



# Office of the City Clerk

City Hall  
121 N. LaSalle St.  
Room 107  
Chicago, IL 60602  
www.chicityclerk.com

## Legislation Details (With Text)

**File #:** R2011-22  
**Type:** Resolution  
**File created:** 1/13/2011  
**Status:** Adopted  
**In control:** City Council  
**Final action:** 2/9/2011  
**Title:** Support of Class 6(b) tax incentive for property at 701 W Erie St  
**Sponsors:** Burnett, Jr., Walter  
**Indexes:** Class 6(b)  
**Attachments:** 1. R2011-22.pdf

Date	Ver.	Action By	Action	Result
2/9/2011	1	City Council		
2/7/2011	1	Committee on Economic, Capital and Technology Development	Recommended to Pass	Pass
1/13/2011	1	City Council	Referred	

### **RESOLUTION CLASS 6(B) REAL ESTATE TAX INCENTIVE FOR THE BENEFIT OF WATERSAVER FAUCET CO., AND REAL ESTATE LOCATED GENERALLY AT 701 W. ERIE IN CHICAGO, ILLINOIS PURSUANT TO COOK COUNTY, ILLINOIS REAL PROPERTY ASSESSMENT CLASSIFICATION ORDINANCE**

WHEREAS, the Cook County Board of Commissioners has enacted the Cook County Real Property Assessment Classification Ordinance, as amended from time to time (the "Ordinance"), which provides for, among other things, real estate tax incentives to property owners who build, rehabilitate, enhance and occupy property which is located within Cook County and which is used primarily for industrial purposes; and WHEREAS, the City of Chicago (the "City"), consistent with the Ordinance, wishes to induce industry to locate and expand in the City by supporting financial incentives in the form of property tax relief; and WHEREAS, WaterSaver Faucet Co., an Illinois corporation (the "Applicant"), is the beneficial owner of certain real estate located generally at 701 W. Erie, Chicago, Illinois 60610, as further described on Exhibit A hereto (the "Subject Property"); and WHEREAS, title to the Subject Property is held by Chicago Title Land Trust Company Trust No. 27694; and WHEREAS, the Applicant intends to rehabilitate its existing 79,200 square foot industrial facility and to construct an approximately 44,865 square foot addition thereto on the Subject Property; and WHEREAS, the Applicant has filed with the Office of the Assessor of Cook County (the "Assessor") an eligibility application for a Class 6(b) tax incentive under the Ordinance; and WHEREAS, the Subject Property is located within the River West Redevelopment Project Area (created pursuant to the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et. seq., as amended, and pursuant to an ordinance enacted by the City Council of the City), and the purposes of the River West TIF Redevelopment Project Area are also to provide certain incentives in order to stimulate economic activity and to revitalize depressed areas; and WHEREAS, it is the responsibility of the Assessor to determine that an application for a Class 6(b) classification or renewal of a Class 6(b) classification is eligible pursuant to the Ordinance; and WHEREAS, the Ordinance requires that, in connection with the filing of a Class 6(b) eligibility application with the Assessor, the applicant must obtain from the municipality in which such real estate that is proposed for Class 6(b) designation is located a resolution expressly stating that the municipality has determined that the incentive provided by Class 6(b) is

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necessary for development to occur on such real estate and that the municipality supports and consents to the

Class 6(b) classification by the Assessor; and

WHEREAS, the intended use of the Subject Property will provide significant present and future employment; and

WHEREAS, notwithstanding the Class 6(b) status of the Subject Property, the redevelopment and utilization thereof will generate significant new revenues to the City in the form of additional real estate taxes and other tax revenues; now therefore,

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:**

SECTION 1: That the City determines that the incentive provided by Class 6(b) is necessary for the development to occur on the Subject Property.

SECTION 2: That the City supports and consents to the Class 6(b) classification by the Assessor with respect to the Subject Property.

SECTION 3: That the Clerk of the City of Chicago is authorized to and shall send a certified copy of this resolution to the Office of the Cook County Assessor, Room 312, County Building, Chicago, Illinois 60602 and a certified copy of this resolution may be included with the Class 6(b) eligibility application filed with the Assessor by the Applicant, as applicant, in accordance with the Ordinance.

SECTION 4: That this resolution shall be effective immediately upon its passage and approval.

