

**CITY OF EVANSTON**

**TAX INCREMENT FINANCING DISTRICT NO. 5  
HOWARD RIDGE DISTRICT**

**ANNUAL REPORT FOR THE FISCAL YEAR  
BEGINNING JANUARY 1, 2014 AND ENDING DECEMBER 31, 2014**

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***CITY OF EVANSTON HOWARD AND RIDGE TIF DISTRICT ANNUAL REPORT FOR FISCAL YEAR  
BEGINNING JANUARY 1, 2014 AND ENDING DECEMBER 31, 2014***

**City of Evanston**

**Tax Increment Financing District No. 5  
Howard Ridge TIF District  
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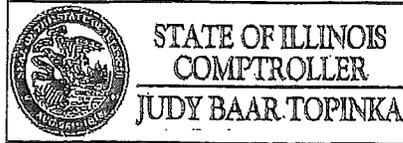
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**Section 1.** Name of Redevelopment Project Area and Contact Information

Refer to chart attached.

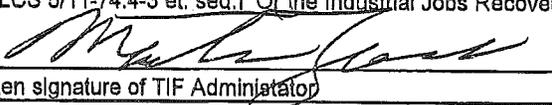
FY 2014  
ANNUAL TAX INCREMENT FINANCE  
REPORT



Name of Municipality: Evanston Reporting Fiscal Year: 2014  
 County: Cook Fiscal Year End: 12/31/2014  
 Unit Code: .016/175/30

**TIF Administrator Contact Information**

First Name: Martin Last Name: Lyons  
 Address: 2100 Ridge Avenue Title: Asst. City Manager/CFO  
 Telephone: 847/866-2934 City: Evanston Zip: 60201-2796  
 Mobile: \_\_\_\_\_ E-mail: mlyons@cityofevanston.org  
 Mobile Provider: \_\_\_\_\_ Best way to contact:  Email  Phone  
 \_\_\_\_\_  Mobile  Mail

I attest to the best of my knowledge, this report of the redevelopment project areas in: City/Village of  
 Evanston  
 is complete and accurate at the end of this reporting Fiscal year under the Tax Increment Allocation Redevelopment Act  
 [65 ILCS 5/11-74.4-3 et. seq.] Or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]  
  
 Written signature of TIF Administrator Date

**Section 1 (65 ILCS 5/11-74.4-5 (d) (1.5) and 65 ILCS 5/11-74.6-22 (d) (1.5)\*\*)**

FILL OUT ONE FOR EACH TIF DISTRICT		
Name of Redevelopment Project Area	Date Designated	Date Terminated
Downtown II TIF District (Research Park)-TIF1	1/28/1985	10/12/2009
Southwest TIF District- TIF 2	6/25/1990	10/27/2014
Howard Hartrey TIF District - TIF 3	4/27/1992	
Washington National TIF District - TIF 4	9/1/1994	
Howard and Ridge TIF District - TIF 5	1/26/2004	
West Evanston - TIF 6	9/1/2005	
Dempster Dodge TF District No. 7	6/25/2012	
Chicago Main TIF District No. 8	1/28/2013	

\*All statutory citations refer to one of two sections of the Illinois Municipal Code: the Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]

**SECTION 2 [Sections 2 through 5 must be completed for each redevelopment project area listed in Section 1.]**

**FY 2014**

<b>Name of Redevelopment Project Area:</b>	Howard Ridge TIF No. 5
<b>Primary Use of Redevelopment Project Area*:</b>	Combination Mixed
<b>If "Combination/Mixed" List Component Types:</b>	Retail Residential
<b>Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):</b>	
<b>Tax Increment Allocation Redevelopment Act <u>  x  </u></b>	<b>Industrial Jobs Recovery Law <u>      </u></b>

