinson v. County of Winnebago*)**

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**WHEREAS**, *Cailyn Kottman and Christopher Wilkinson. v. County of Winnebago* is a pending civil action against the County of Winnebago, filed in the Seventeenth Judicial Circuit, Winnebago County, Illinois, as case number 2015-L-10; and

**WHEREAS**, the Plaintiffs therein have agreed to settle all claims they have against the County of Winnebago for the sum of Thirty-Five Thousand Dollars (\$35,000.00); and

**WHEREAS**, the Finance Committee, after having reviewed the facts and circumstances of the aforementioned case and after having conferred with the Winnebago County State's Attorney, through his assistant, has determined it is in the best interests of the citizens of Winnebago County to settle this case on the terms set forth above.

**NOW, THEREFORE BE IT RESOLVED**, by the County Board of the County of Winnebago, Illinois that the Winnebago County State's Attorney is hereby authorized to settle the aforementioned lawsuit by paying the Plaintiffs therein the sum of Thirty-Five Thousand Dollars (\$35,000.00).

**BE IT FURTHER RESOLVED**, that the Winnebago County Treasurer, Winnebago County Clerk, and Winnebago County Finance Department are authorized and directed to prepare and deliver to the Winnebago County State's Attorney one or more County Warrants totaling Thirty-Five Thousand Dollars (\$35,000.00); payable as directed by the State's Attorney.

**BE IT FURTHER RESOLVED**, that this Resolution shall be in full force and effect immediately upon its adoption.

**Respectfully submitted,**

**FINANCE COMMITTEE**

**AGREE**

\_\_\_\_\_  
Jaime Salgado, Chairman

\_\_\_\_\_  
Steve Schultz

\_\_\_\_\_  
John Butitta

\_\_\_\_\_  
Paul Arena

\_\_\_\_\_  
Joe Hoffman

\_\_\_\_\_  
Jean Crosby

\_\_\_\_\_  
Keith McDonald

**DISAGREE**

\_\_\_\_\_  
Jaime Salgado, Chairman

\_\_\_\_\_  
Steve Schultz

\_\_\_\_\_  
John Butitta

\_\_\_\_\_  
Paul Arena

\_\_\_\_\_  
Joe Hoffman

\_\_\_\_\_  
Jean Crosby

\_\_\_\_\_  
Keith McDonald

The above and foregoing Resolution was adopted by the County Board of the County of Winnebago, Illinois, this \_\_\_\_ day of \_\_\_\_\_, 2022.

\_\_\_\_\_  
Joseph V. Chiarelli, Chairman of the  
County Board of the  
County of Winnebago, Illinois

ATTEST:

\_\_\_\_\_  
Lori Gummow, Clerk of the  
County Board of the  
County of Winnebago, Illinois

**County of Winnebago, Illinois**  
**5 Year Pro Forma**  
**River Bluff Nursing Home**  
**Estimate**

<b>Operating Revenues</b>	<b>FY'22</b>	<b>FY'23</b>	<b>FY '24</b>	<b>FY '25</b>	<b>FY'26</b>
Charges for Services	14,536,421	15,400,000	15,700,000	16,000,000	16,400,000
Other	1,039,000	675,000	675,000	675,000	675,000
<b>Total Operating Revenue</b>	<b>15,575,421</b>	<b>16,075,000</b>	<b>16,375,000</b>	<b>16,675,000</b>	<b>17,075,000</b>

<b>Operating Expenses</b>	<b>FY'22</b>	<b>FY'23</b>	<b>FY '24</b>	<b>FY'25</b>	<b>FY'25</b>
Personnel	8,832,685	8,831,220	9,007,844	9,188,001	9,400,960
Supplies and services	7,370,858	6,900,000	6,900,000	7,000,000	7,200,000
Depreciation	355,000	355,000	355,000	355,000	355,000
Capital Outlay	510,000	50,000		50,000	50,000
<b>Total Operating Expenses</b>	<b>17,068,543</b>	<b>16,136,220</b>	<b>16,262,844</b>	<b>16,593,001</b>	<b>17,005,960</b>

<b>Operating Income (Loss)</b>	<b>(1,493,122)</b>	<b>(61,220)</b>	<b>112,156</b>	<b>81,999</b>	<b>69,040</b>
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<b>Non-Operating Revenues (Expenses)</b>	<b>FY'22</b>	<b>FY'23</b>	<b>FY '24</b>	<b>FY'25</b>	<b>FY'25</b>
Property Taxes	1,900,000	1,900,000	1,900,000	1,900,000	1,900,000
Interest Expense (Debt)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
<b>Investment Income</b>	<b>1,890,000</b>	<b>1,890,000</b>	<b>1,890,000</b>	<b>1,890,000</b>	<b>1,890,000</b>

<b>Net Increase (Decrease) in net position</b>	<b>396,878</b>	<b>1,828,780</b>	<b>2,002,156</b>	<b>1,971,999</b>	<b>1,959,040</b>
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Total net position, beginning of period	396,878	793,756	2,622,536	4,624,692	6,596,691
Prior period adjustment	-	-	-	-	-

<b>Total net position, end of period</b>	<b>793,756</b>	<b>2,622,536</b>	<b>4,624,692</b>	<b>6,596,691</b>	<b>8,555,731</b>
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**County of Winnebago, Illinois**  
**5 Year Pro Forma**  
**River Bluff Nursing Home**  
**Best**

<b>Operating Revenues</b>	<b>FY'22</b>	<b>FY'23</b>	<b>FY '24</b>	<b>FY '25</b>	<b>FY'26</b>
Charges for Services	14,536,421	15,076,000	15,700,000	16,000,000	16,400,000
Other	1,039,000	675,000	675,000	675,000	675,000
<b>Total Operating Revenue</b>	<b>15,575,421</b>	<b>15,751,000</b>	<b>16,375,000</b>	<b>16,675,000</b>	<b>17,075,000</b>

<b>Operating Expenses</b>	<b>FY'22</b>	<b>FY'23</b>	<b>FY '24</b>	<b>FY'25</b>	<b>FY'25</b>
Personnel	8,832,685	8,831,220	8,933,214	9,076,056	9,400,960
Supplies and services	7,370,858	6,286,211	6,900,000	7,000,000	7,200,000
Depreciation	355,000	355,000	355,000	355,000	355,000
Capital Outlay	510,000	50,000	50,000.00	50,000	50,000
<b>Total Operating Expenses</b>	<b>17,068,543</b>	<b>15,522,431</b>	<b>16,238,214</b>	<b>16,481,056</b>	<b>17,005,960</b>

<b>Operating Income (Loss)</b>	<b>(1,493,122)</b>	<b>228,569</b>	<b>136,786</b>	<b>193,944</b>	<b>69,040</b>
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<b>Non-Operating Revenues (Expenses)</b>	<b>FY'22</b>	<b>FY'23</b>	<b>FY '24</b>	<b>FY'25</b>	<b>FY'25</b>
Property Taxes	1,900,000	1,900,000	1,900,000	1,900,000	1,900,000
Interest Expense (Debt)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
<b>Investment Income</b>	<b>1,890,000</b>	<b>1,890,000</b>	<b>1,890,000</b>	<b>1,890,000</b>	<b>1,890,000</b>

<b>Net Increase (Decrease) in net position</b>	<b>396,878</b>	<b>2,118,569</b>	<b>2,026,786</b>	<b>2,083,944</b>	<b>1,959,040</b>
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Total net position, beginning of period	396,878	793,756	2,912,325	4,939,111	7,023,055
Prior period adjustment	-	-	-	-	-

<b>Total net position, end of period</b>	<b>793,756</b>	<b>2,912,325</b>	<b>4,939,111</b>	<b>7,023,055</b>	<b>8,982,095</b>
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**County of Winnebago, Illinois**  
**5 Year Pro Forma**  
**River Bluff Nursing Home**  
**Worst**

<b>Operating Revenues</b>	<b>FY'22</b>	<b>FY'23</b>	<b>FY '24</b>	<b>FY '25</b>	<b>FY'26</b>
Charges for Services	14,536,421	14,550,000	15,000,000	15,500,000	16,000,000
Other	1,039,000	675,000	675,000	675,000	675,000
<b>Total Operating Revenue</b>	<b>15,575,421</b>	<b>15,225,000</b>	<b>15,675,000</b>	<b>16,175,000</b>	<b>16,675,000</b>

<b>Operating Expenses</b>	<b>FY'22</b>	<b>FY'23</b>	<b>FY '24</b>	<b>FY'25</b>	<b>FY'25</b>
Personnel	8,832,685	9,009,338	9,112,000	9,257,577	9,400,960
Supplies and services	7,370,858	7,500,000	7,600,000	7,700,000	7,900,000
Depreciation	355,000	355,000	355,000	355,000	355,000
Capital Outlay	510,000	50,000	50,000.00	50,000	50,000
<b>Total Operating Expenses</b>	<b>17,068,543</b>	<b>16,914,338</b>	<b>17,117,000</b>	<b>17,362,577</b>	<b>17,705,960</b>