Honorable Walter W. Alderman, 27th Ward

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**EXHIBIT A**

**Legal Description of Subject Property:**

LOTS 1 THRU 5, BOTH INCLUSIVE, AND LOT 6 EXCEPT THE SOUTH 22 FEET THEREOF, IN BLOCK 76 OF RUSSELL, MATHER AND ROBERTS' ADDITION TO CHICAGO, BEING A SUBDIVISION OF THAT PART OF THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, LOTS 5 THRU 8, BOTH INCLUSIVE, AND PART OF LOTS 3 AND 4 IN THE SUBDIVISION OF LOTS 9 AND 10 IN BLOCK 76 OF RUSSELL, MATHER AND ROBERTS' ADDITION TO CHICAGO, PART OF LOTS 1, 4 AND 5 IN THE SUBDIVISION OF LOTS 11 AND 12 IN BLOCK 76 OF RUSSELL, MATHER AND ROBERTS' ADDITION TO CHICAGO, PART OF LOT 13 IN BLOCK 76 OF RUSSELL, MATHER AND ROBERTS' ADDITION TO CHICAGO, AND TOGETHER WITH PART OF THE SOUTH 30 FEET OF WEST ERIE STREET, PART OF THE WEST 30 FEET OF NORTH UNION AVENUE, AND THOSE PARTS OF THE 18 FOOT AND 20 FOOT WIDE ALLEYS WITHIN SAID BLOCK 76, VACATED BY ORDINANCE RECORDED OCTOBER 1, 2009 AS DOCUMENT NUMBER 0927445005, TAKEN AS A TRACT AND BEING FURTHER DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTH LINE OF BLOCK 76 AFORESAID, 65.91 FEET EAST OF THE NORTHWEST CORNER OF LOT 1 IN THE SUBDIVISION OF LOTS 9 AND 10. IN BLOCK 76 OF RUSSELL, MATHER AND ROBERTS' ADDITION TO CHICAGO, BEING ALSO THE SOUTH LINE OF SAID WEST ERIE STREET; THENCE NORTH 00°00'00" WEST 30.00 FEET TO A LINE 30.00 FEET NORTH OF AND PARALLEL WITH THE NORTH LINE OF SAID BLOCK 76; THENCE SOUTH 90°00'00" EAST 380.91 FEET TO A LINE 30.00 FEET EAST OF AND PARALLEL WITH THE EAST LINE OF BLOCK 76 AFORESAID; THENCE SOUTH 00°01'16" EAST ALONG SAID PARALLEL LINE, 248.00 FEET TO THE EASTERLY EXTENSION OF THE NORTH LINE OF THE SOUTH 22.00 FEET OF LOT 6 AFORESAID; THENCE NORTH 90°00'00" WEST ALONG SAID PARALLEL LINE, 246.01 FEET TO THE WEST LINE OF THE NORTH AND SOUTH 18 FOOT ALLEY IN BLOCK 76 AFORESAID; THENCE NORTH 00°00'08" EAST ALONG SAID WEST LINE 28.00 FEET; THENCE NORTH 33 DEGREES, 01 MINUTES, 14 SECONDS WEST, 119.27 FEET TO THE SOUTH LINE OF THE EAST AND WEST 20 FOOT ALLEY IN BLOCK 76 AFORESAID; THENCE NORTH 90°00'00" WEST, ALONG SAID SOUTH LINE, 35.37 FEET; THENCE NORTH 35°29'06" WEST, 8.03 FEET TO THE SOUTHERLY EXTENSION OF THE WEST LINE OF LOT 5 IN THE SUBDIVISION OF LOTS 9 AND 10 IN BLOCK 76 OF RUSSELL, MATHER AND ROBERTS' ADDITION TO CHICAGO, AFORESAID; THENCE NORTH 00°01'21" EAST ALONG SAID WEST LINE AND ITS EXTENSION, 28.46 FEET; THENCE NORTH 28°35'35" WEST, 62.64 FEET TO THE NORTH LINE OF SAID BLOCK 76 AND THE POINT OF BEGINNING; IN COOK COUNTY, ILLINOIS.

CONTAINING 78,559 SQUARE FEET (1.8035 ACRES) OF LAND, MORE OR LESS.

**Permanent Real Estate Tax Index Numbers (PINS) for the Subject Property:**

17-09-101-006 .  
17-09-101-007  
17-09-101-008  
17-09-101-013  
17-09-101-015  
17-09-101-017

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**CITY OF CHICAGO ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT**

**SECTION I - GENERAL INFORMATION**

**A. Legal name of the Disclosing Party submitting this EDS. Include dVb/a/ if applicable: WaterSaver Faucet Co.**

**Check ONE of the following three boxes:**

**Indicate whether the Disclosing Party submitting this EDS is:** . 1. ☒ the Applicant OR

2. ☐ a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest \_

OR

3. ☐ a legal entity with a right of control (see Section ILB.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: \_

**B. Business address of the Disclosing Party:** 701 West Erie Street \_

Chicago./ Illinois 60610

**C. Telephone:**312/666-5500 **Fax:** 312/666-8597 **Email:** wsflab.com <http://wsflab.com> \_

**D. Name of contact person:** Steven A. Kersten \_

**E. Federal Employer Identification No. (if you have one):** 36-2,478052 \_

**F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):**

Cook County Class 6(b) for project at 701 W. Erie Street TIF assistance for 701 W. Erie Street

**G. Which City agency or department is requesting this EDS?**\_. Dept. of Housing and

■ Economic Development

**If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:**

**Specification #\_ and Contract #\_**

Vcr. 0941-10

Page 1 of 13

**SECTION II - DISCLOSURE OF OWNERSHIP INTERESTS**

**A. NATURE OF THE DISCLOSING PARTY**

1. Indicate the nature of the Disclosing Party:

☐ Person ☐ Limited liability company

☐ Publicly registered business corporation ☐ Limited liability partnership

Privately held business corporation ☐ Joint venture

☐ Sole proprietorship ☐ Not-for-profit corporation

☐ General partnership (Is the not-for-profit corporation also a 501(c)(3))? ☐ Limited partnership ☐ Yes ☐ No

☐ Trust ☐ Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable: Illinois \_

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

☐ Yes ☐ No pd, N/A

**B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:**

1. List below the full names and titles of all executive officers and all directors of the entity. NOTE: For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members,

write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. NOTE: Each legal entity listed below must submit an EDS on its own behalf.

Name Title

sfrgygn a \_ ygrst-pn\_Presi riftnt and Pi rector\_

Priscilla L. Kersten Secretary/Treasurer and Director

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

Page 2 of 13

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." NOTE: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name Business Address Percentage Interest in the Disclosing Party

Steven A. Kersten 701 W. Erie Street\_97.1 %\_

Chicago, Illinois 60614

#### **SECTION III - BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS**

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

☐ Yes ☒ No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

#### **SECTION IV - DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES**

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself.

"Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Page 3 of 13

Name (indicate whether Business Relationship to Disclosing Party Fees (indicate whether retained or anticipated Address (subcontractor, attorney, paid or estimated.) NOTE: to be retained) lobbyist, etc.) "hourly rate" or "tb.d." is not an acceptable response.

Refer to schedule attached\_\_\_\_\_

(Add sheets if necessary)

☐ Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

#### **SECTION V - CERTIFICATIONS**

##### **A. COURT-ORDERED CHILD SUPPORT COMPLIANCE**

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ☐ Yes ☒ No ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ☐ Yes [ ☐ No

#### B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

Page 4 of 13

#### Economic Disclosure Statement and Affidavit

##### Section IV - Disclosure of Subcontractors and Other Retained Parties

All of the following have been retained to provide services in connection with this matter:

##### Name

Legal/Accounting/TIF John George Daley & George  
Charles Arbetter Gray Hunter Stenn  
Robert Rychlicki  
Kane, McKenna and Associates Inc.

##### **Business Address**

Two First National Plaza 20 S. Clark Street, Suite 400 Chicago, IL 60603-1903  
1200 Harger Road Suite 521  
Oak Brook, IL 60523-1819  
150 N. Wacker Drive Chicago, IL 60606

##### Relationship

Attorney  
Accountant TIF Consultant

##### **Estimated ESS**

100,000  
20,000  
50,000

Environmental Wayne Smith Pioneer Engineering & Environmental Services, Inc.  
700 N. Sacramento Boulevard Suite 101 Chicago, IL 60612  
Environmental Testing and Remediation  
2,000

##### Geotechnical Investigation/Material Testing

Michael Machalinski 457 E. Gunderson Drive Geotechnical Investigation/ 55,000  
Testing Service Corporation Carol Stream, IL 60188 Material Testing  
Building Design Michael Damore  
600 W. Fulton Street  
Architecture/Engineering 1,260,000

##### Name

Epstein  
Daniel J. O'Connor Schirmer Engineering  
Terry Rosenberger  
Medlin Communications, Inc.  
Peter Hugh

Hugh Lighting Design  
Lance McMasters Lerch Bates Inc.  
Mark Stanley  
Mark Stanley Landscape Architecture  
Sander Kaplan SKJN Architekten  
Construction Richard Tilghman Pepper Construction Co.  
LEED Certification Enviromental Systems Design

**Business Address**

Chicago, IL 60607  
1000 Milwaukee Avenue, 5th Floor Glenview, IL 60025  
16W235 83rd Street, Suite C Burr Ridge, IL 60527  
115 S. Marion Street, Suite 100 Oak Park, IL 60302  
100 W. Monroe Street, Suite 1600 Chicago, IL 60603  
450 Longcommon Road Riverside, IL 60546  
283 Scottswood Road Riverside, IL 60546  
643 N. Orleans Street Chicago, IL 60610-3690  
175 W. Jackson Boulevard, Suite 1400 Chicago, IL 60604

**Estimated**

**Relationship Fee**

Code Compliance Consulting 23,000  
Data/Security Design 25,000  
Lighting Design 7,000  
Facade Access Design 12,000  
Landscape Design 12,000  
Architecture/Engineering/ 500,000 Construction Management  
General Contractor 27,000,000  
Enhanced Commissioning 35,000 for Mechanical Systems

**2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section HB.1. of this EDS:**

- a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal state or local unit of government;**
- b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery, falsification or destruction of records; making false statements; or receiving stolen property;**
- c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;**
- d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and**
- e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.**

**3. The certifications in subparts 3,4 and 5 concern:**

◆ **the Disclosing Party;**

◆ **any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section TV, "Disclosure of Subcontractors and Other Retained Parties");**

◆ **any "Affiliated Entity" (meaning a person or entity mat, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of**

employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;

» any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Page 5 of 13

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ELCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

In 2003 and 2008/ WaterSaver Faucet Co. was cited by the Occupational Health and Safety Administration (OSHA) for violation of certain

OSHA regulations. Both citations resulted in settlements which included among tnings payments or tines or \$i,4uu.uu ana shu,uuu>oo flg rH gr.lngorl in trip mat\* 1 s attanh&fl T-mrptn {-refer tn "Tnfirml Settlement Agreement").

Page 6 of 13

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

### C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one) ☐ is ☒ is not a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

### D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

☐ Yes ☒ No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

Page 7 of 13

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

☐ Yes ☒ No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City-officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest
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4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee,

### E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

☒ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

☐ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance



policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

Page 8 of 13

#### SECTION VI - CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. If the Matter is not federally funded, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

##### A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

Page 9 of 13

##### B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

☐ Yes ☐ No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)

☐ Yes ☐ No .. - .....

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?

I/Yes ☐ No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?

☐ Yes ☐ No

If you checked "No" to question 1. or 2. above, please provide an explanation:

## SECTION VH - ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at [www.cityofchicago.org/Ethics](http://www.cityofchicago.org/Ethics) <<http://www.cityofchicago.org/Ethics>>, and may also be obtained from the City's Board of Ethics, 740 N.