	No	Yes
Were there any amendments to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] <b>If yes, please enclose the amendment labeled Attachment A</b>	X	
Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)] <b>Please enclose the CEO Certification labeled Attachment B</b>		X
Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] <b>Please enclose the Legal Counsel Opinion labeled Attachment C</b>		X
Were there any activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented in the preceding fiscal year and a description of the activities undertaken? [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] <b>If yes, please enclose the Activities Statement labeled Attachment D</b>		X
Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] <b>If yes, please enclose the Agreement(s) labeled Attachment E</b>	X	
Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] <b>If yes, please enclose the Additional Information labeled Attachment F</b>	X	
Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] <b>If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G</b>	X	
Were there any reports or meeting minutes submitted to the municipality by the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] <b>If yes, please enclose the Joint Review Board Report labeled Attachment H</b>		X
Were any obligations issued by municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] <b>If yes, please enclose the Official Statement labeled Attachment I</b>	X	
Was analysis prepared by a financial advisor or underwriter setting forth the nature and term of obligation and projected debt service including required reserves and debt coverage? [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] <b>If yes, please enclose the Analysis labeled Attachment J</b>	X	
Cumulatively, have deposits equal or greater than \$100,000 been made into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2) <b>If yes, please enclose Audited financial statements of the special tax allocation fund labeled Attachment K</b>		X
Cumulatively, have deposits of incremental revenue equal to or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)] <b>If yes, please enclose a certified letter statement reviewing compliance with the Act labeled Attachment L</b>		X
A list of all intergovernmental agreements in effect in FY 2010, to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)] <b>If yes, please enclose list only of the intergovernmental agreements labeled Attachment M</b>	X	

\* Types include: Central Business District, Retail, Other Commercial, Industrial, Residential, and Combination/Mixed.

**Attachment A**          Amendments to the Redevelopment Plan, the Redevelopment Project  
and/or the Area Boundary

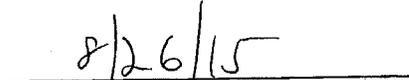
There were no amendments to the Redevelopment Plan or to the Redevelopment Project Area within the reporting Period.

**Attachment B** Certification of the Mayor of the municipality that the municipality has complied with all of the requirements of the Act during the reporting Period.

Re: Howard and Ridge TIF District

I, Elizabeth Tisdahl, the duly elected Mayor of the City of Evanston, County of Cook, State of Illinois, do hereby certify that to the best of my knowledge, the City of Evanston complied with the requirements pertaining to the Illinois Tax Increment Redevelopment Allocation Act during the Fiscal Year beginning January 1, 2014 and ending December 31, 2014.

  
MAYOR

  
DATE

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***CITY OF EVANSTON HOWARD AND RIDGE TIF DISTRICT ANNUAL REPORT FOR FISCAL YEAR  
BEGINNING JANUARY 1, 2014 AND ENDING DECEMBER 31, 2014***

**Attachment C** Opinion of legal counsel that the municipality has complied with the Act.

**RE: Attorney Review City of Evanston Howard and Ridge TIF District**

To Whom It May Concern:

This will confirm that I am the City Attorney for the City of Evanston, Illinois. I have reviewed all information provided to me by the City staff and consultants, and I find that the City of Evanston has conformed to all applicable requirements of the Illinois Tax Increment Redevelopment Allocation Act set forth thereunder for the Fiscal Year beginning January 1, 2014 and ending December 31, 2014 to the best of my knowledge and belief.

Sincerely,



Corporation Counsel

**Attachment D** Statement setting forth all activities undertaken in furtherance of the objectives of the Redevelopment Plan, including:

- A. Any project implemented during the reporting Period; and
- B. A description of the redevelopment activities undertaken.

The City continued to monitor the 195 unit rental housing development (located at 415 Howard St.). The City's role is to rebate all of the incremental real estate taxes through a redevelopment agreement to address certain TIF eligible extraordinary costs, but only upon achievement of a 90% occupancy level.

The City continued to monitor the project at 623 – 627 1/2 Howard ( Peckish One LLC). A City grant provided tenant improvements for up to \$200,000 as part of the renovation of the facilities and the 5 year lease of the property.

The City also authorized the City Manager to negotiate purchase real estate acquisitions at 717 Howard Street and 721-723 Howard Street as part of redevelopment activities undertaken in the TIF District.

**Attachment E** Description of Agreements Regarding Property Disposition or Redevelopment

No new agreements for redevelopment or disposition of property were entered into in the reporting fiscal year.

**Attachment F** Additional Information on Uses of Funds Related to Achieving Objectives of the Redevelopment Plan

The City continued to monitor the residential project implementation described in Attachment D. In addition to monitoring ongoing projects, the City also approved façade improvement agreements and a lease relating to the use of City owned property.

**Attachment G** Information Regarding Contracts with TIF Consultants.

The City utilized Kane, McKenna and Associates, Inc. in order to prepare the annual report. Fees were based upon hourly rates for services rendered and did not include contingent payments. Kane McKenna did not enter into contracts with any entities that were party to City redevelopment agreements.

**Attachment H**      Reports Submitted by Joint Review Board.

No reports were submitted by the Joint Review Board. The Board met on October 29, 2014. Minutes of the meeting are attached as Exhibit B.