<b>Operating Income (Loss)</b>	<b>(1,493,122)</b>	<b>(1,689,338)</b>	<b>(1,442,000)</b>	<b>(1,187,577)</b>	<b>(1,030,960)</b>
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<b>Non-Operating Revenues (Expenses)</b>	<b>FY'22</b>	<b>FY'23</b>	<b>FY '24</b>	<b>FY'25</b>	<b>FY'25</b>
Property Taxes	1,900,000	1,900,000	1,900,000	1,900,000	1,900,000
Interest Expense (Debt)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
<b>Investment Income</b>	<b>1,890,000</b>	<b>1,890,000</b>	<b>1,890,000</b>	<b>1,890,000</b>	<b>1,890,000</b>

<b>Net Increase (Decrease) in net position</b>	<b>396,878</b>	<b>200,662</b>	<b>448,000</b>	<b>702,423</b>	<b>859,040</b>
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Total net position, beginning of period	396,878	793,756	994,418	1,442,418	2,144,841
Prior period adjustment	-	-	-	-	-

<b>Total net position, end of period</b>	<b>793,756</b>	<b>994,418</b>	<b>1,442,418</b>	<b>2,144,841</b>	<b>3,003,881</b>
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## Break-even Analysis

The following Break-even Analysis table shows that with our forecasted operating expenses including personnel, we need to serve 175 residents to cover costs with mixed payer sources.

Table: Break-even Analysis

<i>Break-even Analysis River Bluff Nursing Home</i>	
Monthly Residents Break-even	175
Monthly Revenue Break-even	\$39,971
Assumptions:	
Average Per-Unit Revenue per day	\$2,114
Average Per-Unit Variable Cost per day	\$809
<b>Estimated Monthly Fixed Cost</b>	<b>\$39,162</b>

I have arrived at these numbers using the formula: Divide fixed costs by revenue per unit per day minus the variable cost per unit. Fixed costs are those that do not change no matter how many units are occupied. The revenue is the average price (mixed payor source) which the units are occupied minus variable costs like labor and utilities.





## Resolution Executive Summary

Prepared By: Debbie Jarvis  
Committee: Finance Committee  
Committee Date: March 3, 2022  
Resolution Title: Resolution for Approval of Budget Amendment for Implementing the PREA Standards, Protecting Inmates and Safeguarding Communities  
County Code: Winnebago County Annual Appropriation Ordinance

Board Meeting Date: March 10, 2022

**Budget Information:**

Was item budgeted? No	Appropriation Amount: \$75,107
If not, explain funding source:	DOJ, Bureau of Justice Assistance
ORG/OBJ/Project Code:	Budget Impact: None

Background Information: Implementing the PREA Standards, Protecting Inmates and Safeguarding Communities Grant awarded by the DOJ Bureau of Justice Assistance supports Winnebago County Juvenile Detention Center's Goal of achieving PREA compliance standards. This amendment serves to make corrective accounting adjustments to maintain available program funds in separate Munis accounts.

Recommendation: Grant compliance and Finance department guidance suggests this budget amendment should be made to maintain separation between grant awards.

Contract/Agreement: The funding award is available for review.

Legal Review: Not Applicable

Follow-Up: Update Munis Accounting records.

**2022 Fiscal Year**

Sponsored by:  
Jaime Salgado, Finance Committee Chairman

Finance: March 3, 2022  
Lay Over: March 10, 2022  
**Final Vote: March 24, 2022**

**2022-006**

**TO: THE HONORABLE BOARD MEMBERS OF THE COUNTY OF WINNEBAGO, ILLINOIS**

The Winnebago County Finance Committee presents the following Ordinance amending the Annual Appropriation Ordinance for the fiscal year ending September 30, 2022 and recommends its adoption.

**ORDINANCE**

**WHEREAS**, Implementing PREA Standards, Protecting Inmates, and Safeguarding Communities awarded by the DOJ Bureau of Justice Assistance, supports for Winnebago County Juvenile Detention Center to achieve compliance of PREA Standards and Prevent Abuse at Winnebago County Juvenile Detention Center.

**WHEREAS**, the Winnebago County Board adopted the “Annual Budget and Appropriation Ordinance” for the fiscal year ending September 30, 2022 at its September 30, 2021 meeting; and,

**WHEREAS**, 55ILCS 5/6-1003(2014), states, “After the adoption of the county budget, no further appropriations shall be made at any other time during such fiscal year, except as provided in this Act. Appropriations in excess of those authorized by the budget in order to meet an immediate emergency may be made at any meeting of the board by a two-thirds vote of all the members constituting such board, the vote to be taken by ayes and nays and entered on the record of the meeting.”

**NOW, THEREFORE, BE IT ORDAINED**, that the County Board deems that pursuant to provisions as set forth in 55ILCS 5/6-1003(2014), certain conditions have occurred in connection with the operations of the County which are deemed to be immediate emergencies; therefore, the increases detailed per the attached Request for Budget Amendment are hereby authorized for Amendment **#2022-006, 2021 BJA FY21 Implement the PREA Standards, Protecting Inmates and Safeguarding Communities Fund.**

Respectfully Submitted,  
**FINANCE COMMITTEE**

**(AGREE)**

**(DISAGREE)**

\_\_\_\_\_  
JAIME SALGADO,  
FINANCE CHAIRMAN

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JAIME SALGADO,  
FINANCE CHAIRMAN

\_\_\_\_\_  
JEAN CROSBY

\_\_\_\_\_  
JEAN CROSBY

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JOE HOFFMAN

\_\_\_\_\_  
JOE HOFFMAN

\_\_\_\_\_  
PAUL ARENA

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PAUL ARENA

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STEVE SCHULTZ

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STEVE SCHULTZ

\_\_\_\_\_  
KEITH McDONALD

\_\_\_\_\_  
KEITH McDONALD

\_\_\_\_\_  
JOHN BUTITTA

\_\_\_\_\_  
JOHN BUTITTA

The above and foregoing Ordinance was adopted by the County Board of the County of Winnebago, Illinois this \_\_\_\_ day of \_\_\_\_\_ 2022.

ATTESTED BY:

\_\_\_\_\_  
JOSEPH CHIARELLI  
CHAIRMAN OF THE COUNTY BOARD  
OF THE COUNTY OF WINNEBAGO, ILLINOIS

\_\_\_\_\_  
LORI GUMMOW  
CLERK OF THE COUNTY BOARD  
OF THE COUNTY OF WINNEBAGO, ILLINOIS

2022  
WINNEBAGO COUNTY  
FINANCE COMMITTEE  
REQUEST FOR BUDGET AMENDMENT

<b>DATE SUBMITTED:</b> 2/24/2022 <b>AMENDMENT NO:</b> 2022-006							
<b>DEPARTMENT:</b> Detention Home				<b>SUBMITTED BY:</b> Debbie Jarvis			
<b>FUND#:</b> 0131				<b>DEPT. BUDGET NO.</b> 43100			
Department Org Number	Object (Account) Number	Object (Account) Description	Adopted Budget	Amendments Previously Approved	Revised Approved Budget	Increase (Decrease)	Revised Budget after Approved Budget Amendment
<b>Expenditures</b>							
43100	41110-02607	Regular Salary	\$0	\$0	\$0	\$32,240	\$32,240
43100	42115-02607	Non-Capital Office Equipment	\$0	\$0	\$0	\$20,567	\$20,567
43100	43190-02607	Other Professional Services	\$0	\$0	\$0	\$20,000	\$20,000
<b>Revenue</b>							
43100	32110-02607	Federal Grant Award	\$0	\$0	\$0	(\$72,807)	(\$72,807)
<b>TOTAL ADJUSTMENT:</b>						\$0	
Reason budget amendment is required:							
This amendment establishes a new grant award from the DOJ, Bureau of Justice Assistance. Implementing PREA Standards, Protecting Inmates, and Safeguarding Communities supports Winnebago County Juvenile Detention Center to achieve compliance of PREA Standards and Prevent Abuse at Winnebago County Juvenile Detention Center.							
Potential alternatives to budget amendment:							
None							
Impact to fiscal year 2022 budget:							
\$0							
Revenue Source: DOJ, Bureau of Justice Assistance							



# Resolution Executive Summary

Prepared By: Dave Rickert

Committee: Finance Committee

Committee Date: March 3, 2022

Resolution Title: Ordinance for Approval of Budget Amendment for the Emergency Rental Assistance Program I

County Code: Winnebago County Annual Appropriation Ordinance

Board Meeting Date: March 3, 2022

## Budget Information:

Was item budgeted? No	Appropriation Amount: \$1,917,656.04
If not, explain funding source: Fund Balance	
ORG/OBJ/Project Code: 61100/411110,43202,43203	Budget Impact: \$1,917,656.04

Background Information: This amendment is needed to allocate the remaining Fund Balance for ERAP I. In FY21 we did not end up giving out as much assistance as we anticipated when we were doing the budget for FY22. We want to allocate the remain Fund Balance of \$1,917,656.04 to salaries and assistance so we can close the grant fund out and move to ERAP II.

