



May 30, 2023

Ms. Lisa Banovetz CPA, MBA
Director of Finance
City of Crest Hill
20600 City Center Blvd
Crest Hill, IL 60403

Dear Ms. Banovetz:

Kroll, LLC ("Kroll"), will provide the City of Crest Hill ("the City") the appraisal services described within this agreement ("Agreement").

Purpose of the Engagement

The purpose of this engagement is to provide the City a property insurance appraisal for the City's use in connection with its internal analysis of its insurance needs with respect to the identified property. Our analysis will be dated as of the last day of our site inspection. Our opinion is intended to assist the City in making informed business decisions; it is not a recommendation. Any decisions relating to insurance coverage shall remain the City's responsibility and be made solely at its discretion.

Engagement Scope

We will research and report the insurable value (our "Opinion") of certain City property.

Description of Identified Property

The property is located at various sites as identified by the City in the Property Schedule (**Exhibit B**).

These property classifications will be included in the engagement:

- 1) Buildings
- 2) Personal property

Assets not identified above will be excluded from the engagement.

If the City's insurance policy excludes coverage of specific property classifications, in part or whole, the City should notify us in writing prior to beginning the engagement if those assets should be excluded.

We will work with the City during the engagement to further refine the scope of the identified property to be included in the engagement, if applicable. Depending on the nature and extent of changes in the scope of the engagement we may need to revise our fee.

Definition of Insurable Value

We will develop our opinion of insurable value as the replacement cost value (RCV), defined as the estimated amount required to reproduce a property entirely at one time, in like kind and quality, in accordance with current market prices for labor, materials, and manufactured equipment; contractors' overhead and profit; and fees, but without provisions for overtime, bonuses for labor, or premiums for materials and equipment.

In estimating insurable value, we will allow for national building codes; however, we will not consider any construction codes imposed by state or local municipalities, ordinances, or other legal restrictions, nor will we consider the cost of demolition in connection with reconstruction or the cost of removal of destroyed property.

Valuation Methodology

Our appraisal will rely solely on the cost approach because the market and income approaches are not applicable for the purpose of this engagement.

Scope of Work

We anticipate this engagement will include the following:

Buildings

We will utilize a full-scope segregated cost approach including an inspection of each building to identify construction data that will be used in the valuation process. During inspection of the premises, we will calculate each building's area and perimeter by measuring the structure, through an analysis of the as-built blueprints, or from other verified sources; identify and record data of the major construction components (type of structure, walls, roof, etc.); determine the construction class; record data of major service systems (electrical, plumbing, security, elevators, heating, ventilation, cooling, etc.); photograph the building; and record the GPS coordinates. The insurable value of each building and the related construction, occupancy, protection, and exposure data obtained during the inspection will be reported on an itemized basis.

Personal Property

We will develop an opinion of the insurable value of personal property through use of a modeling approach, which relies on our proprietary database containing data from thousands of detailed equipment inventories we have performed. The model develops the insurable value of each building's personal property on the basis of building occupancy and square footage. The model can be altered to account for above- or below-

average density of personal property. A single insurable value will be reported for each building's personal property.

Terms and Conditions

This Agreement is subject to and incorporates the **Terms and Conditions** attached as **Exhibit A**.

Fee

The fee is \$175 per building or approximately \$15,925 based on the scheduled provide. Our fee is including expenses, and will be invoiced as follows:

- 30% of fee upon authorization of the engagement
- Progress billing as time is charged and expenses are incurred

This fee includes issuing the deliverables below and responding to customary questions from the City and its insurance brokers or advisors. Additional fee will be required for an increase in engagement scope or involvement in subsequent reviews beyond the customary work effort.

The City may cancel this engagement at any time and will only be obligated for fees and expenses incurred. Our fee is not contingent on our Opinion or any subsequent event related to it.

Timing and Deliverables

This engagement will require cooperation, access, and timely receipt of requested information from management of the City. After this Agreement is signed and all requested information is received, we will begin our analyses and provide our Final report within 4-6 weeks after completion of our site inspections.

The report will be provided in electronic format and will present our Opinion and related narrative discussion of the supporting analyses and assumptions, along with appropriate exhibits. Additional relevant information and analyses considered in our Opinion will be retained in our work files.

Conclusion

We appreciate the opportunity to serve the City. To authorize, please sign below and return the full executed copy to michael.domin@kroll.com. This Agreement shall remain valid for signature for 30 days. Please contact me at 630 841 7948 with any questions.