**Attachment I** Summary of any obligations issued by the municipality and official statements

No new obligations were issued by the City in the reporting Period.

**Attachment J**      Financial Analysis: TIF Obligations

No financial analysis was undertaken in the reporting Period, as no new obligations or agreements were approved by the City.

## **Attachment K and L**

For special tax allocation funds that have experienced cumulative deposits of incremental tax revenues of \$100,000 or more, a certified audit report reviewing compliance with the Act performed by an independent public accountant certified and licensed by the authority of the State of Illinois. The audit report shall contain a letter from the independent certified public accountant indicating compliance or noncompliance with the requirements of subsection (q) of Section 11-74.4-3.

Relevant portions of the City's audit and the compliance letter are attached as Exhibit C.

**Attachment M** Intergovernmental Agreements

Not applicable.

**Section 3.1** Analysis of Special Tax Allocation Fund

Refer to table attached.

**SECTION 3.1 - (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))**

Provide an analysis of the special tax allocation fund.

FY 2014

TIF NAME: Howard Ridge TIF No. 5

Fund Balance at Beginning of Reporting Period \$ 388,617

Revenue/Cash Receipts Deposited in Fund During Reporting FY:	Reporting Year	Cumulative*	% of Total
Property Tax Increment	\$ 673,244	\$ 3,468,825	95%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ (1,724)	\$ 11,817	0%
Land/Building Sale Proceeds			0%
Bond Proceeds			0%
Transfers from Municipal Sources			0%
Private Sources			0%
Other (identify source _____; if multiple other sources, attach schedule)	\$ 61,932	\$ 159,721	4%

\*must be completed where 'Reporting Year' is populated

**Total Amount Deposited in Special Tax Allocation Fund During Reporting Period** \$ 733,452

**Cumulative Total Revenues/Cash Receipts** \$ 3,640,363 100%

**Total Expenditures/Cash Disbursements** (Carried forward from Section 3.2) \$ 826,950

**Distribution of Surplus**  

**Total Expenditures/Disbursements** \$ 826,950

**NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS** \$ (93,498)

**FUND BALANCE, END OF REPORTING PERIOD\*** \$ 295,119

\* if there is a positive fund balance at the end of the reporting period, you must complete Section 3.3

**SURPLUS\*/(DEFICIT)**(Carried forward from Section 3.3) \$ (764,881)

**Section 3.2** Itemized List of Expenditures from Special Tax Allocation Fund

Refer to tables attached.

SECTION 3.2 A- (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))

FY 2014

TIF NAME: Howard Ridge TIF No. 5

ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND  
(by category of permissible redevelopment cost, amounts expended during reporting period)

FOR AMOUNTS >\$10,000 SECTION 3.2 B MUST BE COMPLETED

Category of Permissible Redevelopment Cost [65 ILCS 5/11-74.4-3 (q) and 65 ILCS 5/11-74.6-10 (o)]	Amounts	Reporting Fiscal Year
<b>1. Costs of studies, administration and professional services—Subsections (q)(1) and (o) (1)</b>		
Consulting services	6,568	
TIF reimbursements	105,500	
Housing and Economic Development	544,086	
		\$ 656,154
<b>2. Cost of marketing sites—Subsections (q)(1.6) and (o)(1.6)</b>		
		\$ -
<b>3. Property assembly, demolition, site preparation and environmental site improvement costs. Subsection (q)(2), (o)(2) and (o)(3)</b>		
Property acquisition	176,032	
		\$ 176,032
<b>4. Costs of rehabilitation, reconstruction, repair or remodeling of existing public or private buildings. Subsection (q)(3) and (o)(4)</b>		
		\$ -
<b>5. Costs of construction of public works and improvements. Subsection (q)(4) and (o)(5)</b>		
Public improvements	3,304	
Adjustment - to prior charges	(9,358)	
Other public improvements	246	
		\$ (5,808)
<b>6. Costs of removing contaminants required by environmental laws or rules (o)(6) - Industrial Jobs Recovery TIFs ONLY</b>		
		\$ -



**SECTION 3.2 A**

**PAGE 3**

14. Costs of reimbursing private developers for interest expenses incurred on approved redevelopment projects. Subsection (q)(11)(A-E) and (o)(13)(A-E)		
		\$ -
15. Costs of construction of new housing units for low income and very low-income households. Subsection (q)(11)(F) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
16. Cost of day care services and operational costs of day care centers. Subsection (q) (11.5) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
<b>TOTAL ITEMIZED EXPENDITURES</b>		<b>\$ 826,950</b>



**Section 3.3** Special Tax Allocation Fund Balance (end of reporting period).

Refer to table attached.