Recommendation: Department Agrees

Contract/Agreement:

Legal Review: Not Applicable

**2022 Fiscal Year**

Sponsored by:  
Jaime Salgado, Finance Committee Chairman

Finance: Mar 3, 2022  
Lay Over: Mar 10, 2022  
**Final Vote: Mar 24, 2022**

**2022 CO**

**TO: THE HONORABLE BOARD MEMBERS OF THE COUNTY OF WINNEBAGO, ILLINOIS**

The Winnebago County Finance Committee presents the following Ordinance amending the Annual Appropriation Ordinance for the fiscal year ending September 30, 2021 and recommends its adoption.

**ORDINANCE**

**WHEREAS**, ERAP I has fund balance that needs to be allocated to it's fiscal year 2022 budget.

**WHEREAS**, the Winnebago County Board adopted the "Annual Budget and Appropriation Ordinance" for the fiscal year ending September 30, 2022 at its September 30, 2021 meeting; and,

**WHEREAS**, 55ILCS 5/6-1003(2014), states, "After the adoption of the county budget, no further appropriations shall be made at any other time during such fiscal year, except as provided in this Act. Appropriations in excess of those authorized by the budget in order to meet an immediate emergency may be made at any meeting of the board by a two-thirds vote of all the members constituting such board, the vote to be taken by ayes and nays and entered on the record of the meeting."

**NOW, THEREFORE, BE IT ORDAINED**, that the County Board deems that pursuant to the provisions as set forth in 55ILCS 5/6-1003(2014), certain conditions have occurred in connection with the operations of the County which are deemed to be immediate emergencies; therefore the increases detailed per the attached Request for Budget Amendment are hereby authorized for Amendment **#2022-008 ERAP I Adjustment**.

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(AGREE)

\_\_\_\_\_  
JAIME SALGADO,  
FINANCE CHAIRMAN

\_\_\_\_\_  
JEAN CROSBY

\_\_\_\_\_  
JOE HOFFMAN

\_\_\_\_\_  
PAUL ARENA

\_\_\_\_\_  
STEVE SCHULTZ

\_\_\_\_\_  
KEITH McDONALD

\_\_\_\_\_  
JOHN BUTITTA

Respectfully Submitted,  
**FINANCE COMMITTEE**  
(DISAGREE)

\_\_\_\_\_  
JAIME SALGADO,  
FINANCE CHAIRMAN

\_\_\_\_\_  
JEAN CROSBY

\_\_\_\_\_  
JOE HOFFMAN

\_\_\_\_\_  
PAUL ARENA

\_\_\_\_\_  
STEVE SCHULTZ

\_\_\_\_\_  
KEITH McDONALD

\_\_\_\_\_  
JOHN BUTITTA

The above and foregoing Ordinance was adopted by the County Board of the County of Winnebago, Illinois this \_\_\_\_ day of \_\_\_\_\_ 2022.

ATTESTED BY:

\_\_\_\_\_  
LORI GUMMOW  
CLERK OF THE COUNTY BOARD  
OF THE COUNTY OF WINNEBAGO, ILLINOIS

\_\_\_\_\_  
JOSEPH CHIARELLI  
CHAIRMAN OF THE COUNTY BOARD  
OF THE COUNTY OF WINNEBAGO, ILLINOIS

## REQUEST FOR BUDGET AMENDMENT

DATE SUBMITTED:		3/4/2022		AMENDMENT NO:		2022-008	
DEPARTMENT:		ERAP I		SUBMITTED BY:		Dave Rickert	
FUND#:		0311		DEPT. BUDGET NO.		61100	
Department Org Number	Object (Account) Number	Object (Account) Description	Adopted Budget	Amendments Previously Approved	Revised Approved Budget	Increase (Decrease)	Revised Budget after Approved Budget Amendment
<b>Expenditures</b>							
61100	41110	Regular Salaries	\$128,437	\$0	\$128,437	\$22,000	\$150,437
61100	43202	ERAP-Rental Arrears	\$0	\$0	\$0	\$1,706,090	\$1,706,090
61100	43203	ERAP-Utility Arrears	\$0	\$0	\$0	\$189,566	\$189,566
<b>Revenue</b>							
Fund Balance							
TOTAL ADJUSTMENT:						\$1,917,656.04	
Reason budget amendment is required:							
As ERAP I is winding down we are making adjustments to allocated the remaining fund balance from ERAP I, due to lower than anticipated expenditures in FY21.							
Potential alternatives to budget amendment:							
None							
Impact to fiscal year 2022 budget:							
\$1,917,656							
Revenue Source:		ERAP Grant Fund Balance					



**RESOLUTION  
OF THE  
COUNTY BOARD OF THE COUNTY OF WINNEBAGO, ILLINOIS**

2022 CR \_\_\_\_\_

SUBMITTED BY: FINANCE COMMITTEE

SPONSORED BY: JAIME SALGADO

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**RESOLUTION TO EXERCISE OPTION TO PURCHASE THE PARKING LOT  
LOCATED AT 310 SOUTH CHURCH AND 320 AND 324 CHESTNUT STREET,  
ROCKFORD, ILLINOIS**

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**WHEREAS**, on January 1, 2014, the County of Winnebago (“County”) and Church & Chestnut Development, LLC (“Landlord”) entered into a lease agreement (“Lease”) for the parking lot, located at 310 South Church and 320 and 324 Chestnut Street, PINS 11-22-479-002; 11-22-479-003 and 11-22-479-009 (collectively the “Property”); and

**WHEREAS**, the term of the lease is for a fifteen (15) year term, which expires on December 31, 2028, subject to certain terms and conditions; and

**WHEREAS**, pursuant to Section 9 (a) of the lease, the County “shall have the right of first refusal on any contemplated sale of all or any part of the Property by the Landlord to a third party in an arm’s length transaction for fair market value (“Bona Fide Sale”); and

**WHEREAS**, after the County’s receipt of a copy of the Bona Fide Sale offer, the County has forty-five (45) days, at its option, to purchase the Property upon the same terms and conditions as set forth in the Bona Fide Sale offer; and

**WHEREAS**, on January 19, 2022, the Landlord informally notified the County by email of the proposed sale of the Property, and on February 3, 2022, the County received formal notice by overnight courier of the proposed sale from the Landlord in compliance with Section 21 of the lease; and

**WHEREAS**, the Finance Committee and the County Board, after having reviewed the Bona Fide Sale offer, has determined it is in the best interests of the County of Winnebago, Illinois to exercise the said option.

**NOW, THEREFORE BE IT RESOLVED**, by the County Board of the County of Winnebago, Illinois that Joseph V. Chiarelli, the Winnebago County Board Chairman, is authorized and directed to take any steps necessary to exercise the option to purchase the property located at 310 South Church and 320 and 324 Chestnut Street.

**BE IT FURTHER RESOLVED**, that this Resolution shall be in full force and effect immediately upon its adoption.

**BE IT FURTHER RESOLVED**, that the Clerk of the County Board of the County of Winnebago is directed to prepare and deliver certified copies of this resolution to the County Administrator, County Treasurer, County Auditor and Chief Financial Officer.

**Respectfully submitted,  
FINANCE COMMITTEE**

**AGREE**

**DISAGREE**

\_\_\_\_\_  
Jaime Salgado, Chairman

\_\_\_\_\_  
Jaime Salgado, Chairman

\_\_\_\_\_  
Steve Schultz

\_\_\_\_\_  
Steve Schultz

\_\_\_\_\_  
John Butitta

\_\_\_\_\_  
John Butitta

\_\_\_\_\_  
Paul Arena

\_\_\_\_\_  
Paul Arena

\_\_\_\_\_  
Joe Hoffman

\_\_\_\_\_  
Joe Hoffman

\_\_\_\_\_  
Jean Crosby

\_\_\_\_\_  
Jean Crosby

\_\_\_\_\_  
Keith McDonald

\_\_\_\_\_  
Keith McDonald

The above and foregoing Resolution was adopted by the County Board of the County of Winnebago, Illinois, this \_\_\_\_ day of \_\_\_\_\_, 2022.