Sincerely,



Michael Domin
Managing Director
Kroll, LLC

Client of Record:

City of Crest Hill

Signature: _____

Name: _____

Title: _____

Date: _____

Exhibit A – Terms and Conditions

Entire Agreement – This is the entire Agreement between Kroll and the City and supersedes any prior oral or written agreements. This Agreement may only be modified in writing signed by both parties. Any purchase order covering this engagement is only for the City's internal needs and shall not modify this Agreement.

Fees – Kroll's invoices are payable upon receipt. If payment of any invoice is not received within 45 days of the invoice date, Kroll shall be entitled, without prejudice to any other rights that it may have, to suspend services until all sums due are paid in full. In the event that Kroll is required to initiate a lawsuit or hire attorneys to collect any past due amounts, in addition to any other rights and remedies available, it shall be entitled to reimbursement of attorneys' fees and other costs of collection.

Limited Use and Reliance – The City is the sole intended user of Kroll's report or other work product. The City may disclose an informational copy of the report or other work product to its audit, tax, legal, or insurance professionals acting in an advisory capacity in connection with the purpose of this engagement. No third party shall have the right of reliance on the report, and neither receipt nor possession of the report by any third party shall create any express or implied third-party beneficiary rights.

Confidentiality – Kroll shall maintain the confidentiality of the City's information and will not disclose or use it for any purpose other than in connection with this engagement. This excludes information (i) available to the public, (ii) already in Kroll's possession, or (iii) received from a party having no confidentiality obligation to the City. Kroll may include the City's name and logo in its client list.

Engagement Limits – Kroll's work may only be used for the specific purpose or premise of value stated in this Agreement and the work product. The City shall not reference Kroll or its work in any public filing or other materials distributed to actual or prospective shareholders, investors, financing parties, or similar third parties without Kroll's prior written consent.

Independent Contractor – Kroll shall perform as an independent contractor, with no authority to bind or obligate the City in any way.

Information Provided by the City – Kroll will not independently verify information provided by the City, its advisors, or third parties acting at the City's direction. Kroll will assume and rely on the accuracy and completeness of all such information.

Retention – All files, documents, and work papers received, created, or developed during the engagement will be retained for professional recordkeeping and legal/regulatory compliance purposes, all in accordance with Kroll's document retention policy. If required by applicable law to disclose any of the documents, Kroll will, unless legally prohibited, notify the City so it may seek a protective order at its discretion.

Indemnification – The City shall indemnify and hold harmless Kroll and its affiliates, including each of their respective employees, from and against any and all liabilities, losses, costs, and reasonable expenses, including, but not limited to, reasonable legal fees and expenses and billable hours of client service personnel, which are (i) incurred in responding to subpoenas, discovery, or other similar inquiries associated with or arising from the engagement or (ii) arising from or relating to third-party claims based

on reliance or purported reliance on Kroll's work product or other alleged loss or damage caused to or alleged by any nonclient entity arising from unauthorized access to or reliance upon Kroll's work product. The foregoing indemnification obligations shall not apply in the event that a court of competent jurisdiction finally determines that such claims resulted directly from the gross negligence, willful misconduct, or fraudulent acts of Kroll.

Limitation of Liability – In no event shall Kroll be liable to the City (or any person claiming through the City) under this Agreement, under any legal theory, for any amount in excess of the total professional fees paid by the City to Kroll in connection with this engagement, except to the extent such liability is directly caused by Kroll's gross negligence, fraud, or willful misconduct. The foregoing limitation of liability shall not apply to liabilities that arise from personal injury or property damage resulting primarily from Kroll's negligence or willful misconduct. In no event shall Kroll be liable to the City for any consequential, indirect, lost profit, or similar damages relating to or arising from this engagement.

Environmental Policy – Kroll will not investigate, nor assume responsibility for, the existence or impact of any contamination or hazardous substance related to property or assets associated with this engagement.