Page 10 of 13

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS maybe made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. NOTE: With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing PERMANENT INELIGIBILITY for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

Page 11 of 13

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

### CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

WaterSaver Faucet Co. \_\_\_\_\_

(Print or type name of Disclosing Party)

(Sign here)

Steven A. Kersten (Print or type name of person signing)

President \_\_\_\_\_

(Print or type title of person signing)

Signed and sworn to before me on (date) (qL~" (

County,  
(state).

Notary Public.

Commission expires:.

Page 12 of 13

## CITY OF CHICAGO ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT APPENDIX A

**FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS**  
**This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant**

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section ILB.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company, (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

☐ Yes ☒ No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such

person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

Page 13 of 13

## U.S. Department of Labor

Occupational Safety and Health Administration

Calumet City Area Office

1600 167th Street, Suite 9

Calumet City, IL 60409

Phone: (708)891-3800 FAX: (708)862-9659

To:

Water Saver Faucet Co and its successors 701 W. Erie Chicago, IL 60610

Inspection Site: 701 W. Erie Chicago, IL 60610

This Citation and Notification of Penalty (this Citation) describes violations of the Occupational Safety and Health Act of 1970. The penalties listed herein is (are) based on these violations. You must abate the violations referred to in this Citation by the dates listed and pay the penalties proposed, unless within 15 working days (excluding weekends and Federal holidays) from your receipt of this Citation and Notification of Penalty you mail a notice of contest to the U.S. Department of Labor Area Office at the address shown above. Please refer to the enclosed, booklet (OSHA 3000) which outlines your rights and responsibilities and which should be read in conjunction with this form. Issuance of this Citation does not constitute a finding that a violation of the Act has occurred unless there is a failure to contest as provided for in the Act or, if contested, unless this Citation is affirmed by the Review Commission or a court.

Posting - The law requires that a copy of this Citation and Notification of Penalty be posted immediately in a prominent place at or near the location of the violations cited herein, or, if it is not practicable because of the nature of the employer's operations, where it will be readily observable by all affected employees. This Citation must remain posted until the violations cited herein have been abated, or for 3 working days (excluding weekends and Federal holidays), whichever is longer. The penalty dollar amounts need not be posted and may be marked out or covered up prior to posting.

Internet Posting - You should be aware that OSHA publishes information on its inspection and citation activity on the Internet under the provisions of the Electronic Freedom of Information Act. The information related to these alleged violations will be posted when our system indicates that you have received this citation, but not sooner than 30 calendar days after the Citation Issuance Date. You are encouraged to review the information concerning your establishment at [WWW.OSHA.GOV](http://WWW.OSHA.GOV) <<http://WWW.OSHA.GOV>>. If you have any dispute with the accuracy of the information displayed, please contact this office.

Inspection Number: 309022804 Inspection Date(s): 06/23/2005 -06/23/2005 Issuance Date: 06/30/2005"

## Citation and Notification of Penalty

Page 1 of 7

OSHA-2 (Rev. 6/93)

Informal Conference - An informal conference is not required. However, if you wish to have such a conference you may request one with the Area Director during the 15 working day contest period. During such an informal conference you may present any evidence or views which you believe would support an adjustment to the citation(s) and/or penalty(ies). If you are considering a request for an informal conference to discuss any issues related to this Citation and Notification of Penalty, you must take care to schedule it early enough to allow time to contest after the informal conference, should you decide to do so. Please keep in mind that a written letter of intent to contest must be submitted to the Area Director within 15 working days of your receipt of this Citation. The running of this contest period is not interrupted by an informal conference.

If you decide to request an informal conference, please complete, remove and post the page 4 Notice to Employees next to this Citation and Notification of Penalty as soon as the time, date, and place of the informal conference have been determined. Be sure to bring to the conference any and all supporting documentation of existing conditions as well as any abatement steps taken thus far. If conditions warrant, we can enter into an informal settlement agreement which amicably resolves this matter without litigation or contest. Please contact our office at 708-891-3800 to schedule an informal

conference.

Right to Contest - You have the right to contest this Citation and Notification of Penalty. You may contest all citation items or only individual items. You may also contest proposed penalties and/or abatement dates without contesting the underlying violations. Unless you inform the Area Director in writing that you intend to contest the citation(s) and/or proposed penalty(ies) within 15 working days after receipt of the citation(s) and the proposed penalty(ies) will become a final order of the Occupational Safety and Health Review Commission and may not be reviewed by any court or agency.

Penalty Payment - Penalties are due within 15 working days of receipt of this notification unless contested. (See the enclosed booklet and the additional information provided related to the Debt Collection Act of 1982.) Make your check or money order payable to "DOL-OSHA". Please indicate the Inspection Number on the remittance.

OSHA does not agree to any restrictions or conditions or endorsements put on any check or money order for less than the full amount due, and will cash the check or money order as if these restrictions, conditions, or endorsements do not exist.

Notification of Corrective Action - For violations which you do not contest, you must notify the U.S. Department of Labor Area Office promptly by letter that you have taken appropriate corrective action within the time frame set forth on this Citation. Please inform the Area Office in writing of the abatement steps you have taken and of their dates, together with adequate supporting documentation, e.g., drawings or photographs of corrected conditions, purchase/work orders related to abatement actions, air sampling results, etc.

Employer Incrimination Unlawful - The law prohibits discrimination by an employer against an employee for filing a complaint or for exercising any rights under this Act. An employee who believes that he/she has been discriminated against may file a complaint no later than 30 days after the discrimination occurred with the U.S. Department of Labor Area Office at the address shown above.