\_\_\_\_\_  
Joseph V. Chiarelli, Chairman of the  
County Board of the  
County of Winnebago, Illinois

ATTEST:

\_\_\_\_\_  
Lori Gummow, Clerk of the  
County Board of the  
County of Winnebago, Illinois

## Support Material for Option to Purchase

1. Original Lease Document
2. Value Estimate
3. Letter of Intent to Purchase
4. Commitment to Purchase
5. GIS Map of Property

## **LEASE AGREEMENT**

This LEASE AGREEMENT ("Lease") is entered into to be effective as of the 1<sup>st</sup> day of January, 2014 ("Effective Date"), by and between the COUNTY OF WINNEBAGO, an Illinois body politic ("Tenant"), and CHURCH & CHESTNUT DEVELOPMENT, LLC, a Delaware limited liability company ("Landlord").

### **RECITALS**

WHEREAS, Landlord is the owner of that certain real property commonly known as 310 South Church and 320 and 324 Chestnut Street, in Rockford, Illinois, which property is legally described in the attached Exhibit A (collectively referred to herein as the "Property"); and

WHEREAS, the Property is comprised of a parking lot and related improvements and does not house any buildings; and

WHEREAS, Landlord and Tenant previously entered into a Contract for Purchase and Sale dated September 27, 2013 in which Landlord agreed to sell and Tenant agreed to purchase the Property ("Sale Contract"); and

WHEREAS, the parties now desire to terminate the Sale Contract and instead enter into this Lease Agreement under which Landlord agrees to lease to Tenant and Tenant agreed to lease from Landlord, the Property on the terms and conditions set forth herein; and

WHEREAS, prior to the date of this Lease and as part of the Sale Contract, Tenant requested that Landlord prepare the Property for its intended use as a parking lot;

WHEREAS, the Property originally was designed to contain 72 parking stalls but, at the request of the Tenant, changes were made (for the electronic gates) that reduced the number of parking stalls to 68; and

WHEREAS, the parties agree that the Rent, as defined herein, was based on 70 parking stalls; and;

WHEREAS, Landlord now desires to lease to Tenant, and Tenant desires to Lease from Landlord, the Property under the terms and conditions of this Lease.

NOW THEREFORE, in consideration of the above recitals which are incorporated into the agreements of this Lease as though restated below, the promises herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Tenant and Landlord agree as follows:

1. Lease. Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the Property located in Rockford, Illinois, on those terms and conditions set forth herein.
2. Term. The Term of this Lease shall be for Fifteen (15) years commencing on the Effective Date and ending December 31, 2028 ("Lease Term").

3. Rent. Tenant shall pay Landlord a Base Parking Fee and a Base Sublease Fee each month, as set forth in this Paragraph 3. The Base Parking Fee and the Base Sublease Fee are collectively referred to herein as "Rent".

- a. Base Parking Fee. The Base Parking Fee for the first five (5) years of the Lease Term shall equal Four Thousand Two Hundred Dollars (\$4,200) per month. Beginning on the first day of the sixth year of the Lease Term and continuing annually thereafter, the Base Parking Fee shall increase by three percent (3%) of the prior year's Base Parking Fee.
- b. Base Sublease Fee. The Base Sublease Fee for the first five (5) years of the Lease Term shall equal Two Thousand Five Hundred Dollars (\$2,500) per month. Beginning on the first day of the sixth year of the Lease Term and continuing annually thereafter, the Base Sublease Fee shall increase by three percent (3%) of the prior year's Base Sublease Fee.

Tenant agrees to pay to Landlord the Rent, without notice or demand, in advance, on or before the 1<sup>st</sup> day of each and every successive calendar month during the Lease Term, commencing on the Effective Date; except that the first month's rent (in addition to the Additional Capital Improvement Advance) shall be paid to Landlord upon the execution of this Lease. Tenant agrees to arrange for the automatic deposit of its Rent payments into an account to be designated by Landlord. Rent for any period which is for less than one (1) month shall be a prorated portion of the monthly installment therein based upon a thirty (30) day month. All Rent shall be paid to Landlord, without deduction or offset, in lawful money of the United States of America and at such place as Landlord may from time to time designate in writing. All Rent shall be due without regard to whether a sublease exists between Tenant and a third party.

4. Use. Tenant shall use the Property in conformity of the law and the terms of this agreement. The property may not be altered or constructed upon without Landlord's consent, which consent will not be unreasonably withheld.
5. Maintenance and Repair. Tenant, at its sole cost and expense, shall keep the Property and any and all improvements constructed thereon, in good condition and repair, normal wear and tear excepted and shall further keep the Property in a safe condition free from hazards. Tenant's maintenance requirements include but are not limited to, snow and ice removal, annual sealing, pavement maintenance landscaping, sweeping, striping and associated utilities, lighting and lighting improvements.
6. Signage. Tenant may, at its option, provide signage for the Property at the sole cost and expense of Tenant.
7. Liability Insurance. Tenant shall, at Tenant's expense, obtain and keep in force during the Lease Term a policy of commercial general liability insurance (sometimes known as comprehensive public liability insurance) insuring Landlord and Tenant (and, if requested by Landlord, Landlord's lender and property manager) against any liability for bodily injury, property damage (including loss of use of property) and personal injury arising out

of the ownership, use, occupancy or maintenance of the Property and all areas appurtenant thereto. Such insurance policy shall be in the amount of not less than \$1,000,000 per occurrence. Tenant may provide this insurance under a blanket policy, provided that said insurance shall have a Landlord's protective liability endorsement attached thereto. If Tenant shall fail to procure and maintain said insurance, Landlord may, but shall not be required to, procure and maintain same, at the expense of Tenant. Insurance required hereunder shall be in companies rated A:XII or better as set forth in the most current "Best's Key Rating Guide." Tenant shall deliver to Landlord, prior to right of entry, copies of policies of liability insurance required herein or certificates evidencing the existence and amounts of such insurance with loss payable clauses satisfactory to Landlord. No policy shall be cancelable or subject to reduction of coverage. All such policies shall be written as primary policies not contributing with and not in excess of coverage that Landlord may carry.

8. Property Taxes. Landlord shall pay all real estate taxes and/or special assessments levied against the Property.
9. Right of First Refusal.
  - a. Tenant shall have the right of first refusal on any contemplated sale of all or any part of the Property by Landlord to a third party in an arm's length transaction for fair market value ("Bona Fide Sale"). Landlord shall provide Tenant with a copy of any Bona Fide Sale offer which Landlord has accepted or intends to accept and Purchaser shall have forty-five (45) days after receipt thereof to elect, at its option, to purchase the Property upon the same terms and conditions as set forth in the Bona Fide Sale offer. If Tenant rejects the offer or fails to act within forty-five (45) days, of its receipt of the offer, Landlord may close the transaction with the proposed third party purchaser upon the terms of the submitted offer and assign its rights, title and interest in this Lease to said purchaser.
  - b. Landlord agrees that in the event that the Property is sold or transferred to any third party, including a Permitted Party, as hereinafter defined, the sales agreement or other transfer instrument between Landlord and the third party shall contain language indicating that the sale will be subject to the terms and conditions of this Lease and that Tenant's rights to the Property as set forth in this Lease shall be preserved for any remaining Lease Term, except that Tenant's right of first refusal under this Paragraph 9 shall be extinguished following any Bona Fide Sale.
10. Termination of Sale Contract. Upon execution of this Lease by both parties, the Sale Contract shall be terminated. The parties agree and acknowledge that Tenant previously deposited One Hundred and Twenty Five Thousand Dollars (\$125,000) with Landlord as earnest money under the Sale Contract ("Earnest Money"). The Earnest Money shall be refundable in accordance with the provision of Paragraph 12 herein.
11. Additional Capital Improvement Advance. Tenant agrees to pay to Landlord Seventy Five Thousand Dollars (\$75,000) upon execution of this Lease ("Additional Capital

Improvement Advance”). This Additional Capital Improvement Advance shall be refundable in accordance with the provision of Paragraph 12 herein.

12. Earnest Money and Additional Capital Improvement Advance. The Earnest Money and the Additional Capital Improvement Advance shall be refunded to Tenant as follows:

- a. In the event Tenant exercises its right to purchase the Property in accordance with Paragraph 9(a) herein, the Earnest Money and the Additional Capital Improvement Advance shall both be credited toward the purchase price; or
- b. In the event Tenant opts not to exercise its right to purchase the Property in accordance with Paragraph 9(a) herein and the Property is sold to a third party purchase during the Lease Term, the Earnest Money and the Additional Capital Improvement Advance shall be refunded to Tenant within thirty (30) days of the date the purchase transaction is closed; or
- c. In the event the Property is not sold during the Lease Term, Landlord shall refund the Earnest Money and the Additional Capital Improvement Advance to Tenant within thirty (30) days of the date this Lease expires.