Governing Law – This Agreement is governed by and construed in accordance with the laws of the State of New York

Exhibit B – Property Schedule

Location Number	Description	Address	Year Built	Construction	Sq. Ft.	Replacement Cost		Total by Location
						Building	Contents	
5.4	Aeration Tanks Throughout	1631 Gaylord Rd. West Pl	1969			\$ -	\$ 206,275	\$ 206,275
13.1	Scada System	could be inside control towers				\$ -	\$ -	\$ -
19.1	East Treatment Plant-Outdoor Prop	2250 Broadway	2013			\$ -	\$ -	\$ 163,650
17.1	Valve Station	Durness Court	2001	Concrete	20	\$ 2,626	\$ 26,122	\$ 28,748
18.1	Valve Station	Root Street	2001	Concrete	20	\$ 2,626	\$ 30,254	\$ 32,880
16.1	Stateville Meter Pit	Broadway	2001	Concrete	20	\$ 6,649	\$ 19,275	\$ 25,924
1.2	Radio Tower - 145 ft.	1610 Plainfield Rd.	1975	Steel		\$ 10,730	\$ 5,380	\$ 16,110
19.24	Sludge Loading Station	2250 Broadway	2013			\$ 12,000	\$ -	\$ 17,000
19.31	Chlorinators	2250 Broadway	2015	Masonry	51	\$ 17,667	\$ 5,100	\$ 22,767
19.32	SO2 Building	2250 Broadway	2015	Masonry	51	\$ 17,667	\$ 5,350	\$ 23,017
5.14	Return Sludge Pump	1631 Gaylord Rd. West Pl	1969			\$ 19,000	\$ -	\$ 19,000
19.35	Draw-Off-Chamber #1	2250 Broadway	1988	Non-Combustible		\$ 19,489	\$ 5,600	\$ 25,089
19.37	Draw-Off-Chamber #2	2250 Broadway	1988	Non-Combustible		\$ 19,497	\$ 5,600	\$ 25,097
19.39	Draw-Off-Chamber #3	2250 Broadway	1988	Non-Combustible		\$ 19,497	\$ 5,600	\$ 25,097
19.41	Draw-Off-Chamber #4	2250 Broadway	1988	Non-Combustible		\$ 19,497	\$ 5,600	\$ 25,097
5.7	Distribution Box splitter - directional devise	1631 Gaylord Rd. West Pl	1969	concrete		\$ 19,708	\$ -	\$ 19,708
19.33	Splitter Box	2250 Broadway	1988	Frame	97	\$ 22,917	\$ 10,025	\$ 32,942
5.15	Sludge Thickener - machinery	1631 Gaylord Rd. West Pl	1969			\$ 36,960	\$ 81,100	\$ 118,060
11.1	Lift Station	2404 Plum St	1998	concrete & Steel		\$ 37,226	\$ 28,000	\$ 65,226
21.1	Diversion Valve	Canton Farm Rd.	2009	Non-Combustible		\$ 38,451	\$ 58,450	\$ 100,001
19.1	Final Effluent Metering Building	2250 Broadway	2013			\$ 43,829	\$ 8,200	\$ 52,029
19.27	Exesting Headworks Bldg.	2250 Broadway	2013	Masonry	930	\$ 50,000	\$ -	\$ 60,000
19.28	Final Clarifier Low Diversion Box	2250 Broadway	2013			\$ 52,000	\$ -	\$ 52,000
15.1	Well House #4	2333 Parkrose	2003	Concrete	725	\$ 61,251	\$ 436,800	\$ 502,263
19.17	Excess Flow Effluent Metering Stru	2250 Broadway	2013			\$ 65,449	\$ 1,700	\$ 67,149
12.1	Lift Station - Carrilon Lakes	Buckner Pond Way & Spr	2000	masonry		\$ 67,052	\$ 59,475	\$ 126,527
19.45	Transfer Station	2250 Broadway	1995	Frame	1440	\$ 70,372	\$ 5,000	\$ 75,372
19.14	Excess Flow Clarifier Flow Division	2250 Broadway	2013			\$ 70,508	\$ 9,075	\$ 79,583
19.13	Excess Flow Influent Metering Struc	2250 Broadway	2013			\$ 74,298	\$ 12,500	\$ 86,798
19.26	Electrical Building	2250 Broadway	2013	Masonry	264	\$ 75,507	\$ 100,000	\$ 175,507