Employer Rights and Responsibilities - The enclosed booklet (OSHA 3000) outlines additional employer rights and responsibilities and should be read in conjunction with this notification.

Citation and Notification of Penalty

Page 2 of 7

OSHA-2(Rev. 6/93)

Notice to Employees - The law gives an employee or his/her representative the opportunity to object to any abatement date set for a violation if he/she believes the date to be unreasonable. The contest must be mailed to the U.S. Department of Labor Area Office at the address shown above and postmarked within 15 working days (excluding weekends and Federal holidays) of the receipt by the employer of this Citation and Notification of Penalty.

Citation and Notification of Penalty

Page 3 of 7

OSHA-2(Rev. 6/93)

## U.S. Department of Labor

Occupational Safety and Health Administration

### NOTICE TO EMPLOYEES OF INFORMAL CONFERENCE

An informal conference has been scheduled with OSHA to discuss the citation(s) issued on 06/30/2005. The conference will be held at the OSHA office located at Calumet City Area Office, 1600 167th Street, Suite 9, Calumet City, IL, 60409 on \_ at \_ . Employees and/or representatives of employees have a right to attend an informal conference.

Citation and Notification of Penalty

Page 4 of 7

OSHA-2(Rev. 6/93)

## U.S. Department of Labor

Occupational Safety and Health Administration

### Citation and Notification of Penalty

Company Name: Water Saver Faucet Co Inspection Site; 701 W. Erie, Chicago, IL 60610

Citation 1 Item 1 Type of Violation: Repeat

29 CFR 1910.212(a)(1): Machine guarding was not provided to protect operators) and other employees from hazard(s) created by rotating parts:

a. Bending area - On or about June 23, 2005, the Warner & Swasey lathe did not have the chuck guarded, thereby

exposing employees to the hazard of rotating parts.

b. First floor machine shop - On or about June 23, 2005, the Goss & DeLeeum 6 x 6 and 3/4 machine (#1-3) did not have a spindle guard, thereby exposing employees to the hazard of rotating parts.

The Water Saver Faucet Company was previously cited for a violation of this occupational Safety and Health standard or its equivalent standard 1910.212(a)(1) which contained in OSHA inspection number 303217754, citation number 1, item 1, issued on January 17, 2005, with respect to a workplace located at 701 W. Erie, Chicago, Illinois 60610.

See pages i through 4 of (his Citation and Notification of Penalty for information on employer and employee rights and responsibilities.

**Date By Which Violation Must be Abated; Proposed Penalty:**

08/17/2005 \$ 5600.00

Citation and Notification of Penalty

Page 5 of 7

OSHA-2 (Rev. 9/93)

U.S. Department of Labor Occupational Safety and Health Administration

### Citation and Notification of Penalty

Company Name Water Saver Faucet Co Inspection Site: 701 W. Erie, Chicago, IL 60610

Inspection Number: 309022804 Inspection Dates: 06/23/2005-06/23/2005 Issuance Date: 06/30/2005

The alleged violations below have been grouped because they involve similar or related hazards that may increase the potential for injury resulting from an accident.

Citation 2 Item 1a Type of Violation: Other

29 CFR 1910.147(c)(6)(ii): The employer had not certified that periodic inspections of the energy control procedures had been performed:

Shop area - On or about June 23, 2005, certification records were not available to show that periodic inspection of the energy control procedure had not been performed.

NOTE: 29 CFR 1903.19 REQUIRES THAT YOU PROVIDE CERTIFICATION AND DOCUMENTATION OF ABATEMENT FOR THIS ITEM.

**Date By Which Violation Must be Abated: 08/17/2005 Proposed Penalty: \$ 0.00**

See pages 1 through 4 of this Citation and Notification of Penalty for information on employer and employee rights and responsibilities. Citation and Notification of Penalty Page 6 of 7 OSHA-2 (Rev. 9/93)

U.S. Department of Labor

Occupational Safety and Health Administration

Inspection Number: 309022804 Inspection Dates: 06/23/2005-06/23/2005 Issuance Date: 06/30/2005

### Citation and Notification of Penalty

Company Name: Water Saver Faucet Co Inspection Site: 701 W. Erie, Chicago, IL 60610

Citation 2 Item 1b Type of Violation: Other

29 CFR 1910.147(c)(7)(iv): The employer had not certified that employee training had been accomplished and kept up to date:

Shop area - On or about June 23, 2005, Segmentation was not available to show authorized employees had been trained in lockout/tagout.

NOTE: 29 CFR 1903.19 REQUIRES THAT YOU PROVIDE CERTIFICATION AND DOCUMENTATION OF ABATEMENT FOR THIS ITEM.

**Date By Which Violation Must be Abated:**

08/17/2005

## *Mill*

Area Director

See pages 1 through 4 of this Citation and Notification of Penalty for information on employer and employee rights and responsibilities. Citation and Notification of Penalty Page 7 of 7 OSHA-2 (Rev. 9/93)

Calumet City Area Office 1600 167th Street, Suite 9 Calumet City, IL 60409

## U.S. Department of Labor

Occupational Safety and Health Administration

Phone: (708)891-3800 FAX: (708)862-9659

### INVOICE/ DEBT COLLECTION NOTICE

**Company Name:** Water Saver Faucet Co Inspection Site; 701 W. Erie, Chicago, IL 60610 **Issuance Date:** 06/30/2005 **Summary of Penalties for Inspection Number 309022804**

**Citation 1, Repeat Citation 2, Other**

#### TOTAL PROPOSED PENALTIES

**\* \$ 5600.00 « \$ 0.00 = \$ 5600.00**

To avoid additional charges, please remit payment promptly to this Area Office for the total amount of the uncontested penalties surrnanarized above. Make your check or money order payable to: "DOL-OSHA". Please indicate OSHA's Inspection Number (indicated above) on the remittance.