13. Liens. Tenant shall keep the Property and the property in which the Property are situated free from any liens arising out of any work performed, materials furnished or obligations incurred by or on behalf of Tenant.

14. Tenant’s Default. The occurrence of any one of the following events shall constitute an event of default on the part of Tenant upon ten (10) days, unless a different timeframe is specifically otherwise provided for below, written notice of such event being given by Landlord (“Default”):

- a. The failure of Tenant to pay any installment or payment of Rent when due, which failure continues for a period of ten (10) days after written notice thereof from Landlord to Tenant (which notice may be given in the form of a Landlord's Statutory 5-Day Notice used in Illinois forcible entry and detainer proceedings), provided that no such written notice is required from Landlord if Landlord has already provided written notice on two separate occasions in the same calendar year; or
- b. A general assignment by Tenant or any guarantor of Tenant’s obligations hereunder for the benefit of creditors; or
- c. An assignment or attempted assignment of this Lease by Tenant contrary to the provisions of this Lease; or
- d. Any insurance required to be maintained by Tenant pursuant to this Lease shall be canceled or terminated or shall expire or be reduced or materially changed, except as permitted in this Lease; or

- e. Any failure by Tenant to discharge any lien or encumbrance placed on the Property or any part of the Property which does not arise from Landlord's actions; or
- f. The failure in the performance or observance of any other of Tenant's covenants, agreements or obligations in this Lease which failure continues for thirty (30) days after written notice thereof has been sent from Landlord to Tenant (unless the default involves a hazardous condition, which shall be cured forthwith upon Landlord's demand), provided, however, that, if Tenant has exercised reasonable diligence to cure such failure and such failure cannot be cured within such thirty (30) day period despite reasonable diligence, Tenant shall not be in default under this subparagraph so long as Tenant thereafter diligently and continuously prosecutes the cure to completion and actually completes such cure within sixty (60) days after the giving of the aforesaid written notice.

15. Landlord's Remedies. Upon the occurrence of any Default, Landlord may, with or without notice or demand of any kind to Tenant or any other person, have any one or more of the following described remedies in addition to all other rights and remedies provided at law or in equity or otherwise or elsewhere herein:

- a. Terminate this Lease by giving to Tenant written notice of Landlord's election to do so, in which event the Term and all right, title and interest of Tenant hereunder shall end on the date stated in such notice; or
- b. Terminate the right of Tenant to possession of the Property without terminating this Lease, by giving written notice to Tenant that Tenant's right of possession shall end on the date stated in such notice, whereupon the right of Tenant to possession of the Property or any part thereof shall cease on the date stated in such notice.

In addition to the above remedies, Landlord may, at its sole option, enforce the provisions of this Lease and enforce and protect the rights of Landlord hereunder by a suit or suits in equity or at law for the specific performance of any covenant or agreement contained herein; and for the enforcement of any other appropriate legal or equitable remedy, including without limitation: (i) injunctive relief, (ii) recovery of all monies due or to become due from Tenant under any of the provisions of this Lease, and (iii) any other damage incurred by Landlord by reason of Tenant's default under this Lease. If Landlord exercises any of the remedies provided for in paragraphs (a) or (b) above, Tenant shall surrender possession of and vacate the Property and immediately deliver possession thereof to Landlord in the condition required by this Lease, and Landlord may re-enter and take complete and peaceful possession of the Property.

16. Tenant Indemnity. Tenant shall indemnify and hold harmless Landlord against and from any and all claims arising from Tenant's use of the Property or from the conduct of its business or from any activity, work, or other things done, permitted or suffered by Tenant



in or about the Property, and shall further indemnify and hold harmless Landlord against and from any and all claims arising from any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease, or arising from any act or negligence of Tenant, or any officer, agent, employee, guest, or invitee of Tenant, and from all costs, attorney's fees, and liabilities incurred in or about the defense of any such claim or any action or proceeding brought thereon. If any action or proceeding be brought against Landlord by reason of such claim, Tenant upon notice from Landlord shall defend the same at Tenant's expense by counsel reasonably satisfactory to Landlord. Tenant shall give prompt notice to Landlord in case of casualty or accidents in the Property.

17. Landlord Warranties. Landlord represents and warrants that it is the owner of the Property and has full authority to enter into this Lease.
18. Compliance with the Law. Tenant shall not permit anything to be done in or about the Property, which will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or which may hereafter be enacted or promulgated. Tenant shall, at its sole cost and expense, promptly comply with all laws, statutes, ordinances and governmental rules, regulations, requirements now in force or which may hereafter be in force and with the requirements of any board of fire underwriters or other similar bodies now or hereafter constituted relating to or affecting the condition or use of the Property.
19. Assignment by Tenant. Tenant shall not either voluntarily, or by operation of law, assign, transfer, mortgage, pledge, hypothecate or encumber this Lease or any interest therein, or any part thereof, or any right or privilege appurtenant thereto, or allow any other person (the employees, agents, servants and invitees of Tenant excepted) to occupy or use the Property, or any portion thereof, without first obtaining the written consent of Landlord. Any such assignment without such consent shall be void, and shall, at the option of Landlord, constitute a default under the terms of this Lease. Notwithstanding the foregoing, Tenant may sublease all or a portion of the Property without Landlord's prior consent.
20. Transfers and Assignments by Landlord.
  - a. Landlord may transfer all or a portion of its right, title and interest in and to the Property to a Permitted Party, as hereinafter defined, at any time without prior approval of Tenant. In addition, Landlord may assign its right, title and interest in and to this Lease to a Permitted Party, as hereinafter defined, at any time without prior approval of Tenant. A "Permitted Party" shall mean any person or entity that has an interest in Landlord, either directly or indirectly through another entity or multiple entities; or the spouse or family member of a person that has a direct or indirect interest in Landlord. Prior to the transfer of the Property or the assignment of the Lease under this Paragraph 20(a), Landlord must first provide Tenant 30 day's written notice. Tenant will have the opportunity to challenge whether the transferee or assignee is a "Permitted Party" as defined herein by providing written notice to Landlord not less than ten (10) days following

Tenant's receipt of the notice required in this subsection. If Landlord does not receive written notice from Tenant within this time period, Tenant shall be deemed to have approved the proposed transferee or assignee as a Permitted Party.

- b. Landlord agrees that in the event this Lease is assigned under Paragraph 20(a) above, the assignment instrument between Landlord and the assignee shall contain language indicating that the assignment will be subject to the terms and conditions of this Lease, including Paragraph 9 herein, and that Tenant's rights to the Property as set forth herein shall be preserved for any remaining Lease Term, as defined in Paragraph 2 herein.
- c. The parties agree that Tenant's right of first refusal as set forth in Paragraph 9 shall not be triggered by Landlord's transfer of the Property to a Permitted Party nor the assignment of this Lease to any party.
- d. Landlord may, without the requirement to first notify or obtain consent from Tenant, assign the rents Landlord is entitled to receive from Tenant hereunder as security for any loan.

21. Notices. Any notices to be delivered to a party to this Lease shall be in writing, shall be sent postage prepaid either by (i) certified mail, in which case such notice shall be deemed to be received three (3) days after placing such notice in the mail; or (ii) overnight courier, in which case such notice shall be deemed received on the delivery date as confirmed by the overnight courier. All notices shall be sent to the following addresses:

If to Landlord:	Church & Chestnut, LLC Attn: Paul. S. Nicolosi 420 Financial Court, Suite 120 Rockford, Illinois 61107
With Copy to:	Church & Chestnut, LLC 6260 E. Riverside Blvd #356 Loves Park, Illinois 61111-4418
If to Tenant:	County of Winnebago Attn: Dave Kurlinkus 400 West State Street, Suite 804 Rockford, Illinois 61101

22. Effect. This Lease shall be binding and in full force and effect as stated above.

(SIGNATURE PAGE TO FOLLOW)

IN WITNESS WHEREOF, the parties have executed this Lease to be effective as of the date first written above.