Location Number	Description	Address	Year Built	Construction	Sq. Ft.	Replacement Cost		Total by Location
						Building	Contents	
6.1	Radio Equipment	Throughout City				\$ 80,000	\$ 49,661	\$ 179,911
3.1	Well House #7 and PW Building	808 Elrose Court	2017	Pre-Cast	400	\$ 91,567	\$ 47,970	\$ 274,112
19.11	Chlorene/Dechlorene Bldg.	2250 Broadway	2013	Concrete	160	\$ 100,000	\$ 59,000	\$ 199,000
19.19	RAS Pumping Station	2250 Broadway	2013			\$ 101,745	\$ 67,800	\$ 169,545
7.3	Deep Well	2401 Waterford	1996			\$ 102,000	\$ -	\$ 102,000
14.3	Deep Well	611 Chaney Ave.	1964	Masonry	300	\$ 102,000	\$ -	\$ 102,000
8.1	Well House #9	21215 Division St.	2000	Masonry	960	\$ 102,053	\$ 566,400	\$ 673,753
10.1	Well House #11	20025 Division St	2002	Masonry	960	\$ 102,053	\$ 403,975	\$ 596,653
19.23	Sludge Pump Building #1	2250 Broadway	2013	Masonry	513	\$ 102,178	\$ 48,000	\$ 150,178
5.8	Final Clarifier #1	1631 Gaylord Rd. West Pl	1969	concrete		\$ 107,575	\$ 117,900	\$ 225,475
5.9	Final Clarifier #2	1631 Gaylord Rd. West Pl	1969	concrete		\$ 107,575	\$ 117,900	\$ 225,475
1.3	Sign room city hall	1610 Plainfield Rd.	1980	Masonry	413	\$ 111,522	\$ -	\$ 111,522
19.15	Excess Flow Chlorination Bldg.	2250 Broadway	2013	Masonry	482	\$ 112,878	\$ 94,700	\$ 207,578
19.16	Excess Flow Clarifiers #1, #2 and #3	2250 Broadway	2013			\$ 118,000	\$ 400,000	\$ 548,000
14.2	Well House #1	611 Chaney Ave.	2016	Masonry	360	\$ 121,897	\$ 32,290	\$ 154,187
3.2	Deep Well	808 Elrose Court	2017			\$ 123,420	\$ -	\$ 123,420
15.2	Deep Well	2333 Parkrose	2003			\$ 128,800	\$ -	\$ 128,800
8.3	Deep Well	21215 Division St.	2000			\$ 138,460	\$ -	\$ 138,460
10.2	Deep Well	20025 Division St	2002			\$ 138,460	\$ -	\$ 138,460
9.2	Deep Well	861 Caton Farm	2002	Masonry		\$ 149,500	\$ -	\$ 149,500
7.1	Well House #8	2401 Waterford	1997	Masonry	909	\$ 150,017	\$ 455,500	\$ 605,517
5.1	Final Clarifier #3	1631 Gaylord Rd. West Pl	1969	concrete		\$ 153,022	\$ 128,975	\$ 281,997
5.11	Final Clarifier #4	1631 Gaylord Rd. West Pl	1969	concrete		\$ 153,022	\$ 128,975	\$ 281,997
9.1	Well House #10 Pressure adjusting	861 Caton Farm	2002	Masonry	1779	\$ 156,013	\$ 547,925	\$ 703,938
19.46	Grit Building	2250 Broadway	2013	Masonry	674	\$ 159,374	\$ 490,724	\$ 650,098
5.5	Primary Clarifier	1631 Gaylord Rd. West Pl	1969			\$ 174,858	\$ 184,250	\$ 359,108
4.1	Salt Shed	2350 Broadway St.	2001	Concrete/Wood	2880	\$ 180,669	\$ -	\$ 180,669
19.44	Sludge Storage #3	2250 Broadway	1995	Non-Combustible		\$ 187,891	\$ -	\$ 187,891
19.30	Digester Controls	2250 Broadway	1988	Masonry	614	\$ 210,437	\$ 344,150	\$ 554,587
5.6	Excess Flow Clarifier - tank	1631 Gaylord Rd. West Pl	1969	concrete		\$ 211,042	\$ 184,250	\$ 395,292
19.12	Chlorine Contact Tank	2250 Broadway	2013			\$ 227,242	\$ 700	\$ 227,942
19.7	Grit Tank	2250 Broadway	2013	Concrete Masonry	650	\$ 234,679	\$ 17,218	\$ 251,897
19.29	Storage	2250 Broadway	1988	Masonry	1627	\$ 243,856	\$ -	\$ 243,856
19.34	Primary Clarifier	2250 Broadway	1988	Non-Combustible		\$ 248,018	\$ 214,900	\$ 462,918
19.36	Clarifier	2250 Broadway	1988	Non-Combustible		\$ 255,334	\$ 268,600	\$ 523,934
19.38	Clarifier	2250 Broadway	1988	Non-Combustible		\$ 255,334	\$ 214,900	\$ 470,234
19.6	Raw Sewage Pump Station	2250 Broadway	2013			\$ 289,104	\$ 311,150	\$ 600,254