**SECTION 3.3 - (65 ILCS 5/11-74.4-5 (d) (5) 65 ILCS 11-74.6-22 (d) (5))**

**Breakdown of the Balance in the Special Tax Allocation Fund At the End of the Reporting Period**

**FY 2014**

**TIF NAME: Howard Ridge TIF No. 5**

**FUND BALANCE, END OF REPORTING PERIOD** \$ 295,119

	Amount of Original Issuance	Amount Designated
<b>1. Description of Debt Obligations</b>		

**Total Amount Designated for Obligations** \$ - \$ -

**2. Description of Project Costs to be Paid**

Redevelopment Project Cost Reimbursements		\$ 60,000
Capital Improvements		\$ 1,000,000

**Total Amount Designated for Project Costs** \$ 1,060,000

**TOTAL AMOUNT DESIGNATED** \$ 1,060,000

**SURPLUS\*/(DEFICIT)** \$ (764,881)

\* NOTE: If a surplus is calculated, the municipality may be required to repay the amount to overlapping taxing

**Section 4.0** A description of all property purchased by the municipality within the Redevelopment Project Area including:

- A. Street Address
- B. Approximate size or description of property
- C. Purchase Price
- D. Seller of property

Copies of the purchase agreements are attached as Exhibit C.

**SECTION 4 [65 ILCS 5/11-74.4-5 (d) (6) and 65 ILCS 5/11-74.6-22 (d) (6)]**

**FY 2014**

**TIF NAME: Howard Ridge TIF No. 5**

Provide a description of all property purchased by the municipality during the reporting fiscal year within the redevelopment project area.

       **No property was acquired by the Municipality Within the Redevelopment Project Area**

**Property Acquired by the Municipality Within the Redevelopment Project Area**

Property (1):	
Street address:	721-723 Howard Street
Approximate size or description of property:	
Purchase price:	80,888.61
Seller of property:	BMO Harris Bank

Property (2):	
Street address:	717 Howard Street
Approximate size or description of property:	
Purchase price:	90,148.78
Seller of property:	Apex Mortgage Corporation

Property (3):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (4):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

**Section 5.0** Review of Public and Private Investment.

Refer to table attached.

## SECTION 5 - 65 ILCS 5/11-74.4-5 (d) (7) (G) and 65 ILCS 5/11-74.6-22 (d) (7) (G)

PAGE 1

FY 2014

TIF NAME: Howard Ridge TIF No. 5

SECTION 5 PROVIDES PAGES 1-3 TO ACCOMMODATE UP TO 25 PROJECTS. PAGE 1 MUST BE INCLUDED WITH TIF REPORT. PAGES 2-3 SHOULD BE INCLUDED ONLY IF PROJECTS ARE LISTED ON THESE PAGES

Check here if <b>NO</b> projects were undertaken by the Municipality Within the Redevelopment Project Area:			
<b>ENTER</b> total number of projects undertaken by the Municipality Within the Redevelopment Project Area and list them in detail below*.			4
<b>TOTAL:</b>	<b>11/1/99 to Date</b>	<b>Estimated Investment for Subsequent Fiscal Year</b>	<b>Total Estimated to Complete Project</b>
Private Investment Undertaken (See Instructions)	\$ 782,500	\$ -	\$ 782,500
Public Investment Undertaken	\$ 312,500	\$ -	\$ 312,500
Ratio of Private/Public Investment	2 1/2		2 1/2

**Project 1: \*IF PROJECTS ARE LISTED NUMBER MUST BE ENTERED ABOVE**

415 Howard			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

**Project 2:**

Ward Eight Wine Bar			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 100,000		\$ 100,000
Ratio of Private/Public Investment	0		0

**Project 3:**

607 Howard LLC			
Private Investment Undertaken (See Instructions)	\$ 12,500		\$ 12,500
Public Investment Undertaken	\$ 12,500		\$ 12,500
Ratio of Private/Public Investment	1		1

**Project 4:**

Peckish Pig			
Private Investment Undertaken (See Instructions)	\$ 770,000		\$ 770,000
Public Investment Undertaken	\$ 200,000		\$ 200,000
Ratio of Private/Public Investment	3 17/20		3 17/20