**LANDLORD:**

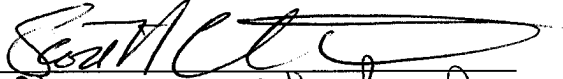
CHURCH & CHESTNUT, LLC,  
A Delaware limited Liability Company

By: 

Its: authorized agent

**TENANT**

WINNEBAGO COUNTY, ILLINOIS  
An Illinois body politic

By: 

Its: Chairman of the Board

**Attest:**

WINNEBAGO COUNTY CLERK

Margie M Mullins

**EXHIBIT A**

**Legal Description**

10/10/2010

10/10/2010

Parcel I:

Part of Lots Two (2) and Three (3) in Block Sixteen (16) as designated upon the Plat of that part of the Town (now City) of Rockford, on the West side of Rock River, laid out on the West part of the Southwest Fractional Quarter (1/4) of Section 23, Township 44 North, Range 1 East of the Third Principal Meridian, the Plat of which is recorded in Book D of Deeds on page 429 in the Recorder's Office of Winnebago County, Illinois, bounded as follows, to-wit: Beginning at a point on the Westerly line of said Lot Two (2) Sixty (60) feet Southerly from the Northwestern corner of said Block; thence Southerly, along the Westerly lines of said Lots Two (2) and Three (3), Ninety-six and Forty-two Hundredths (96.42) feet more or less, to the Southerly corner of said Lot Three (3); thence Easterly, along the Southerly line of said Lot Three (3), Fifty-four and Forty-two Hundredths (54.42) feet; thence Northerly parallel with the Westerly lines of said Lots Three (3) and Two (2), Ninety-six and Forty-two Hundredths (96.42) feet to a point Sixty (60) feet Southerly from the Northerly line of said Block; thence Westerly, parallel with the Northerly line of said Block, Fifty-four and Forty-two Hundredths (54.42) feet to the place of beginning; AND ALSO, the Southerly .2 feet of part of the following tract: Lots One (1) and Two (2) in Block (16) in the Original Town (now City) of Rockford, West of Rock River, bounded as follows, to-wit: Beginning at the Northwestern corner of said Lot One (1), thence Easterly along the Northerly line of said Lot One (1), Fifty-four feet, thence Southerly, parallel with the Westerly lines of said Lots One (1) and Two (2), Sixty (60) feet, thence Westerly, parallel with the Northerly line of said Lot One (1), Fifty-four (54) feet to the Westerly line of said Lot Two (2), thence Northerly along the Westerly lines of said Lots Two (2) and One (1), Sixty (60) feet to the place of beginning; situated in the County of Winnebago and State of Illinois.

Parcel II:

Part of Lots One (1) and Two (2) in Block Sixteen (16) of the Original Town (now City) of Rockford, West of the Rock River, bounded as follows, to-wit: Beginning at the Northwestern corner of said Lot One (1), thence Easterly along the Northerly line of said Lot One (1), fifty-four (54) feet; thence Southerly parallel with the Westerly lines of said Lots One (1) and Two (2), sixty (60) feet; thence Westerly parallel with the Northerly line of said Lot One (1), fifty-four (54) feet to the Westerly line of said Lot Two (2); thence Northerly along the Westerly line of said Lots Two (2) and Lot One (1), Sixty (60) feet to the place of beginning: EXCEPTING therefrom the Southerly Thirty-two Hundredths feet (0.32) conveyed by Warranty Deed recorded in Microfilm Number 69-22-1491. ALSO part of Lot One (1) and part of Lot Two (2) in Block Sixteen (16) in the Original Town (now City) of Rockford, West of Rock River, bounded as follows, to-wit: Commencing at the Northwestern corner of said Lot 1; thence Easterly along the Northerly line of said Lot 1, a distance of 54.0 feet; thence Southerly parallel with the Westerly line of said Lot 1, a distance of 34.0 feet to the point of beginning for the following described parcel: thence Easterly parallel with the Northerly line of said Lot 1, a distance of 0.5 feet; thence Southerly parallel with the Westerly line of said Lot 1 and continuing Southerly parallel with the Westerly line of said Lot 2, a distance of 25.68; thence Westerly parallel with the Northerly line of said Lot 1, a distance of 0.5 feet; thence Northerly parallel with the Westerly lines of said Lots 2 and 1, a distance of 25.68 feet to the point of beginning; situated in Winnebago County, State of Illinois.

ALSO:

Beginning at a point on the Westerly line of Lot Two (2) in Block Sixteen (16) in the Original Town (now City) of Rockford, West of the Rock River, Two-tenths (0.2) feet Northerly of the Southwesterly corner of the following described tract, herein referred to as the "Reverence Tract": Part of Lots One (1) and Two (2) in Block Sixteen (16) in the Original Town (now City) of Rockford, West of Rock River, bounded as follows, to-wit: Beginning at the Northwestern corner of said Lot One (1); thence Easterly along the Northerly line of said Lot One (1), Fifty-four (54) feet; thence Southerly parallel with the Westerly lines of said Lots One (1) and Two (2), Sixty (60) feet; thence Westerly parallel with the Northerly line of said Lot One (1), Fifty-four (54) feet to the Westerly line of said Lot Two (2); thence Northerly along the Westerly lines of said Lots Two (2) and One (1), Sixty (60) feet to the place of beginning; thence Northerly along the Westerly line of said Lot Two (2), a distance of Twelve-one Hundredths (0.12) feet; thence Easterly parallel with the Northerly line of Lot One (1) of said Block Sixteen (16) to a point on the Easterly line of "Reverence Tract"; thence Westerly in a straight line to the point of beginning; situated in Winnebago County, Illinois.

**Parcel I:**

The Easterly Forty-four (44) feet of Lots One (1), Two (2) and Three (3) in Block Sixteen (16) as designated upon the Map of the Original Town (now City) of Rockford, West of Rock River, the Westerly line of said premises being parallel with the Easterly lines of said lots; situated in the County of Winnebago and the State of Illinois.

**Parcel II:**

Part of Lots One (1), Two (2) and Three (3) in Block Sixteen (16) as designated upon the Map of that part of the Town (now City) of Rockford, West of Rock River, filed for record by John W. Leavitt, the Plat of which is recorded in Book E of Deeds on Page 225 in the Recorder's Office of Winnebago County, Illinois, bounded as follows, to-wit:

Beginning on the Northerly line of said Lot One (1) at a point One Hundred Twelve and Forty-two Hundredths (112.42) feet Easterly from the Northwest corner thereof; thence Southerly, parallel with the Westerly lines of said three Lots, to the Southerly line of said Lot Three (3); thence Westerly, along said Southerly line, Fifty-eight (58) feet; thence Northerly, parallel with the Westerly lines of said three Lots, to the Northerly line of said Lot One (1); thence Easterly, along said Northerly line, Fifty-eight (58) feet to the place of beginning, EXCEPTING THEREFROM Part of Lot One (1) and part of Lot Two (2) in Block Sixteen (16) as designated upon the Map of that part of the Town (now City) of Rockford, West of Rock River, filed for record by John W. Leavitt, the Plat of which is recorded in Book E of Deeds on Page 225 in the Recorder's Office of Winnebago County, bounded as follows, to-wit: Commencing at the Northwest corner of said Lot One (1); thence Easterly along the Northerly line of said Lot One (1), a distance of 54.0 feet; thence Southerly parallel with the Westerly line of said Lot One (1) a distance of 34.0 feet to the point of beginning for the following described parcel; thence Easterly parallel with the Northerly line of said Lot One (1), a distance of 0.5 feet; thence Southerly parallel with the Westerly line of said Lot One (1) and continuing Southerly parallel with the Westerly line of said Lot Two (2), a distance of 25.68 feet; thence Westerly parallel with the Northerly line of said Lot One (1), a distance of 0.5 feet; thence Northerly parallel with the Westerly lines of said Lots Two (2) and One (1), a distance of 25.68 feet to the point of beginning; situated in the County of Winnebago and State of Illinois.

**A/K/A: 310 South Church Street, 320 and 324 Chestnut Street  
PIN's: 11-22-479-009, 11-22-479-002, and 11-22-479-003**

Treasurer of Winnebago County - Vendor Account		Contact Finance Department (815) 319-4056 for any additional information required	
01/23/2014	243923	JAN, FEB 14 RENT CAP IMP ADVANC	86000 46310 13500 43340
9299	CHURCH & CHESTNUT LL	0333012	01/23/2014
		Check Amount	88,400.00
		Net Invoice Amount	75,000.00 13,400.00

DO NOT ACCEPT UNLESS THIS CHECK IS PRINTED WITH A GREEN BACKGROUND. CONTAINS A VOID PANTOGRAPH, MICRO PRINTING, FACE AND BACK, AND UV FIBERS.

