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**THE CITY OF BLUE ISLAND  
COOK COUNTY, ILLINOIS**

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**RESOLUTION  
NUMBER 2024- 001**

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**A RESOLUTION OF THE CITY OF BLUE ISLAND,  
COOK COUNTY, ILLINOIS, TO AUTHORIZE  
AND APPROVE A RELEASE AND SETTLEMENT  
AGREEMENT IN CASE NUMBER 19-CH-11225**

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**FRED BILOTTO, Mayor  
RAEANN CANTELO-ZYLMAN, City Clerk  
JAIRO FRAUSTO, City Treasurer**

**DEXTER JOHNSON  
LUIZ MONTOYA  
NANCY RITA  
BILL FAHRENWALD  
GABRIEL McGEE  
CANDACE CARR  
JOSH ROLL**

**Alderman**

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**RESOLUTION NUMBER 2024- 001**

**A RESOLUTION OF THE CITY OF BLUE ISLAND, COOK  
COUNTY, ILLINOIS, TO AUTHORIZE AND APPROVE A  
RELEASE AND SETTLEMENT AGREEMENT IN CASE NUMBER 19-CH-11225**

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**WHEREAS**, the City of Blue Island, Cook County, Illinois (the “City”) is a duly organized and existing City created under the provisions of the laws of the State of Illinois and operating under the provisions of the Illinois Municipal Code, and all laws amendatory thereof and supplementary thereto, with full powers to enact ordinances and adopt resolutions for the benefits of the residents of the City; and

**WHEREAS**, Blue Island Industrial, LLC, the plaintiff, and City of Blue Island, Howard Coppari, and Brian Pohlis, the defendants, desire to execute a Release and Settlement Agreement in Case Number 22-CH-11225, a copy of which is attached hereto and made a part hereof, as Exhibit A (the *Agreement*”); and

**WHEREAS**, the Mayor and Aldermen of the City deem it advisable and in the best interest of the health, safety and welfare of the residents of the City to enter into the Agreement.

**NOW, THEREFORE, BE IT RESOLVED** by the Mayor and the Aldermen of the City of Blue Island, Cook County, Illinois as follows:

**Section 1.** That the above recitals and legislative findings are found to be true and correct and are hereby incorporated herein and made a part hereof, as if fully set forth in their entirety.

**Section 2.** The Release and Settlement Agreement between Blue Island Industrial, LLC and City of Blue Island, Howard Coppari, and Brian Pohlis, which is attached hereto and made a part hereof as Exhibit A, is hereby approved in substantially the same form presented to

the Mayor and Aldermen with such necessary non-material changes as may be authorized by the Mayor and City Attorney.

**Section 4.** The officials and officers of the City are hereby authorized to undertake actions on the part of the City as contained in the Agreement to complete satisfaction of the provisions, terms or conditions stated therein.

**Section 5.** If any section, paragraph, clause or provision of this Resolution shall be held invalid, the invalidity thereof shall not affect any other provision of this Resolution.

**Section 6.** All ordinances, resolutions, motions or orders in conflict with this Resolution are hereby repealed to the extent of such conflict.

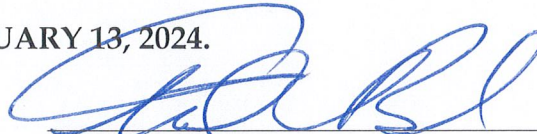
**Section 7.** This Resolution shall be in full force and effect immediately upon its passage, approval, and publication as required by law.

*(Left intentionally blank)*

ADOPTED this 13<sup>th</sup> day of FEBRUARY, 2024, pursuant to roll call as follows:

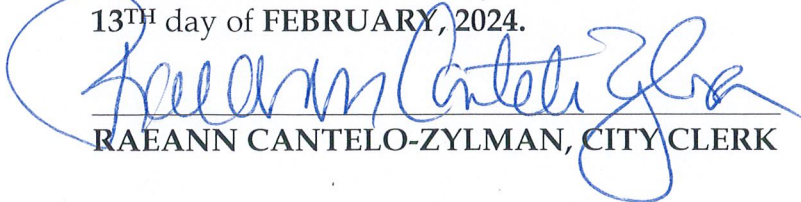
	YES	NO	ABSENT	PRESENT	ABSTAIN
Alderman JOHNSON	X				
Alderman FAHRENWALD	X				
Alderman RITA		X			
Alderman MONTOYA		X			
Alderman MCGEE	X				
Alderman CARR	X				
Alderman ROLL	X				
Mayor BILOTTO					
	5	2			

APPROVED by the Mayor on FEBRUARY 13, 2024.



FRED BILOTTO  
MAYOR OF THE CITY OF BLUE ISLAND,  
COUNTY OF COOK AND STATE OF ILLINOIS

ATTESTED and Filed in my office this  
13<sup>th</sup> day of FEBRUARY, 2024.



RAEANN CANTELO-ZYLMAN, CITY CLERK

STATE OF ILLINOIS     )  
                                  )  
COUNTY OF COOK     )     ss.

**CERTIFICATION**

**I, RAEANN CANTELO-ZYLMAN, DO HEREBY CERTIFY THAT** I am the duly elected City Clerk of the City of Blue Island, Illinois, as such City Clerk, I am the keeper of the minutes and records of the Proceedings of the City Council of the said City and have in my custody the RESOLUTIONS and BOOKS of the records of said City.

**I DO FURTHER CERTIFY** that the attached and foregoing is a true and correct copy of the certain **RESOLUTION: A RESOLUTION OF THE CITY OF BLUE ISLAND, COOK COUNTY, ILLINOIS, TO AUTHORIZE AND APPROVE A RELEASE AND SETTLEMENT AGREEMENT IN CASE NUMBER 19-CH-11225.**

**RESOLUTION NO. 2024-001** which was adopted at a regular meeting of the City Council of the City of Blue Island, Illinois held on the **13<sup>TH</sup> of February, 2024**; that at said meeting **5** Alderman were present; that at said meeting, on motion duly made and seconded that the Resolution did pass and on the roll being called the vote of each Aldermen present on the question of the passage of said Resolution was duly and separately taken by Ayes and Nays and their names and votes recorded in the minutes of **5** Alderman voted Aye and **0** Alderman voted Nay and **0** Alderman voted Abstain and **2** Alderman Absent.

**I DO FURTHER CERTIFY** that the original Resolution which the foregoing is a true copy, is entrusted to my care for safe keeping, and that I am the lawful keeper of the same.

**IN WITNESS WHEREOF**, I have hereunto set my hand and affixed the Corporate Seal of the City of Blue Island aforesaid, at the said City in the County and State aforesaid, this **13<sup>th</sup>** day of **February, 2024**.