Location Number	Description	Address	Year Built	Construction	Sq. Ft.	Replacement Cost		Total by Location
						Building	Contents	
19.18	NPW Building	2250 Broadway	2013	Masonry	506	\$ 290,561	\$ 139,825	\$ 430,386
19.4	Control Building	2250 Broadway	2013	Masonry	1632	\$ 296,824	\$ 2,809,125	\$ 3,108,949
19.25	Sludge Pump Building #2, SST #2	2250 Broadway	2013	Concrete	1228	\$ 300,000	\$ 139,825	\$ 512,825
19.40	Clarifier	2250 Broadway	1988	Non-Combustible		\$ 351,804	\$ 268,550	\$ 620,354
19.42	Sludge Storage #1	2250 Broadway	1988	Non-Combustible		\$ 380,683	\$ -	\$ 380,683
19.43	Sludge Storage #2	2250 Broadway	1988	Non-Combustible		\$ 380,813	\$ -	\$ 380,813
19.5	Screen Building	2250 Broadway	2013	Masonry	1450	\$ 401,054	\$ 572,000	\$ 973,054
19.3	Maintenance Garge	2250 Broadway	2013	Prefab Metal	4300	\$ 416,430	\$ 59,925	\$ 476,355
19.21	Aerobic Digester 1 - 4	2250 Broadway	2013			\$ 453,138	\$ 88,868	\$ 542,006
3.3	Storage	808 Elrose Court	2017	Masonry	6864	\$ 467,546	\$ 190,250	\$ 657,796
20.2	Salt Dome	2090 Oakland Ave.	2020	Concrete/Steel	1400	\$ 500,000	\$ -	\$ 500,000
19.2	Thickner Building	2250 Broadway	2013	Masonry	2508	\$ 504,374	\$ 705,310	\$ 1,209,684
5.13	Digester Building - 2 tank system u	1631 Gaylord Rd. West Pl	1969	concrete	2480	\$ 512,796	\$ 1,185,625	\$ 1,698,421
19.22	Sludge Storage Ta #1	2250 Broadway	2013	Prefab Metal		\$ 518,000	\$ 128,000	\$ 646,000
5.2	Aeration Tanks 1 - 4	1631 Gaylord Rd. West Pl	1969			\$ 528,471	\$ -	\$ 528,471
5.3	Aeration Tanks 5 - 8	1631 Gaylord Rd. West Pl	1969			\$ 528,471	\$ -	\$ 528,471
5.1	Control Building	1631 Gaylord Rd. West Pl	1968	Masonry	3947	\$ 600,091	\$ 31,710,000	\$ 32,379,891
19.2	Administration Building	2250 Broadway	2013	Frame & Masonry	3168	\$ 725,908	\$ 49,050	\$ 850,458
5.12	Tertiary Filter	1631 Gaylord Rd. West Pl	1969	Concrete	6400	\$ 790,210	\$ 611,625	\$ 1,401,835
19.9	Final Clarifiers #1 & #2	2250 Broadway	2013			\$ 924,728	\$ 537,200	\$ 1,461,928
7.2	Elevated Water Tank 300,000 Gal.	2401 Waterford	1968	Steel		\$ 1,000,450	\$ -	\$ 1,017,950
14.1	Elevated Water Tank 300,000 GAL	611 Chaney Ave.	1964	Steel		\$ 1,000,450	\$ -	\$ 1,081,200
2.1	Well House #1	2010 Oakland Ave.	2016	Pre-Cast	400	\$ 1,300,000	\$ -	\$ 1,307,800
19.8	Oxidation Ditch	2250 Broadway	2013			\$ 1,486,599	\$ 526,246	\$ 2,012,845
8.2	Water Tank - 1.5M Gal.	21215 Division St.	2000	Steel		\$ 1,969,450	\$ -	\$ 1,969,450
1.1	City Hall/PD/PW	1610 Plainfield Rd.	1948	Masonry	34,234	\$ 4,837,270	\$ 737,850	\$ 6,962,807
20.1	Public Works Facility	2090 Oakland Ave.	2020	Prefab Metal	44,537	\$ 9,000,000	\$ 142,000	\$ 9,197,200
						\$ 37,150,189	\$ 47,229,568	\$ 86,686,706