**Treasurer of Winnebago County**  
 404 Elm Street  
 Rockford, Illinois 61101  
 Vendor Account

**VOID AFTER 90 DAYS**

Vendor Number: 9299  
 Check Date: 01/23/2014  
 Check Number: 0333012

**Pay Eighty Eight Thousand Four Hundred Dollars and 00 cents \*\*\*\*\***

To The Order Of: **CHURCH & CHESTNUT LL**

**MP**  
 Winnebago County Clerk  
*Margie M Mulino*

**MP**  
 Winnebago County Treasurer  
*Susan Gaud*

**\$ 88,400.00**

RIVERSIDE BANK  
 ROCKFORD, IL

⑈0333012⑈ ⑆071925554⑆ 161000971⑈

Value Estimate			
Interest Rate Estimate		3%	
Date		2/1/2022	
Period		12	
NPV of Future Payments at 3%	\$	618,064	
NPV of 68 Parking Spots @ 26 Per Month	\$	132,702	
	\$	750,766	
Land Value Based on Current Assessment			
Parcel 11-22-479-002		\$41,127	
Parcel 11-22-479-009		\$38,691	
Parcel 11-22-479-003		\$32,292	
		\$112,110	
Price Point for County Purchase Value Greater Than:		\$359,834	

Contract Terms			
Total Base Parking Fee	\$	847,113	
Total Base Sublease Fee	\$	504,234	
Total Payments	\$	1,351,347	
Total Payments Made	\$	665,505	
Total Still Due	\$	685,842	
Contract Offer	\$	1,110,600	

Property Tax Impact				
EAV	Current Property Tax	New EAV	New Property Tax	
10,764	\$ 1,384	106,631.87	\$ 13,711	
13,709	\$ 1,763	135,806.04	\$ 17,462	
12,897	\$ 1,658	127,762.09	\$ 16,428	
37,370	\$ 4,805	370,200	\$ 47,602	



**email to sam.kramer@marcusmillichap.com**

Sam Kramer  
Associate  
Marcus & Millichap  
600 East 96<sup>th</sup> Street, Suite 500  
Indianapolis, IN 46240  
Phone: 317-218-5356

## **NON-BINDING LETTER OF INTENT**

The Buyer hereby offers to purchase the Property on the following terms and conditions:

<b>Property:</b>	<b>Downtown Rockford Parking Lot</b> <b>310,320,324 Chestnut St Rockford, IL 61101</b> APNs: 11-22-479-002, 11-22-479-009, 11-22-479-003
<b>Purchase Price:</b>	\$ <u>1,110,600</u>
<b>Deposit:</b>	\$ <u>20,000</u> within 3 Days of Execution of Purchase Agreement. Deposit non-refundable after Inspection Period is waived.
<b>Purchase Agreement:</b>	Buyer shall submit within <u>7</u> Days of an Accepted Letter of Intent.
<b>Financing Contingency:</b>	<u>50</u> Days from Effective Date of Purchase Agreement.
<b>Due Diligence/ Inspection Period:</b>	<u>21</u> Days from Effective Date of Purchase Agreement.
<b>Close of Escrow:</b>	<u>10</u> Days after removal of financing contingency.
<b>Title/Escrow Company:</b>	To be mutually agreed upon by Buyer and Seller.
<b>Closing Costs:</b>	Seller shall pay for standard owner's title insurance policy. Each party shall pay its own legal fees. Closing fees shall be split 50-50.
<b>Survey:</b>	Seller shall furnish new survey.

This offer will expire if not executed by both parties by 5:00 p.m. 01/20/2022. Buyer reserves the right to rescind this letter at will and without notice.

This proposal is intended to be a non-binding letter of intent which states terms and conditions upon which Buyer will consider purchasing the Property from Seller. Neither party shall become legally bound in any manner until a formal purchase agreement is executed and delivered to both parties.

Buyer Signature:

DocuSigned by:  
*Bill Rason*  
534358C2698B42B...

Date: 1/17/2022 | 15:03:15 CST

By:

William C. Rason

### **AGREED & ACCEPTED BY SELLER:**

Seller Signature:

Date: \_\_\_\_\_

By:

\_\_\_\_\_

**Lakeshore Title Agency  
3501 Algonquin Rd Ste 120  
Rolling Meadows, IL 60008  
Authorized Agent of First American Title Insurance Company**

File No. **2200163**

**COMMITMENT FOR TITLE INSURANCE**

**SCHEDULE A**

Commitment No: 2200163

1. Commitment Date: **February 02, 2022, 09:00 am** Issue Date: **February 04, 2022, 11:00 am**
2. The policy or policies to be issued are: POLICY AMOUNT
  - (a) ALTA OWNER POLICY - 2006 **\$1,135,600.00**  
Proposed Insured: **Chestnut Park LLC**
  - (b) ALTA LOAN POLICY - 2006 **\$851,700.00**  
Proposed Insured: **First Financial Bank, NA, its successors and/or assigns as their interests may appear.**  
Proposed Borrower: **Chestnut Park LLC**
3. The estate or interest in the land described or referred to in the Commitment and covered herein is located in the State of Illinois.
4. Title to the **Fee Simple** estate or interest in said land is at the effective date hereof vested in  
**Church & Chestnut Development, LLC, a Delaware Limited Liability Company**
5. Legal description of the land:  
**See Legal Description Attached as Exhibit A**

Countersigned  
**Lakeshore Title Agency**

By PW Pontarelli  
Authorized Signatory

## **Exhibit A**

**LOTS 1, 2 AND 3 IN BLOCK 16 AS DESIGNATED UPON THE MAP OF THE ORIGINAL TOWN (NOW CITY) OF ROCKFORD, WEST OF ROCK RIVER, THE MAP OF WHICH IS RECORDED IN BOOK "E" OF DEEDS ON PAGE 224; SITUATED IN THE COUNTY OF WINNEBAGO AND STATE OF ILLINOIS.**

### **NOTE FOR INFORMATION:**

**CKA: 310, 320 AND 324 CHESTNUT ST., ROCKFORD, IL 61101**

**PIN: 11-22-479-009 (Pt Lots 1, 2 and 3), 11-22-479-002 (Pt Lots1, 2 and 3) AND 11-22-479-003 (Pt Lots1, 2 and 3)**

**Lakeshore Title Agency  
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File No. **2200163**

**COMMITMENT FOR TITLE INSURANCE**

**SCHEDULE B - SECTION I**

**REQUIREMENTS**

Effective Date: **February 2, 2022, 09:00 am**

The following are the requirements to be complied with:

- (a) Payment to, or for the account of, the sellers or mortgagors of the full consideration for the estate or interest to be insured.
- (b) Instruments in insurable form which must be executed, delivered and duly filed for record
- (c) Payment of all taxes, charges, assessments, levied and assessed against subject premises, which are due and payable.
- (d) Proper instrument(s) creating the estate or interest to be insured must be executed and duly filed for record, to wit:
  - a. Deed, in proper form, from Seller(s) to Buyer(s)
  - b. Mortgage, in proper form, from borrower(s) to the lender and for the loan amount shown on Schedule "A" of this commitment
- (e) Buyer/Borrower must bring to close an original insurance policy at least in the amount of mortgage, and a paid receipt for one year's premium, with a mortgagee's clause. Binders are not acceptable to lenders.
- (f) Standard Exception 2 will be removed from the owner's policy insuring completed structures with four or fewer single residences and individual condominium units upon compliance with the following items:
  - a. Existing survey, or if no survey is available, an affidavit in lieu of survey by sellers to that effect.
  - b. Execution of an ALTA extended coverage loan and owners policy combined statement.

NOTE: This commitment is not an abstract, examination, report or representation of fact of title and does not create and shall not be the basis of any claim for negligence, negligent misrepresentation or other tort claim or action. The sole liability of the company and its title insurance agent shall arise under and be governed by the conditions of the commitment.

NOTE: Your attention is directed to the provisions of the Tax Reform Act of 1986 which require the reporting of real estate transactions to the Internal Revenue Service. All real estate transactions (except for refinances) closed after January 1, 1987 must be reported on a Form 1099-B which must be completed in full at the time of closing.

NOTE: "The final 2006 ALTA Policy issued will contain an arbitration provision. When the amount of insurance is \$2,000,000 or less, all arbitral matters in dispute shall be arbitrated at the option of either the company or the Insured and will be the exclusive remedy available to the parties. You may review a copy of the arbitration rules at <http://www.alta.org>."

NOTE: If the subject property is located within Cook, Kane, Will or Peoria County it is subject to the Illinois Predatory Lending Database Program which becomes effective July 1, 2008, as authorized by Public Act 95-0691 (SB1167).

REQUIREMENT: Record the mortgage or trust deed to be insured together with either a Certificate of Compliance, or a Certificate of Exemption if the subject mortgage loan or trust deed is an exempt transaction.

Upon receipt of either a Certificate of Compliance or Certificate of Exemption the note and requirement will not appear on the final policy to be issued.

NOTE: We will require all parties to the transaction to execute a Personal Information Affidavit at closing.

NOTE: Effective January 1, 2011 all underwriters will charge a fee for the issuance of a closing protection letter. Each underwriter can set their own fee. Since the fee can vary please include an appropriate amount on your good faith estimate for the closing protection letter.