CORPORATE SEAL

  
\_\_\_\_\_  
City Clerk

Exhibit A

*Release and Settlement Agreement*

(see attached)

## RELEASE AND SETTLEMENT AGREEMENT

**Now Comes** Plaintiff, Blue Island Industrial, LLC (hereinafter "*Plaintiff*"), by and through its attorney, John Kenney, and Defendants City of Blue Island ("*Blue Island*"), Brian Pohlis and Howard Coppari, by and through their attorneys, Montana & Welch, LLC (collectively the "*Defendants*"), and for the Parties' Release and Settlement Agreement, herein stipulate and agree to the following:

1. Plaintiff has brought this civil action, Cook County Case No. 2019 CH 11225 (the "Lawsuit"), pursuant to Illinois law against the City of Blue Island, Brian Pohlis, and Howard Coppari alleging, inter alia, various violations of Plaintiff's civil rights relating to Plaintiff's real property located at 13500 West 127<sup>th</sup> Avenue, Blue Island, Illinois (the "*Property*").

2. Defendants deny each and every allegation of wrongdoing as stated in Plaintiff's Complaints, and, further, deny all liability.

3. The parties and their respective attorneys acknowledge that settlement of the claims in Plaintiff's Complaint are not an admission of liability or illegal conduct by or on the part of any defendant and/or the Blue Island's future, current or former officers, agents and employees, and shall not serve as evidence or notice of any wrongdoing by or on the part of any defendant and/or the Blue Island's future, current or former officers, agents and employees. The parties and their respective attorneys further acknowledge that settlement is made to avoid the uncertainty of future litigation and the expense in time and money of further litigation and for the purpose of judicial economy.

4. In consideration of the hereinafter indicated settlement entered pursuant to this Release

and Settlement Agreement, and upon advice of counsel, Plaintiff agrees to voluntarily dismiss the Defendants with prejudice, subject to the Court's retention of jurisdiction to enforce the terms of this settlement agreement, with each side bearing its own costs and attorneys' fees.

5. Plaintiff and Defendants acknowledge that there is a dispute over whether Plaintiff submitted the required and adequate plans concerning the modifications made by Plaintiff and/or its tenants; the approval of those plans; and the conformance of the work to plans, issuance of business permits, City Code, and other legal requirements. Plaintiff acknowledges that it has taken steps to modify the configuration of the Property.

6. The parties agree and affirm that there exists at the property some legal non-conforming uses, namely truck repair services, specifically by Top Line Trucking in demised unit C, which will continue to be allowed as a legal non-conforming use during the continuous occupation of the property by current tenant Top Line Trucking.

7. Upon execution of this Agreement, dismissal of the Lawsuit, and the Property passing an inspection for the violations identified in Exhibit C to the Agreement, Defendant Blue Island will issue certificates of occupancy for the Property for the vacant Units A and P, Jose Pallets (Unit B), Schroeder's Pallet Services (Unit E), B & B Warehousing (Unit D), and Top Line Trucking (Unit C), if certificates of occupancy have not already issued, and such entities currently occupying Units B through P \*shall be allowed to continue to occupy their respective units within the Property. These aforementioned businesses must conform to all other City Code provisions and laws except as explicitly stated in this Agreement. (A Tenant Demising Plan identifying said Units is attached hereto as Exhibit A).



8. Upon execution of this Agreement and the receipt of a fully executed and completed 2024 Business License Application, Blue Island will issue full business licenses to all current occupants on site, specifically Jose Pallets, Schroeder's Pallet Services, B & B Warehousing, and Top Line Trucking, if business licenses have not already issued. These licenses to be for the current licensing year. Defendants waive and release any claim or right to seek enforcement for prior licensing years for any business or operation located at The Property.

9. The Defendants will not require the installation of interior sprinklers based on any "change of use" theory within the Property. Towards that end, Plaintiff tenders (as Exhibit "B") its sprinkler consultant's report, that affirms, inter alia, that: 1) the building currently is comprised of multiple units, two of which are used for pallet storage ; 2) that he has inspected the building interior on specific dates, including the interior of the units; and 3) he certifies that based upon the current layout of the Property, along with its uses, that the Property's sprinkler system is sufficient to provide adequate fire suppression for the building, the businesses therein, and for occupants present, and that the system complies with all applicable fire sprinkler system requirements. If any current business expands its use beyond the current legal or legal non-conforming use to require additional sprinkler additions or modifications under the Code, or if a new tenant operates such a business as to require additional sprinkler additions or modifications per the Code, such businesses must comply with all applicable City Code provisions, including the addition or modification of sprinklers as required by City Code or other applicable law regarding same.

10. Plaintiff acknowledges and agrees to first tender plans to Blue Island before any new design/layout change is made in futuro.

11. Plaintiff agrees to hold Blue Island harmless and indemnify and defend it from any future claims related to fire, explosion, sprinklers, inspections, permits/approvals.

12. Blue Island will allow Top Line Trucking to operate as a truck repair service provider without requiring a special use permit and agrees not to require a special use permit from Top Line Trucking in the future for providing truck repair services and will not pursue any future use violations against said business for same in future. Blue Island does not extend this pledge beyond this entity or for any new tenants or changes in use.

13. So long as Plaintiff conforms to this Agreement and no municipal service payments are outstanding, Blue Island agrees to issue all such documents as are reasonably necessary under Blue Island Code to facilitate transfer or sale of the Property. Blue Island agrees to act timely and in good faith towards facilitating any future sale of the Property.

14. Prior to execution of this Agreement, Blue Island conducted several ordinary annual types of inspection of the property for claims violations not relating to, or addressed by, this litigation or settlement. As a result of said inspections, violations of various codes were found that are identified on Exhibit C that is attached hereto and incorporated herein by reference. Plaintiff acknowledges the violations and agrees to remedy and abate the violations within ninety (90) days from the execution of this Agreement by the City. Upon remediation of said violations Plaintiff shall request a re-inspection of the Property by the City.

15. Plaintiff, upon advice of counsel, understands and agrees that in consideration of the settlement entered pursuant to this Release and Settlement Agreement, does hereby release and forever discharge all claims it had or has against Defendants Blue Island, Howard Coppari, Brian

Pohlis, current or former officers, agents and employees, including but not limited to, all claims they have, or may have under local, state, or federal law, arising out of the incidents which were the basis of this lawsuit, and that such release and discharge also is applicable to any and all unnamed and/or unserved Defendants.