**Project 5:**

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

**Project 6:**

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0



**EXHIBIT A**

1/6/2014

**5-R-14**

**A RESOLUTION**

**Authorizing the City Manager to Negotiate  
a Contract for the Purchase of Real Property Located at  
721-723 Howard Street in Evanston, Illinois**

**WHEREAS**, the City of Evanston desires to purchase certain real property commonly known as 721-723 Howard Street, Evanston, Illinois 60202 (the "Subject Property") and legally described in Exhibit A to Exhibit 1; and

**WHEREAS**, the Subject Property is improved with a commercial building and occupied by commercial tenants; and

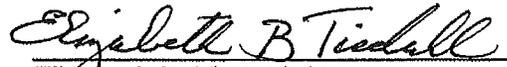
**WHEREAS**, the City Council of the City of Evanston has determined that the best interests of the City of Evanston would be served by executing a real estate contract with the seller, BMO Harris Bank (the "Seller") for the Subject Property,

**NOW BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY  
OF EVANSTON, COOK COUNTY, ILLINOIS:**

**SECTION 1:** The City Manager is hereby authorized and directed to execute, and the City Clerk hereby authorized and directed to attest, on behalf of the City, the Real Estate Contract (the "Agreement") as set forth in Exhibit 1, by and between BMO Harris Bank and the City of Evanston for the purchase of the Subject Property for a price not to exceed ninety-five thousand dollars (\$95,000.00).

**SECTION 2:** The City Manager is hereby authorized and directed to negotiate any additional conditions or terms of the Real Estate Contract as may be determined to be in the best interests of the City.

**SECTION 3:** That this Resolution 5-R-14 shall be in full force and effect from and after its passage and approval in the manner provided by law.

  
Elizabeth B. Tisdahl, Mayor

Attest:

  
Rodney Greene, City Clerk

Adopted: January 13, 2014

**EXHIBIT 1**  
**REAL ESTATE CONTRACT**

## REAL ESTATE CONTRACT

THIS REAL ESTATE CONTRACT ("Contract") is entered into as of the \_\_\_\_ day of January, 2014 ("Effective Date"), by and between BMO Harris Bank N.A. ("Seller"), and the City of Evanston ("Buyer").

In consideration of the covenants and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant and agree as follows:

1. **Property.** Seller hereby agrees to convey to Buyer and Buyer hereby agrees to purchase from Seller all of Seller's interest in the real property described on Exhibit A attached hereto and all improvements located thereon and all appurtenances thereto (the "Realty"), and Seller's interest, if any, in the personal property described on Exhibit B attached hereto (the "Personalty"). The Realty and Personalty are sometimes collectively referred to herein as the "Property". The Realty has a street address of 721-723 Howard Street, Evanston, Illinois 60202.

2. **Purchase Price.** The purchase price for the Property is Ninety-Five Thousand and no/100 Dollars (\$95,000.00) ("Purchase Price") and shall be paid as follows:

(a) Earnest money in the amount of Zero and 00/100 Dollars (\$0.00) shall be deposited by Buyer with the Title Company (defined in Section 5 below), by wire transfer of immediately available funds, within two (2) business days after the execution and delivery of this Contract. At Closing (as defined below), the entire earnest money amount will be disbursed to the Seller and applied to the Purchase Price, and will be reflected as a closing statement credit to the Buyer. Seller and Buyer agree to execute an Earnest Money Escrow Agreement if requested by the Title Company, which shall be in form and content reasonably acceptable to Buyer, Seller and the Title Company.

(b) The balance of the Purchase Price, subject to closing prorations and credits, shall be paid to Seller in cash by wire transfer of immediately available funds at the Closing.

3. **Seller's Representation and Warranty.** Seller hereby warrants and represents to Buyer that Seller has the authority necessary to enter into this Contract and comply with Seller's obligations hereunder.

The representation and warranty made by Seller in this Section 3 shall be true as of the Closing Date (as defined below) hereof and shall survive the Closing of this transaction for a period of one (1) year.