NOTE: Effective immediately, Lakeshore Title Agency will only accept, from any and all parties to the transaction, wire transfer funds as incoming funds, Lakeshore Title Agency will not accept cashier's checks, certified checks and/or other any other form or draft as incoming funds, whether presented from an Illinois financial institution or an out of state financial institution."

NOTE: Please be aware that due to the conflict between federal and state laws concerning the cultivation, distribution, manufacture or sale of marijuana, the Company is not able to close or insure any transaction involving land that is associated with these activities.

***Lakeshore Title Agency  
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Authorized Agent of First American Title Insurance Company***

File No. **2200163**

**COMMITMENT FOR TITLE INSURANCE  
SCHEDULE B - SECTION II  
STANDARD EXCEPTIONS**

Effective Date: February 2, 2022, 09:00 am

Schedule B of the policy or policies to be issued will contain the following exceptions unless the same are disposed of to the satisfaction of the Company and the Company will not pay costs, attorney's fees or expenses which arise by reason of:

1. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the Proposed Insured acquires for value of record the estate or interest or mortgage thereon covered by this Commitment.
2. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public record.
3. Any encroachments, easements, encumbrance, violation, adverse circumstances, measurements, affecting title, variations in area or content, party walls or other facts which a correct survey of the premises would show.
4. Rights or claims of parties in possession not shown by the public records.
5. Roads, ways, streams or easements, if any, not shown by the public records, riparian rights and the title to any filled-in lands.
6. All assessments and taxes for the year 2022, and all subsequent years.
7. Right of way for drainage ditches, feeders, tiles and laterals, if any.
8. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, and any other matters not shown by the public records which would be disclosed by an accurate survey and inspection of the land described in Schedule C.
9. Easements, or claims of easements, not shown by the public records.
10. Taxes or special assessments which are not shown as existing liens by the public records.
11. Covenants, conditions, restrictions, rights of way, building lines and easements appearing as of public records, but omitting any such covenants or restrictions based on race, color, religion, handicap, familial status or national origin, if any.

**Lakeshore Title Agency  
3501 Algonquin Rd Ste 120  
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Authorized Agent of First American Title Insurance Company**

File No. **2200163**

**COMMITMENT FOR TITLE INSURANCE**

**SCHEDULE B - SECTION II  
SPECIAL EXCEPTIONS**

**1. Real Estate Taxes for the year 2020 and subsequent years:**

**Taxes for 2019 and previous years are posted PAID.**

**1st installment of 2020 taxes, in the amount of \$881.38 are Posted Paid.**

**2nd installment of 2020 taxes, in the amount of \$881.38 are Posted Paid.**

**Taxes for 2021 and subsequent years are not yet due or payable**

**PIN: 11-22-479-002**

**2. Real Estate Taxes for the year 2020 and subsequent years:**

**Taxes for 2019 and previous years are posted PAID.**

**1st installment of 2020 taxes, in the amount of \$692.04 are Posted Paid.**

**2nd installment of 2020 taxes, in the amount of \$692.04 are Posted Paid.**

**Taxes for 2021 and subsequent years are not yet due or payable**

**PIN: 11-22-479-003**

**3. Real Estate Taxes for the year 2020 and subsequent years:**

**Taxes for 2019 and previous years are posted PAID.**

**1st installment of 2020 taxes, in the amount of \$829.18 are Posted Paid.**

**2nd installment of 2020 taxes, in the amount of \$829.18 are Posted Paid.**

**Taxes for 2021 and subsequent years are not yet due or payable**

**PIN: 11-22-479-009**

**4. We do not find an existing first mortgage of record. If this is inaccurate, we should be advised, and this commitment is subject to such other exceptions, if any, as then may be deemed necessary.**

**5. With respect to the Limited Liability Company shown in Schedule A in title to the land, the Company must be provided with the following:**

**a) A certification from the Illinois Secretary of State that the L.L.C. has properly filed it's articles of organization.**

**b) A copy of the Articles of Organization, together with any amendments thereto.**

**c) A Certificate of Good Standing from the Illinois Secretary of State.**

**d) A copy of the Operating agreement and all amendments thereto; and,**

**Lakeshore Title Agency  
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Authorized Agent of First American Title Insurance Company**

File No. 2200163

e) A Roster of members or incumbent managers.

f) A Certification that no event of dissolution has occurred.

**NOTE:** Unless the deed is executed by all members, we must also be furnished evidence satisfactory to the Company that all necessary consents, authorizations, resolutions, notices and actions relating to the sale and the execution and delivery of the deed as required under applicable law and the governing documents have been conducted, given or properly waived.

**6. Purchaser/Borrower appears to be a Limited Liability Company, the Company must be provided with the following:**

a) A certification from the Illinois Secretary of State that the L.L.C. has properly filed it's articles of organization.

b) A copy of the Articles of Organization, together with any amendments thereto.

c) A Certificate of Good Standing from the Illinois Secretary of State.

d) A copy of the Operating agreement and all amendments thereto; and,

e) A Roster of members or incumbent managers.

f) A Certification that no event of dissolution has occurred.

**NOTE:** Unless the mortgage is executed by all members, we must also be furnished evidence satisfactory to the Company that all necessary consents, authorizations, resolutions, notices and actions relating to the execution and delivery of the mortgage as required under applicable law and the governing documents have been conducted, given or properly waived.

**7. Relative to the deletion of the Standard Exceptions 1 through 6, we should be furnished with the following:**

1)A sworn statement disclosing all parties in possession of the land, including parties in possession under unrecorded leases and the terms and provisions thereof, options; and unrecorded contracts to purchase the land.

2)Letters for Public or Quasi-Public Utilities serving the area in which the land is located.

3)A current survey of the land, properly certified to the company, made in accordance with (i) the accuracy requirements "Minimum Standard Detail Requirements for Land Title Surveys" jointly established and adopted by the American Land Title Association and National Society of Professional Surveyors (ALTA/NSPS) Congress on Survey and Mapping February 23, 2016; and (ii) the Laws of the State of Illinois.

4)An Alta Extended Coverage Policy Statement. If new construction has taken place within the last six months, the following should be provided: Satisfactory evidence of the payment in full of the cost of furnishing services, labor and materials in connection with any improvements made on the land within six months of the date of this commitment. This evidence should consist of sworn contractor and subcontractor(s) affidavits, together with all necessary waivers of lien.

**8. Existing unrecorded leases, if any, and all rights of the lessees and of any person or party claiming by, through or under lessees and rights of parties in possession under such unrecorded leases.**

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File No. **2200163**

We will waive this exception upon receipt of evidence showing no tenants are in possession of any portion of the subject premises; or in the alternate, the name of any party holding an unrecorded lease to the subject premises should be disclosed along with the term of said lease.

Our owners/loan policy when issued will be subject to any said unrecorded lease.

9. Rights of the property manager, if any, to a statutory lien on the premises for its property manager's fee.

**NOTE:** Provide an affidavit by the owners stating that there is no property manager for the insured premises. In absence thereof, provide a waiver of lien by the property manager covering the date of the recording of the deed and mortgage to our insureds.

10. DEED, in proper form, from Church & Chestnut Development, LLC, a Delaware Limited Liability Company to CONTRACT PURCHASER(S), to be recorded prior to the mortgage insured hereby.

11. Pursuant to the State and County codes and City, Village or Municipal Ordinance, the recording/filing of any deed or other instruments of conveyance may be subject to real estate transfer taxes. Relative thereto, the deed(s) submitted to this company for recording must be accompanied with the appropriate transfer tax stamps, water certification, zoning compliance certification, if required. In lieu thereof said deeds, etc., must be properly exempted from said tax.

Please check with the City, Village or Municipality regarding their requirements for the transfer of property.

12. The following endorsements have been approved for the loan policy:

Comprehensive Endorsement (Alta 9)  
Location Endorsement  
EPA Endorsement

13. IEPA No Further Remediation Letter and attachments recorded 5/20/2014 as Document No. 20141015417.

14. Rights of the Public, State and Local municipalities and adjoining property owners to the use of and access to the area designated as "Alley" as per plat of Subdivision recorded in Plat Book E at Page 224.

15. Subject to Building Lines, Easements, Covenants, Conditions and Restrictions of Record, if any.

16. Any encroachment, encumbrance, violation, variation or adverse circumstance that would be disclosed by an accurate and complete land survey of the land and inspection of the land.

17. Rights of way for drainage ditches, tiles, feeders and laterals, if any.

18. Rights of the public, the municipality and the State of Illinois in and to that part of the premises in question taken, used, or dedicated for roads, streets, alleys or highways.

19. Rights of public or quasi-public utilities to maintain overhead wires, over, upon and across the land.



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