16. Defendants, upon advice of counsel, understand and agree that in consideration of the settlement entered pursuant to this Release and Settlement Agreement, do hereby release and forever discharge Plaintiff and Dan McLachlan, personally, and on behalf of themselves, heirs, executors, administrators, trustees, officers, agents, employees and assigns, all claims they had or have against Plaintiff or Dan McLachlan, including but not limited to, all claims they have, or may have under local Code (inclusive of, but not limited to, business licensing and building occupancy), Building Code, State Fire Code, Blue Island Fire Prevention Code (inclusive of all claimed Blue Island inspection violations to date), any applicable Sprinkler Code, Zoning Code, Property Maintenance Code, State, or Federal law, arising out of the incidents which were the basis of this lawsuit, for the conditions that existed prior to the signing of this Agreement, and that such release and discharge also is applicable to any and all unnamed and/or unserved Defendants. This release does not extend to any new violations in the future.

17. This Release and Settlement Agreement and any documents that may be executed herein contain the entire agreement between the parties with regard to the settlement of this action and shall be binding upon and inure to the benefit of the parties hereto, jointly and severally, and the heirs, executors, administrators, personal representatives, successors, and assigns of each.

18. This Release and Settlement Agreement is entered into in the State of Illinois and shall be construed and interpreted in accordance with its laws. Terms contained herein shall not be

construed against a party merely because that party is or was the principal drafter.

19. In entering into this Release and Agreement, Plaintiff and Defendants represent that they have relied upon the advice of their attorneys, who are the attorneys of their own choice, and that the terms of this Release and Settlement Agreement have been interpreted, completely read and explained to them by their attorneys, and that those terms are fully understood and voluntarily accepted by Plaintiff and Defendants. Plaintiff and Defendants also represent and warrant that no other person or entity has or has had any interest in the claims or causes of action referred to herein, that they and their attorneys have the sole right and exclusive authority to execute this Release and Settlement Agreement and receive the sums specified herein, and that they have not sold, assigned, transferred, conveyed, or otherwise disposed of any of the claims or causes of action referred to herein.

20. This Release and Settlement Agreement must be approved in an open City Council meeting and is also subject to disclosure pursuant to the Illinois Freedom of Information Act and is therefore not confidential. However, the Parties agree not to disclose any confidential information disclosed in the action.

21. The parties agree that as part of this settlement that neither the parties, their heirs, successors, employees, elected officials, nor their assigns shall make any disparaging comments or remarks about any other party to this lawsuit.

22. This Release and Settlement Agreement may be executed in any number of signature page counterparts transmitted via facsimile or e-mail, any one of which need not contain the signature of more than one Party, but all such counterparts taken together shall constitute one and the same

Release and Settlement Agreement.

23. When possible, each provision of this Release and Settlement Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Release and Settlement Agreement is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Release and Settlement Agreement.

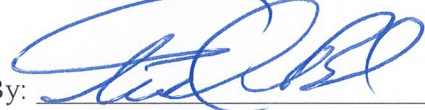
24. No amendment, modification, or supplement of any provisions of this Release and Settlement Agreement shall be valid or effective unless made in writing and signed by a duly authorized officer of each Party.

*Blue Island Industrial, LLC*

By: \_\_\_\_\_  
Dan McLachlan, Member

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

*The City of Blue Island*

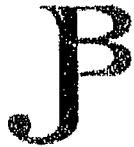
By:  \_\_\_\_\_

Title: Mayor

Date: 2-13-24



# **EXHIBIT B**



**JB ENGINEERING AND CODE CONSULTING, P.C.**

1661 Cardinal Drive • Munster, IN 46321  
Phone: 219-922-6171 Fax: 219-922-6172  
E-Mail: JBEngineer@aol.com

**JULIUS A. BALLANCO, P.E.**  
President

July 30, 2020

Chief Daniel Reda  
Fire Chief  
Blue Island Fire Department  
City of Blue Island  
2450 W. Vermont St.  
Blue Island, IL 60406

Dear Chief Reda:

I apologize for the delay in responding to your e-mail request of Dan McLachlan's on June 23, 2020. With Covid-19, it took coordination for me to inspect the building's sprinkler systems and prepare a response.

As I had previously stated in my letter, dated March 20, 2020, the building was constructed during the period of time when sprinkler systems were designed and sized by sprinkler tables. There were no hydraulic calculations prepared for any sprinkler systems designed during this era.

I researched the older editions of NFPA 13 to find the table listing the allowable number of ordinary hazard sprinklers for a given steel pipe size. I should also mention that, during this era, only Schedule 40 steel pipe was permitted for indoor piping. Hence, the table is based on the use of Schedule 40 steel pipe. The Ordinary Hazard Pipe Schedule table is, as follows:

Steel Pipe Size (in)	Number of Sprinklers
1	2
1-1/4	3
1-1/2	5
2	10
2-1/2	20
3	40
3-1/2	65
4	100
5	160
6	275



July 30, 2020  
Chief Daniel Reda  
Page Two

On July 10, 2020, I inspected the building's fire sprinkler system and took some measurements of the system layout. I have attached two drawings that I prepared, showing the design of the fire sprinkler system.

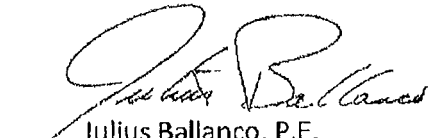
The system is what I describe as a classic ordinary hazard pipe schedule design. The sprinklers are spaced 12 feet apart. The piping layout follows the pipe schedule. The last two sprinklers are connected to a 1 inch Schedule 40 black steel pipe. The last three sprinklers are connected to a 1-1/4 inch Schedule 40 black steel pipe. The number of sprinklers, on any given branch and main, never exceeded the allowable number of sprinklers, based on the ordinary hazard pipe schedule.

The sections of the building with the higher ceilings had sprinkler mains running on both sides of the system. The design was a mirror image as far as the layout. One side had the sprinkler main on the right side, with the branches extending outward to the left; the other side had the main on the left side, with the branches extending to the right. The end sprinklers of each of the two branches were spaced 12 feet apart. Hence, the entire building had a 12 feet by 12 feet spacing of sprinklers.

The sprinkler main, serving the multiple branch mains, was a 6 inch pipe. The sizes of the branch mains varied, based on the number of sprinklers connected. The design of the system never varied throughout the workspace area. Because of the size of the building, the sprinkler system is actually four separate systems. Again, this follows the pipe schedule concept of allowing a maximum area of coverage of 52,000 square feet.