If a personal check is issued, it will be converted into an electronic fund transfer (EFT). This means chat our bank will copy your check and use the account information on it to electronically debit your account for tbe amount of the check. The debit from your account will then usually occur within 24 hours and will be shown on your regular account statement. You will not receive your original check back. The bank will destroy your original check, but will keep a copy of it. If the EFT cannot be completed because of insufficient funds or closed account, the bank will attempt to make the transfer up to 2 times.

Pursuant to the Debt Collection Act of 1982 (Public Law 97-365) and regulations of the U.S. Department of Labor (29 CFR Part 20), the Occupational Safery and Health Adnistrarion is required to assess interest, delinquent charges, and adrmnisrrative costs for the collection of delinquent penaly debts for violations of the Occupational Safery and Health Act.

Interest. Interest charges will be assessed at an annual rate determined by the Secretary of the Treasury on all penalty debt amounts not paid within one month (30 calendar days) of the date on which the debt amount becomes due and payable (penalty due date). The current interest rate is 196. Interest will accrue from the date on which the penalty amounts (as proposed or adjusted) become a final order of the Occupational Safety and Health Review Cornmission (that is, 15 working days from your receipt of the Citation and Notification of Penalty), unless you file a notice of contest. Interest charges will be waived if the full amount owed is paid within 30 calendar days of the final order.

Page 1 of 2

Delinquent Charges. A debt is considered delinquent if it has not been paid within one month (30 calendar days) of the penalty due date or if a satisfactory payment arrangement has not been made. If the debt remains delinquent for more than 90 calendar days, a delinquent charge of six percent (6%) per annum will be assessed accruing from the date that the debt became delinquent.

Administrative Costs. Agemcies of the Department of Labor are reojtired to assess additional charges for the recovery of delinquent debts. These additional charges are aotrdnistrative costs incurred by the Agency in its anempt to collect an unpaid debt. Administrative costs will be assessed for demand letters sent in an attempt to collect the unpaid debt.

Corrective action, taken by you for each alleged violation should be submitted to this office on or about the abatement dates indicated on the Citation and Notification of Penaly.

If the hazards itemized on this citation(s) are not abated/corrected and a follow-up inspection is conducted, your establishment may receive a Failure to Abate Citation for the uncorrected hazards with subsequent additional monetary penalties of up to thirty (30) times the original penally amount of the uncorrected hazards.

A work sheet has been provided to assist in providing the required abatement Safbtmation. A completed copy of tiis work sheet should be posted at the worksite with the Citation(s).

Area Director

Page 2 of 2

**U.S. Department of Labor**

July 21,2005

In the Matter of: Water Saver Faucet Co OSHANA(s): 309022804

OcctipaBorral Safety'and Health Adntintstrafori 16.00 1 671i Street. Suite 9 Calumet City, (L €0409 (708)'691 -3B00 (70S) 852 -.9559 (FAX)

### INFORMAL SETTLEMENT AGREEMENT

1. The Employer agrees to correct the violations as cited in the above citations or as amended below.
2. " The Employer agrees to pay the proposed penalties, if any, as Issued with the above citation(s), or, (if amended by this agreement, as amended" below.
3. The Employer and OSHA agree that the following citations and penalties are being amended as shown below. Citations and penalties not referenced below remain unchanged.  
Citation #1, Item #1 - violation classification amended to "Serious".  
The original penalty of \$5600.00 is modified to \$1400.00 and is payable and due by August 11, 2005.
4. The Employer, by signing this Informal settlement agreement, hereby waives its rights to contest "the above citation(s) and penalties, as amended in paragraph 3 above.
5. The Employer agrees to immediately post a copy of this Settlement Agreement in a prominent place at or near the location of the violation(s) referred to in paragraph 3 above. This Settlement Agreement must remain posted until the violations cited have been corrected, or for 3 working days (excluding weekends and Federal Holidays), whichever is longer.
6. Failure to pay the adjusted penalty will result in full penalty becoming due and payable,
7. The Employer agrees to continue to comply with the applicable provisions of the Occupational Safety and Health Act of 1970, and the applicable safety and health standards promulgated pursuant to the Act
8. By entering into the agreement, the Employer does not admit that it violated the cited standards for any litigation or purpose other than a subsequent proceeding under the Occupational Safety and Health Act

For the Employer Steven Kersten - President  
Occupational Safety and Health Administration Gary I. Anderson - Area Director

### **U.S. Department of Labor**

Occupational Safety and Health Administration  
Calumet City Area Office  
1600 167th Street, Suite 9  
Calumet City, IL 60409  
Phone: (708)891-3800 FAX: (708)862-9659

To:  
Water Saver Faucet Co and its successors 701 W. Erie Chicago, IL 60610  
Inspection Site: 701 W. Erie Chicago, IL 60610  
Inspection Number: Inspection Date(s): Issuance Date:  
311372189  
03/12/2008 -06/11/2008 07/11/2008

This Citation and Notification of Penalty (this Citation) describes violations of the Occupational Safety and Health Act of 1970. The penalty(ies) listed herein is (are) based on these violations. You must abate the violations referred to in this Citation by the dates listed and pay the penalties proposed, unless within 15 working days (excluding weekends and Federal holidays) from your receipt of this Citation and Notification of Penalty you mail a notice of contest to the U.S. Department of Labor Area Office at the address shown above. Please refer to the enclosed booklet (OSHA 3000) which outlines your rights and responsibilities and which should be read in conjunction with this form. Issuance of this Citation does not constitute a finding that a violation of the Act has occurred unless there is a failure to contest as provided for in the Act or, if contested, unless this Citation is affirmed by the Review Commission or a court.