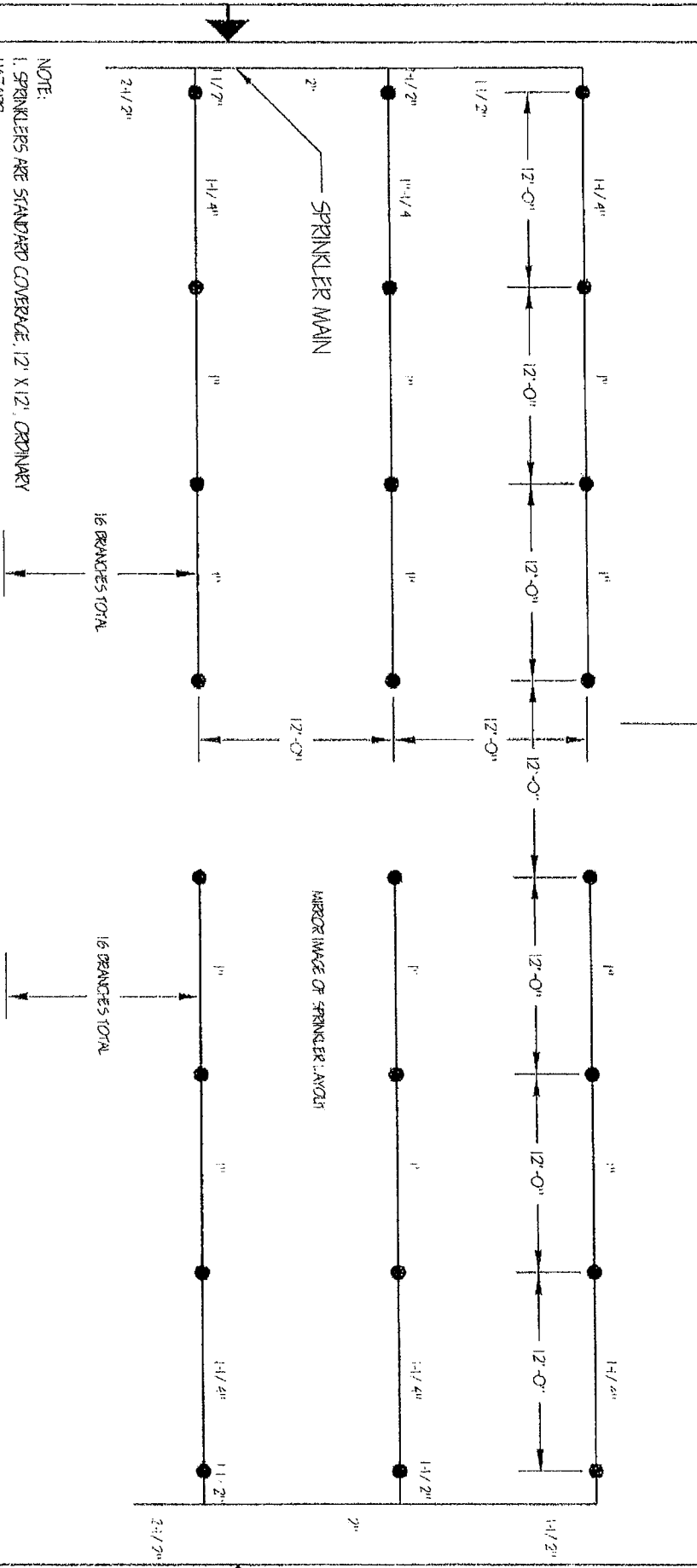
I am sending you this letter and the drawings electronically. For signed and sealed drawings, I need to place them in the mail, if you require them. Signing and sealing of the two drawings is not a problem. I hope that this information adequately addresses your email. If you have any questions, please don't hesitate to contact me.

Cordially yours,



Julius Ballanco, P.E.  
President

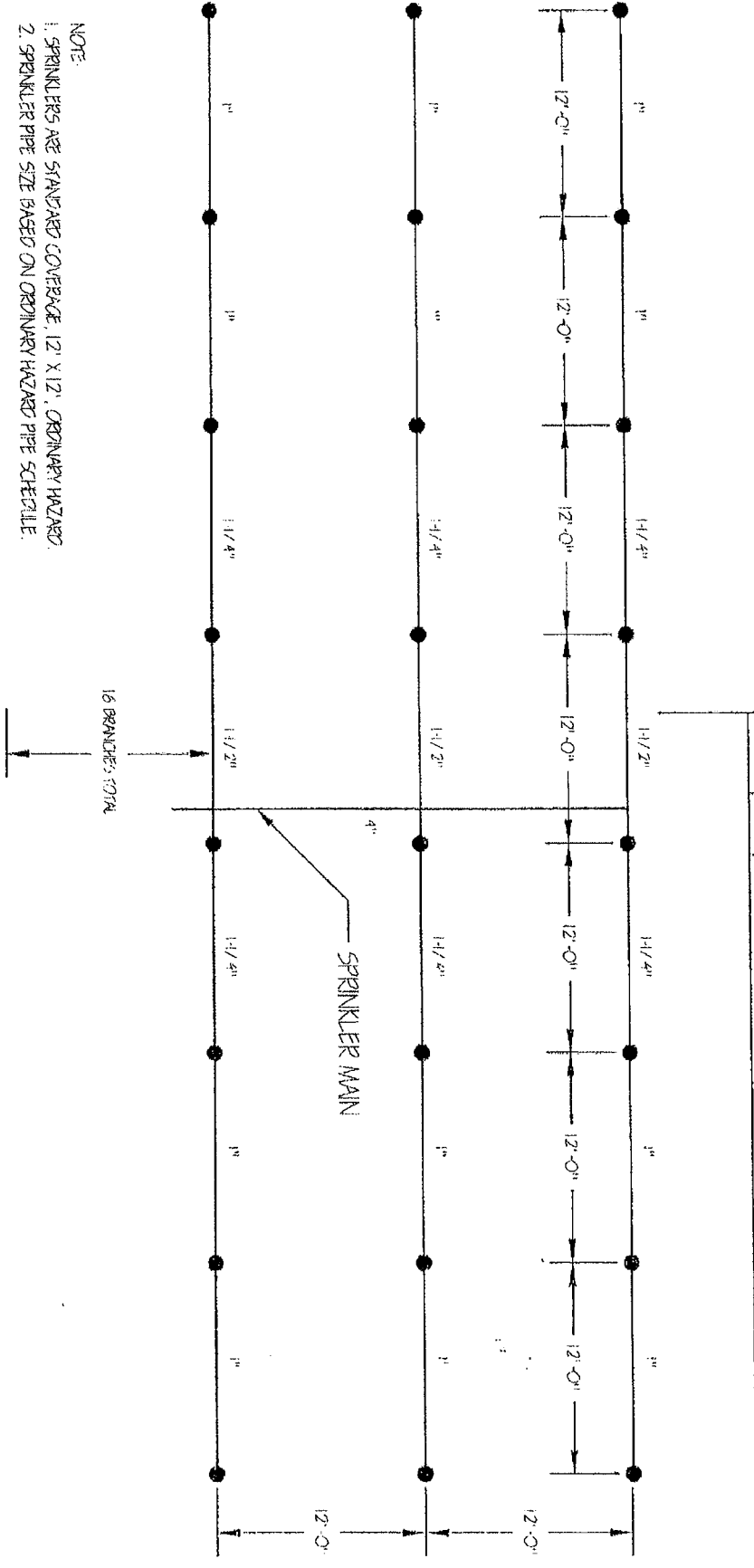
REVISIONS				
ZONE	REV	DESCRIPTION	DATE	APPROVED



NOTE:  
 1. SPRINKLERS ARE STANDARD COVERAGE, 12' X 12', ORDINARY HAZARD.  
 2. SPRINKLER PIPE SIZE BASED ON ORDINARY HAZARD PIPE SCHEDULE.

<b>3500 W. 127TH ST</b> <b>BLUE ISLAND, IL</b>		<b>JB Engineering &amp; Code Cons. P. C.</b> 1661 Cardinal Drive Munster, IN 46321	
DRAWN BY: JB DATE: 07/28/20		SIZE: A FSCM NO.: DWG NO.: <b>SP-2</b> SCALE: NTS SHEET:	
<b>SPRINKLER PIPING LAYOUT (STANDARD)</b> <b>REMAINDER OF INDUSTRIAL AREA</b>		REV:	

REVISIONS				
ZONE	REV	DESCRIPTION	DATE	APPROVED



NOTE:  
 1. SPRINKLERS ARE STANDARD COVERAGE, 12' X 12', ORDINARY HAZARD.  
 2. SPRINKLER PIPE SIZE BASED ON ORDINARY HAZARD PIPE SCHEDULE.

<b>3500 W. 127TH ST</b> <b>BLUE ISLAND, IL</b>		<b>JB Engineering &amp; Code Cons. P. C.</b> 1661 Cardinal Drive Munster, IN 46321	
DRAWN BY: JB DATE: 07/28/20	SIZE: A SCALE: NTS	FSCM NO.: DWG NO.: <b>SP-1</b>	SHEET
<b>SPRINKLER PIPING LAYOUT (STANDARD)</b> <b>PALLET SHOP - LOWER ROOF AREA</b>		REV	



**JB ENGINEERING AND CODE CONSULTING, P.C.**

1661 Cardinal Drive • Munster, IN 46321  
Phone: 219-922-6171 Fax: 219-922-6172  
E-Mail: JBEngineer@aol.com

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**JULIUS A. BALLANCO, P.E.**  
President

March 20, 2020

Chief Daniel Reda  
Fire Chief  
Blue Island Fire Department  
City of Blue Island  
2450 W. Vermont St.  
Blue Island, IL 60406

Dear Chief Reda:

I am the engineering consultant for Dan McLachlan regarding code matters. I am in receipt of your letter to Mr. McLachlan, dated March 16, 2020, regarding his property at 3500 W. 127th Street in Blue Island. You requested plans and flow calculations for the automatic fire sprinkler system in the building.

Please be aware that this building was constructed in 1960. At the time it was constructed, plans were submitted to the City of Blue Island. As such, Blue Island has a copy of the sprinkler plans. If you would like a copy of the plans, I would ask you to contact City Hall to obtain the sprinkler plans. As you are aware, the building owner is only required to submit the original two sets of plans for the building when a permit is originally requested and issued.

With regard to flow calculations, again, this building was constructed in 1960. During this era, automatic fire sprinkler systems were designed based on a pipe schedule listed in NFPA 13. Hence, there were no hydraulic calculations prepared for the building's automatic fire sprinkler system. Hydraulic calculations were not recognized in NFPA 13 until 1973, well after the building was constructed.

What we know, as engineers, is that pipe schedule design resulted in oversizing of the piping for the automatic fire sprinkler system. Since 1960, pipe sizes have been reduced by hydraulic calculations and "C" factors have been increased in NFPA 13. Hence, automatic fire sprinkler systems designed and constructed in accordance with the old pipe schedule method provide a much greater water flow to a fire than hydraulically calculated systems that optimize pipe sizing.

You acknowledged that Affordable Fire Protection indicated in their letter, dated March 10, 2020, that the sprinkler system was designed as an Ordinary Hazard Group II. However, you questioned the system's capability in regard to two occupancies that store pallets. Please realize that Ordinary Hazard Group II provides a higher level of protection than Ordinary Hazard Group I, which was


March 20, 2020  
Chief Daniel Reda  
Page Two

identified as applying to the storage of robotic equipment. Sprinkler protection for pallet storage would fall under the category of Ordinary Hazard Group II. Hence, based on the letter from Affordable Fire Protection, the sprinkler system is acceptable for the existing tenants storing pallets.

Your letter also noted that there were deficiencies conveyed by Lt. Zelinski regarding the sprinkler systems. I have not been made aware of those deficiencies nor did you specifically identify them in your letter. Hence, I cannot respond to any alleged deficiencies at this time.

I trust that this will adequately respond to your request. If you have any questions, please don't hesitate to contact me.

Cordially yours,



Julius Ballanco, P.E.  
President

# **EXHIBIT C**

## **EXHIBIT C**

### **Release and Settlement Agreement**

#### **Blue Island Industrial vs. City of Blue Island, et al. Cook County Case No. 2019 CH 11225**

#### **VIOLATION LIST**

##### **Exterior**

- Ensure all new and existing egress doors have a self-closing device, weather stripping, threshold or door sweep, labeled with unit number and business name.
- Replace all broken or missing windows and glass
- East Wall -Seal all perforations through exterior walls
- Ensure all downspouts have elbows/diverters away from building
- West side -- Remove overgrown foliage from entire property

##### **Unit A**

- Mission couplings installed for the roof drains must be removed and no hub couplings or glue type couplings must be used.