Posting - The law requires that a copy of this Citation and Notification of Penalty be posted immediately in a prominent place at or near the location of the violation(s) cited herein, or, if it is not practicable because of the nature of the employer's operations, where it will be readily observable by all affected employees. This Citation must remain posted until the violation(s) cited herein has (have) been abated, or for 3 working days (excluding weekends and Federal holidays), whichever is longer. The penalty dollar amounts need not be posted and may be marked out or covered up prior to posting.

Internet Posting - You should be aware that OSHA publishes information on its inspection and citation activity on the Internet under the provisions of the Electronic Freedom of Information Act. The information related to these alleged violations will be posted when our system indicates that you have received this citation, but not sooner than 30 calendar



days after the Citation Issuance Date. You are encouraged to review the information concerning your establishment at [WWW.OSHA.GOV](http://WWW.OSHA.GOV) <<http://WWW.OSHA.GOV>>, If you have any dispute with the accuracy of the information displayed, please contact this office.

#### Citation and Notification of Penalty

Page 1 of 5

OSHA-I(Rev. 6/93)

**Informal Conference** - An informal conference is not required. However, if you wish to have such a conference you may request one with the Area Director during the 15 working day contest period. During such an informal conference you may present any evidence or views which you believe would support an adjustment to the citation(s) and/or penalty (ies). If you are considering a request for an informal conference to discuss any issues related to this Citation and Notification of Penalty, you must take care to schedule it early enough to allow time to contest after the informal conference, should you decide to do so. Please keep in mind that a written letter of intent to contest must be submitted to the Area Director within 15 working days of your receipt of this Citation. The running of this contest period is not interrupted by an informal conference.

If you decide to request an informal conference, please complete, remove and post the page 4 Notice to Employees next to this Citation and Notification of Penalty as soon as the time, date, and place of the informal conference have been determined. Be sure to bring to the conference any and all supporting documentation of existing conditions as well as any abatement steps taken thus far. If conditions warrant, we can enter into an informal settlement agreement which amicably resolves this matter without litigation or contest. Please contact our office at 708-891-3800 to schedule an informal conference.

**Right to Contest** - You have the right to contest this Citation and Notification of Penalty. You may contest all citation items or only individual items. You may also contest proposed penalties and/or abatement dates without contesting the underlying violations. Unless you inform the Area Director in writing that you intend to contest the citation(s) and/or proposed penalty(ies) within 15 working days after receipt of the citation(s) and the proposed penalty(ies) will become a final order of the Occupational Safety and Health Review Commission and may not be reviewed by any court or agency.

**Penalty Payment** - Penalties are due within 15 working days of receipt of this notification unless contested. (See the enclosed booklet and the additional information provided related to the Debt Collection Act of 1982.) Make your check or money order payable to "DOL-OSHA". Please indicate the Inspection Number on the remittance.

OSHA does not agree to any restrictions or conditions or endorsements put on any check or money order for less than the full amount due, and will cash the check or money order as if these restrictions, conditions, or endorsements do not exist.

**Notification of Corrective Action** - For violations which you do not contest, you must notify the U.S. Department of Labor Area Office promptly by letter that you have taken appropriate corrective action within the time frame set forth on this Citation. Please inform the Area Office in writing of the abatement steps you have taken and of their dates, together with adequate supporting documentation, e.g., drawings or photographs of corrected conditions, purchase/work orders related to abatement actions, air sampling results, etc.

**Employer Discrimination Unlawful** - The law prohibits discrimination by an employer against an employee for filing a complaint or for exercising any rights under this Act. An employee who believes that he/she has been discriminated against may file a complaint no later than 30 days after the discrimination occurred with the U.S. Department of Labor Area Office at the address shown above.

**Employer Rights and Responsibilities** - The enclosed booklet (OSHA 3000) outlines additional employer rights and responsibilities and should be read in conjunction with this notification.

#### Citation and Notification of Penalty

Page 2 of 5

OSHA-2(Rev. 6/93)

**Notice to Employees** - The law gives an employee or his/her representative the opportunity to object to any abatement date set for a violation if he/she believes the date to be unreasonable. The contest must be mailed to the U.S. Department of Labor Area Office at the address shown above and postmarked within 15 working days (excluding weekends and Federal holidays) of the receipt by the employer of this Citation and Notification of Penalty.

#### Citation and Notification of Penalty

Page 3 of 5

OSHA-2(Rev. 6/93)

## U.S. Department of Labor

Occupational Safety and Health Administration

Calumet City Area Office

1600 167ia Street, Suite 9  
Calumet City, IL 60409  
Phone: (708)891-3800 FAX; (708)862-9659

## INVOICE/ DEBT COLLECTION NOTICE

Company Name: Wafer Saver Faucet Co Inspection Site: 701W. Erie, Chicago, IL 60610 Issuance Date: 07/11/2008

**Summary of Penalties for Inspection Number 311372189**

**Citation 1, Willful = \$ 63000.00**

**TOTAL PROPOSED PENALTIES = \$ 63000.00**

To avoid additional charges, please remit payment promptly to this Area Office for the total amount of the uncontested penalties summarized above. Make your check or money order payable to: "DOL-OSHA". Please indicate OSHA's Inspection Number (indicated above) on the remittance.