##### **Unit B**

- Adjust both restroom doors
- Egress door at East side needs weather stripping and adjust door closure
- Safety/guard rails required at all demising walls
- Two valves leaking for fire sprinkler system
- Test all backflow devices for fire sprinkler system
- Secure hangers for fire sprinkler system
- Lunch room sink is not vented properly
- replace cracked clean out plug run over by forklift
- floor drain cover missing in men's washroom
- Install panel cover on panel mounted on "E7"
- Remove/replace damaged floor box near east door
- Fire alarm system in need of repair. Additional horn/strobes are needed

##### **Unit C**

- Finish trim at restroom ceiling
- Replace all water damaged ceiling tile throughout unit. Close up holes in walls and ceiling
- Caulk egress doors to concrete masonry unit
- Seal holes at east wall (windows and portholes)
- Repair overhead door opening (either install overhead door or seal correctly)
- Concrete apron installed with-out permit and not installed properly. Remove existing concrete, excavate, install 5" of compacted stone and 5" of concrete with wire mesh
- Newly installed double door at electrical room need hardware and must be labeled
- Drywall at bathroom must be taped, painted and install ceiling
- GFI Outlets required – see 8-14-24 Electrical Inspection

- Permit for light installation – see 8-14-23 Electrical Inspection
- Fire alarm system needs to be extended. Additional horn/strobes are needed
- Emergency lights are needed in bathrooms and garage areas

#### Unit D

- Fire alarm system needs to be extended. Additional horn/strobes are needed
- Additional emergency lights are needed in warehouse. Existing emergency lights are to be unobstructed

#### Unit E

- Remove security gates
- replace damaged ceiling tile throughout. Close up holes in walls and ceiling
- repair or remove damaged duct outside of “capalitor winding room”
- Remove unused signage lying on roof
- Remove all unused HVAC units on roof
- Tempering valves not installed for the hand sink in women’s washroom
- Install ADA grab bar on the wall at the top of the tank lid
- Leaking water pipe outside wall of lunch room – remove pipe if not used and cap off or support pipe to wall and fix leak
- No hot water at service sink
- remove mission couplings for lunch room sink and install no hub clamps
- 2<sup>nd</sup> Floor – plumbing fixtures and floor drains not being used must be winterized
- Furnish print and permit for new exterior sign and emergency battery pack layout
- Electrical wall switch needs cover in lunch room (south area – east section)
- Fire alarm system needs to be extended. Additional horn/strobes are needed
- Exit sign battery backups need repair
- Additional emergency lights needed throughout unit
- Electrical panels need cover (south area-west electrical room)
- Additional 10#ABC fire extinguishers needed in lunch rooms, on columns, walls or posts and marked and easily accessible

#### Unit P

- Repair restroom walls
- Exterior – tuckpoint where steel/structure was removed
- Illuminated exit sign with battery backup is needed over the new exit door
- existing emergency lights need repair. Additional emergency lights are needed

#### Fire Pump Room

- Mount conduits on east wall



## PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("Agreement") is made and entered between the City of Blue Island, Illinois, a municipal body corporate and politic ("Seller"), and Blue Island Management LLC ("Purchaser") (collectively the "Parties"). For all purposes, the date of this Agreement (the "Effective Date") shall be the latest date of execution shown below the Parties' signatures.

### RECITALS

In consideration of the covenants and agreements contained herein, the Parties agree as follows:

1. **Property to be Purchased.** Subject to compliance with the terms and conditions of this Agreement, Seller agrees to convey to Purchaser and Purchaser agrees to purchase from Seller the real Property commonly known as 2418 James Street, Blue Island, Illinois 60406 legally described in Exhibit A (the "Property").

2. **Purchase Price.** The purchase price for the Property shall be One Hundred and 0/100 Dollars (\$100.00) ("Purchase Price") due in full in immediately available funds at Closing.

3. **Requirements.** Subject to an in accordance with the terms of this Agreement, Purchaser will begin remediation at this Property within sixty (60) days of the closing or as soon thereafter as possible and then will rehabilitate the warehouse on the Property (as defined below) as more fully described herein (the "Project"). On or before the Inspection Date, Purchaser shall provide to the City, for its review and approval, a Preliminary Construction Schedule and a Project Budget.

4. **Closing.** The closing of the purchase and sale (the "Closing") shall take place no later than thirty (30) days after the Effective Date (the "Closing Date") at a mutually agreeable time at a Chicago Title facility or as otherwise agreed to by the Parties in writing.

5. **Closing Costs; Recording.** Notwithstanding local custom, Purchaser shall pay all costs and take all necessary steps for closing costs and recording the Deed, excluding the City's Attorney and Consulting fees.

6. **Right of Inspection.** The obligation of Purchaser to purchase the Property is subject to the condition that Purchaser, in its reasonable discretion based upon the Inspections and analysis at its sole cost and expense, shall have approved the Property for purchase, including, but not limited to, soil tests, engineering reports, environmental reports, zoning and the feasibility of Purchaser's contemplated use of the Property (the "**Inspection Contingency**"). Purchaser shall satisfy or waive such Inspection Contingency before Purchaser shall be obligated to purchase the Property. This Inspection Contingency shall be satisfied or waived by Purchaser, or this Agreement terminated by Purchaser, no later than the end of the Inspection Period. The "**Inspection Period**" is that period beginning on the Execution Date and ending at 5:00 p.m. Central Time on the thirtieth (30<sup>th</sup>) day after such date (the "**Inspection Date**"). Purchaser may at any time on or before the expiration of the Inspection Period, do one of the following: (i) send notice of acceptance to the Seller (the "**Termination Waiver**"); or (ii) terminate this Agreement by sending written notice to Seller (the "**Termination Notice**"). If Purchaser fails to timely send a Termination Waiver or Termination Notice, Purchaser shall be deemed to have irrevocably sent a Termination Waiver. Upon issuance of the Termination Notice, Seller and Purchaser shall have no further rights and obligations hereunder except those which expressly survive termination of this Agreement. If Purchaser delivers a Termination Waiver, or deemed issuance, Purchaser shall have no further right to terminate the Agreement pursuant to this Section 6.

7. **Proof of Financing.** Contemporaneous with the delivery of the Termination Waiver or its deemed issuance, Purchaser shall deliver to Seller for its review and approval, which shall not be unreasonably withheld, evidence of Purchaser's financial capability adequate to finance the Estimated Project Costs, including reasonably detailed term sheets for lender financing in form and substance reasonably acceptable to Seller from a financial institution and evidence of Purchaser's ability to make an adequate equity contribution in the amount of any gap financing ("**Proof of Financing**").

8. **Recognition of Purchaser Acquisition.** Purchaser understands that the Seller acquired the Property "as is" and "with all faults." Seller did not originally construct any improvements on the Property. Seller has not occupied the Property for its own use. As stated throughout this Agreement, Seller has no knowledge, and makes no representations, about any Property condition, impairment or other encumbrance.

9. **Renovation and Rehabilitation Requirement.** The rehabilitation of the structure on the Property must occur within sixty (60) days of closing and the new/rehabilitated structure on the Property must be completed within one (1) year of the demolition date. All necessary permits for the required rehabilitation must be obtained within 45 days of closing.

10. **Condition of Property.**

A) PURCHASER ACKNOWLEDGES AND AGREES TO ACCEPT THE PROPERTY IN "AS IS" CONDITION AT THE TIME OF CLOSING, INCLUDING, WITHOUT LIMITATION, ANY DEFECTS OR ENVIRONMENTAL CONDITIONS AFFECTING THE PROPERTY, WHETHER KNOWN OR UNKNOWN, WHETHER SUCH DEFECTS OR CONDITIONS WERE DISCOVERABLE THROUGH INSPECTION OR NOT. Purchaser acknowledges that Seller, its agents and representatives have not made, and the Seller specifically negates and disclaims, any representations, warranties, promises, covenants, agreements or guarantees, implied or express, oral or written with respect to the following:

1. The physical condition or any other aspect of the Property including the structural integrity or the quality or character of materials used in the construction of any improvement (e.g. drywall, asbestos, lead paint, urea formaldehyde foam insulation, etc.), availability and quantity or quality of water, stability of the soil, susceptibility to landslide or flooding, sufficiency of drainage, water leak, water damage, mold or any other matter affecting the stability, integrity or condition of the Property or improvements;
2. The conformity of the Property, or the improvements, to any zoning, land use or building code requirement or compliance with any laws, rules, ordinances, or regulations of any federal, State or local governmental authority, or the granting of any required permits or approvals, if any, of any governmental bodies which had jurisdiction over the construction of the original structure, any improvements, and/or any remodeling of the structure;
3. The habitability, merchantability, marketability, profitability or fitness for a particular purpose of the Property or improvements including redhibitory vices and defects, apparent, non-apparent or latent, which now exist or which may hereafter exist and which, if known to the Purchaser, would cause the Purchaser to refuse the Property.

B) Purchaser understands that mold, mildew, spores and/or other microscopic organisms and/or allergens (collectively referred to in this Agreement as "Mold") are environmental conditions that are common in residential properties and may affect the Property. Mold, in some forms, has been reported to be toxic and to cause serious physical injuries, including but not limited to, allergic and/or

respiratory reactions or other problems, particularly in persons with immune system problems, young children and/or elderly persons. Mold has also been reported to cause extensive damage to personal and real Property. Mold may have been removed or covered in the course of any cleaning or repairing of the Property. The Purchaser acknowledges that, if Seller or any of Seller's employees, contractors, or agents cleaned or repaired the Property or remediated Mold contamination, that Seller does not in any way warrant the cleaning, repairs or remediation. Purchaser accepts full responsibility for all hazards that may result from the presence of Mold in or around the Property. The Purchaser is satisfied with the condition of the Property notwithstanding the past or present existence of Mold in or around the Property and Purchaser has not, in any way, relied upon any representations of Seller, Seller's employees, officers, directors, contractors, or agents concerning the past or present existence of Mold in or around the Property. To the extent that any Mold is identified on the Property, Purchaser agrees to take all necessary measures to protect the health, safety, and welfare of Property inhabitants.

C) The Purchaser agrees that the Seller shall have no liability for any claims or losses the Purchaser or the Purchaser's successors or assigns may incur as a result of construction or other defects which may now or hereafter exist with respect to the Property.

D) Seller shall have absolutely no duty to modify, alter or clean the Property (or remove any contents at the Property, and in that regard the Seller represents that no other person has any right or claim to any contents in or at the Property and that the Seller's Bill of Sale will include such contents).

E) Purchaser waives any claim against Seller with respect to any of the Property conditions identified in this Section.

**11. *Disclosure of Lead-Based Paint Hazards.*** In the event the improvements on the Real Estate are improved with residential dwellings built prior to 1978, the Purchaser hereby acknowledges that:

A) the Purchaser has received the following Lead Warning Statement, and understands its contents:

“Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.”

B) the Purchaser has received a Lead Hazard Information pamphlet;

C) Purchaser hereby waives any rights and/or remedies against the Seller provided to him as a Purchaser in the Residential Lead-Based Paint Hazard Reduction Act, including the Purchaser's ten day opportunity to conduct a risk assessment or inspection for the presence of lead-based paint hazards.

**12. *Occupancy Status of Property.*** The Purchaser acknowledges that neither the Seller, nor its representatives, agents or assigns, has made any warranties or representations, implied or expressed, relating to the existence of any tenants or occupants at the Property. The Purchaser acknowledges that

Closing on this transaction shall be deemed the Purchaser's reaffirmation that neither the Seller, nor its representatives, agents or assigns, has made any warranties or representations, implied or expressed, relating to the existence of any tenants or occupants at the Property.

**13. *Personal Property.*** The Seller makes no representation or warranty as to the condition of any personal Property, title thereto, or whether any personal Property is encumbered by any liens. The Seller assumes no responsibility for any personal Property remaining on the Property at the time of Closing.

**14. *Taxes and Special Assessments.*** Seller is not required to provide any tax proration at closing. Purchaser shall be responsible for any taxes that become due and payable after the Closing Date.

Contract is contingent on Property receiving Class 8 Tax Incentive approval from the Cook County Assessor's Office.

**15. *Delivery of Possession of Property.*** The Seller shall deliver possession of the Property to the Purchaser at Closing. If the Purchaser alters the Property or causes the Property to be altered in any way and/or occupies the Property or allows any other person to occupy the Property prior to Closing without the prior written consent of the Seller, such event shall constitute a breach by the Purchaser under the Agreement and the Seller may terminate the Agreement and the Purchaser shall be liable to the Seller for damages caused by any such alteration or occupation of the Property prior to Closing, and waives any and all claims for damages or compensation for alterations made by the Purchaser to the Property including, but not limited to, any claims for unjust enrichment.

**16. *Deed.*** The deed to be delivered by Seller at Closing shall be a Quit Claim Deed ("Deed").

**17. *Conditions to the Seller's Performance.*** The Seller shall have the right prior to Closing, at the Seller's sole discretion, to terminate this Agreement if:

A) Seller determines in its reasonable discretion that the sale of the Property will subject Seller to liability and/or have an impact on pending, threatened or potential litigation;

B) The Purchaser is the former owner or mortgagor of the Property, or is related to or affiliated in any way with the former owner or mortgagor, and the Purchaser has not disclosed this fact to the Seller prior to the Seller's acceptance of this Agreement. Such failure to disclose shall constitute default under this Agreement, entitling the Seller to exercise any of its rights and remedies; or

C) The Purchaser makes or has made any misrepresentation to the Seller in securing Seller's agreement to sell the Property to Purchaser, execute the term sheet, or execute this Agreement or any related document, including but not limited to any misrepresentation regarding how the transaction will be funded, or Purchaser makes a material change to its proposed financing of the purchase or rehabilitation of the Property without the Seller's written authorization.

**18. *Risk of Loss.*** In the event of fire, destruction or other casualty loss to the Property after the Seller's acceptance of this Agreement and prior to Closing, the Seller may, at its sole discretion, repair or restore the Property, or the Seller may terminate the Agreement. If the Seller elects to repair or restore the Property, then the Seller may, at its sole discretion, limit the amount to be expended. Whether or not Seller elects to repair or restore the Property, the Purchaser's sole and exclusive remedy shall be either to acquire the Property in its then condition at the Total Purchase Price with no reduction thereof by reason of such loss or terminate this Agreement.