OSHA does not agree to any restrictions or conditions or endorsements put on any check or money order for less than full amount due, and will cash the check or money order as if these restrictions, conditions, or endorsements do not exist. Pursuant to the Debt Collection Act of 1982 (Public Law 97-365) and regulations of the U.S. Department of Labor (29 CFR Part 20), the Occupational Safety and Health Administration is required to assess interest, delinquent charges, and administrative costs for the collection of delinquent penalty debts for violations of the Occupational Safety and Health Act.

Interest. Interest charges will be assessed at an annual rate determined by the Secretary of the Treasury on all penalty debt amounts not paid within one month (30 calendar days) of the date on which the debt amount becomes due and payable (penalty due date). The current interest rate is 5%. Interest will accrue from the date on which the penalty amounts (as proposed or adjusted) become a final order of the Occupational Safety and Health Review Commission (that is, 15 working days from your receipt of the Citation and Notification of Penalty), unless you file a notice of contest. Interest charges will be waived if the full amount owed is paid within 30 calendar days of the final order.

Page 1 of 2

Delinquent Charges;. A debt is considered delinquent if it has not been paid within one month (30 calendar days) of the penalty due date or if a satisfactory payment arrangement has not been made. If the debt remains delinquent for more than 90 calendar days, a delinquent charge of six percent (6%) per annum will be assessed accruing from the date that the debt became delinquent.

Administrative Costs. Agencies of the Department of Labor are required to assess additional charges for the recovery of delinquent debts. These additional charges are administrative costs incurred by the Agency in its attempt to collect an unpaid debt. Administrative costs will be assessed for demand letters sent in an attempt to collect the unpaid debt.

Area Director

Corrective action, taken by you for each alleged violation should be submitted to this office on or about the abatement dates indicated on the Citation and Notification of Penalty.

If the hazards itemized on this citations) are not abated/corrected and a follow-up inspection is conducted, your establishment may receive a Failure to Abate Citation for the uncorrected hazards with subsequent additional monetary penalties of up to thirty (30) times the original penalty amount of the uncorrected hazards.

A work sheet has been provided to assist in providing the required abatement information. A completed copy of this work sheet should be posted at the worksite with the Citation(s).

Page 2 of 2

## CERTIFICATION OF CORRECTIVE ACTION

Gary J. Anderson

U. S. Department of Labor - OSHA 1600 167th Street, Suite 9 Calumet City, IL 60409

Company Name: Address;

Water Saver Faucet Co

701 W. Erie, Chicago, IL 60610

Inspection No:

311372189

29 CFR 1903.19 required employers, within 10 days of the abatement date, to certify to OSHA each cited item has been corrected; except those items that were verified abated by the Compliance Officer. The employer must submit to the Area Director Documentation demonstrating that each willful and repeat violation and each serious violation identified "Documentation Required" on the Citation has been abated. Your certification must explain the specific action taken with regard to each cited item. This form was prepared to serve as a reminder and to aid you in submitting the required information. Brief terms such as "corrected" or "in compliance" are not acceptable. Documents needed to assure that corrective action has been taken include; photographs, videos, work orders, purchase orders, specifications (dimensions, materials, etc.) personal protective equipment, standard operating procedures, copies of any written programs, engineering controls, noise or atmospheric monitoring data or similar descriptions of what has been done. Since all citations are subject to follow-up action.

Citation Item

Number Number Instance Abatement Date and Action Taken

I attest that the information in this document is accurate and that a copy has been/will be posted for three (3) days.

Signature

-citation^ attuned to the Informal Settlement Agreement dated August 7, 2008, enclosed please find our check payable to "DOL - OSHA" in the amount of \$40,000.00. As we discussed at the informal conference, we have corrected the violation referred to in the citation in the following ways:

## O WaterSaver

August 21, 2008

Afe:gSa\$ra<-^^#^fe---- •

Mr. Gary Aj^e^n^5^g^T?v • - • Occupational Safety and Health Administration 1600 167<sup>th</sup> Street"; -

Calumet City 60409

Re: Citation and Notification of Penalty Inspection No. 311372189

Dear Mr. Anderson:

Pursuant to the terms of our Informal Settlement Agreement, dated August 7, 2008, enclosed please find our check payable to "DOL - OSHA" in the amount of \$40,000.00.

As we discussed at the informal conference, we have corrected the violation referred to in the citation in the following ways:

1. All aluminum manifold bars are now sent to an outside job shop for machining, so we no longer process this type of part in-house.
2. A cover has been installed on the back of the machine to prevent loading bars of any type from the exterior of the machine. This forecloses the possibility of the machine being run with a bar projecting out from the rear of

We remain committed to operating our factory in a safe and healthy manner for our employees, and are confident that a situation like this will never occur again. Thank you very much.

Sincerely,

Steven A-Kersten President

INNOVATIVE PRODUCTS FOR RESEARCH

WaterSaver Faucet 701W Erie St Chicago, IL 60654

312 6661500 ntnwM 312 666 5501 MtswW wsflaii.com <http://wsflaii.com>

INVOICE NO.	INVOICE DATE	DESCRIPTION	GROSS AMOUNT	DISCOUNT	NET AMOUNT
i' \	VENDOR E/C7/0S	C'QL-QSHA	40000.00	CHECK DATE .00	

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