**19. Keys.** The Purchaser understands that the Seller may not be in possession of keys, including but not limited to, mailbox keys, recreation area keys, gate cards, or automatic garage remote controls, and any cost of obtaining the same will be the responsibility of the Purchaser. The Purchaser also understands that if the Property includes an alarm system, the Seller cannot provide the access code and/or key and that the Purchaser is responsible for any and all costs associated with activating the alarm, including changing the access code or obtaining keys.

**20. Survival.** Delivery of the deed of the Property to the Purchaser by the Seller shall be deemed to be full performance and discharge of all of the Seller's obligations under this Agreement. Notwithstanding anything to the contrary in the Agreement, any provision which contemplates performance or observance subsequent to any termination or expiration of the Agreement, including but not limited to any condition subsequent, shall survive the Closing and/or termination of the Agreement by any Party and continue in full force and effect. Notwithstanding the foregoing, the covenants in Section 3, Section 9, Section 10, and Section 12 shall automatically terminate and be of no further force and effect upon the issuance of a temporary or permanent Certificate of Completion for the Project.

**21. Remedies.** If the sale of the Property as contemplated by this Agreement does not occur because of Purchaser's default under this Agreement, Seller's sole remedy and relief for any such default of Purchaser shall be either of the following: (i) terminate this Agreement by written notice to Purchaser, or (ii) pursue an action for the specific performance of Purchaser's obligations hereunder. Notwithstanding anything to the contrary contained in this Section, Seller and Purchaser agree that the remedies in the previous sentence is not intended to apply to any default or breach by Purchaser under Section 3, Section 9, Section 10, or Section 12 hereof. In the event Purchaser fails to perform or satisfy its obligations under Section 3, Section 9, Section 10, or Section 12, a default shall not be deemed to have occurred unless Purchaser has failed to cure such default within thirty (30) days of its receipt of a written notice from Seller specifying the nature of this default; provided, however, defaults which are not capable of being cured within such 30-day period. If Purchaser has not cured or remedied a default within the timeframes provided for herein, the Seller may seek all remedies available at law or equity, including damages.

**22. Miscellaneous.** The following general provisions govern this Agreement.

A) No Waivers. The waiver by either Party hereto of any condition or the breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of any other condition or of any subsequent breach of the same or of any other term, covenant or condition herein contained. Either Party, in its sole discretion may waive any right conferred upon such Party by this Agreement; provided that such waiver shall only be made by giving the other Party written notice specifically describing the right waived.

B) Time of Essence. Time is of the essence of this Agreement.

C) Governing Law. This Agreement is made and executed under and in all respects to be governed and construed by the laws of the State of Illinois and the Parties hereto hereby agree and consent and submit themselves to any court of competent jurisdiction situated in the County of Cook, State of Illinois.

D) Attorney Review. Purchaser's execution of this Agreement shall constitute acknowledgement by the Purchaser that Purchaser had the opportunity to retain and consult with legal counsel regarding the Agreement and the Exhibit attached hereto. Further, the terms of the Agreement are not to be construed against any party because that party drafted the Agreement or construed in favor of any Party because that Party failed to understand the legal effect of the provisions of the Agreement.

E) Assignability. In no event may Seller convey or encumber the Property during the term of this Agreement, and neither Seller nor Purchaser may assign this Agreement or its rights herein to any third Party.

F) Severability. If for any reason any term or provision of this Agreement shall be declared void and unenforceable by any court of law or equity it shall only affect such particular term or provision of this Agreement and the balance of this Agreement shall remain in full force and effect and shall be binding upon the Parties hereto.

G) Disputes. Notwithstanding any other provisions herein to the contrary, in the event any legal proceeding is commenced for the purpose of interpreting, construing, enforcing or claiming under this Agreement, the prevailing party, as determined by the court, shall be entitled to recover reasonable attorney's fees and costs in such proceeding or any appeal therefrom.

H) Complete Agreement. All understandings and agreements heretofore had between the Parties are merged into this Agreement which alone fully and completely expressed their agreement. This Agreement may be changed only in writing signed by both of the Parties hereto and shall apply to and bind the successors and assigns of each of the Parties hereto and shall merge with the deed delivered to Purchaser at Closing except as specifically provided herein.

I) No Third-Party Beneficiaries. The covenants and agreements contained herein shall be binding upon and inure to the sole benefit of the Parties hereto, and their successors and assigns. Nothing herein, express or implied, is intended to or shall confer upon any other person, entity, company, or organization, any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

J) Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, and any signatures to counterparts may be delivered by facsimile or other electronic transmission and shall have the same force and effect as original signatures.

[Remainder Left Blank]

IN WITNESS WHEREOF, the Seller and Purchaser have duly executed this Agreement pursuant to all requisite authorizations as of the date first above written.

CITY OF BLUE ISLAND,  
An Illinois municipal corporation



Fred Bilotto  
Mayor of Blue Island

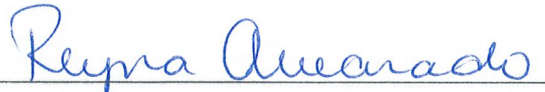
STATE OF ILLINOIS )

) ss.

COUNTY OF COOK )

On this 13 day of Feb 2024, before me, personally appeared Fred Bilotto, personally known, who being by me duly sworn did say that he is the Mayor of the City of Blue Island, Illinois, an Illinois municipal corporation, that said instrument was signed on behalf of said corporation by authority of its Aldermen, and acknowledged said instrument to be the free act and deed of said corporation.

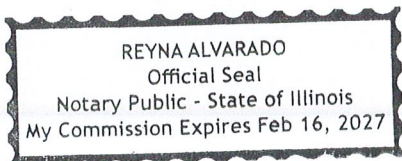
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office in Cook County, Illinois the day and year last above written.



Notary Public

Printed Name: Reyna Alvarado

My commission expires:







**EXHIBIT A**

**Legal Description**

LOT 4 IN THE SUPERIOR COURT COMMISSIONER'S PARTITION OF BLOCKS 8 AND 10 IN ROBINSON'S ADDITION TO BLUE ISLAND, A SUBDIVISION OF THE EAST 1/2 OF THE SOUTH EAST 1/4 SECTION 36, TOWNSHIP 37 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED OCTOBER 23, 1894, AS DOCUMENT 2121965, IN COOK COUNTY, ILLINOIS.

Permanent Index Number (PIN): 24-36-408-007-0000

Address of Real Estate: 2418 James Street, Blue Island, Illinois 60406