4. **Survey Contingency.** Buyer, at its sole expense, may obtain a survey (the "Survey") of the Realty prepared by a land surveying company registered in the same state as the Realty. If Buyer elects to obtain a Survey, Buyer agrees to (i) have such Survey certified to Seller, and (ii) provide Seller with a copy of such Survey at no cost or expense to Seller. Buyer shall have thirty (30) days from the Effective Date to obtain and deliver to Seller a copy of the Survey and, in writing any objection to a matter shown on the Survey which materially affects the Realty or Buyer's intended use of the Realty ("Survey Objections"). If within such thirty

(30) day period, Buyer fails to (a) obtain and deliver a copy of the Survey to Seller, and/or (b) deliver written notice of Survey Objections to Seller, then Buyer is deemed to have waived all rights to object to, is deemed to have approved, and shall accept title to the Realty subject to, any matters shown on the Survey (or that would be shown on a current, accurate and complete ALTA survey). If within such thirty (30) day period, Buyer obtains and delivers a copy of the Survey to Seller and delivers written notice of Survey Objections to Seller, Seller shall have five (5) business days after receipt of Buyer's objection notice to notify Buyer in writing what, if anything, Seller agrees to do to cure such Survey Objections. Failure of Seller to respond within said five (5) business day period shall indicate that Seller elects not to cure the Survey Objections. Seller shall have no obligation to cure any Survey Objections or incur any expense with respect thereto. Upon receipt of notice from Seller indicating that Seller elects not to pursue a cure of any Survey Objection, Buyer shall have two (2) business days after delivery of such notice from Seller to deliver notice to Seller terminating this Contract, in which event the earnest money shall be disbursed to Buyer and the parties shall have no further obligations hereunder except those provisions that expressly survive. If Buyer does not terminate this Contract pursuant to the immediately preceding sentence within said two (2) business day period, then Buyer is deemed to have waived all rights to object to, is deemed to have approved, and shall accept title to the Realty subject to such uncured Survey Objection(s). If Seller pursues a cure and is unable to cure the Survey Objections by the Closing Date, then Buyer shall have the option, as its sole right, to either terminate this Contract on the Closing Date (in which event the earnest money shall be disbursed to Buyer and the parties shall have no further obligations hereunder except those provisions that expressly survive), or close on the purchase of the Property with no Purchase Price reduction, in which case Buyer is deemed to have approved any uncured Survey Objections and waived any rights against Seller relating thereto.

**5. Title Contingency.** Promptly after the Effective Date, Seller shall deliver or cause to be delivered to Buyer a current commitment (the "Commitment") for an ALTA owner's title insurance policy for the Realty issued by a title agent selected by Seller using a nationally recognized title insurance underwriter (the "Title Company"). Buyer shall have five (5) business days after receipt of the Commitment to deliver to Seller in writing any objection to a matter shown on the Commitment which materially affects the Realty or Buyer's use of the Realty ("Title Objections"). If Buyer fails to deliver notice of Title Objections to Seller within said five (5) business day period, Buyer shall be deemed to have fully accepted the Commitment and all matters disclosed therein. If Buyer delivers notice of Title Objections to Seller within said five (5) business day period, Seller shall have ten (10) days after receipt of Buyer's objection notice (the "Title Cure Period") to notify Buyer in writing what, if anything, Seller agrees to do to cure the Title Objections. Failure of Seller to respond within the Title Cure Period shall indicate that Seller elects not to cure the Title Objections. Seller shall have no obligation to cure any Title Objection or incur any expense with respect thereto. If Seller elects not to cure one or more of the Title Objections, as Buyer's sole right, Buyer shall have two (2) business days after the end of the Title Cure Period to deliver notice to Seller terminating this Contract, in which event the earnest money shall be disbursed to Buyer and the parties shall have no further obligations hereunder except those provisions that expressly survive. If Buyer does not terminate this Contract during said two business day period, Buyer is deemed to have accepted any uncured Title Objections. If Seller pursues a cure and is unable to cure a Title Objection by the Closing Date, then Buyer shall have the option, as its sole right, to either terminate this Contract (in which event the earnest money shall be disbursed to Buyer and the parties shall have no further

obligations hereunder except those provisions that expressly survive), or close on the purchase of the Realty with no Purchase Price reduction, in which case Buyer is deemed to have accepted any uncured Title Objections and waived any rights against Seller relating thereto. Buyer shall make its election under the immediately preceding sentence within one (1) business day after Seller notifies Buyer that it was unable to cure one or more Title Objections. If Buyer does not terminate this Contract during said one (1) business day period, Buyer is deemed to have accepted any uncured Title Objections.

Notwithstanding anything to the contrary herein, the following matters shall be deemed "Permitted Exceptions" and Buyer shall have no right to object to any of said matters on the Commitment or Survey:

(a) municipal and zoning ordinances and agreements entered under them, agreements with any municipality regarding the development of the Property, building and use restrictions and covenants, and State and/or Federal statutes and regulations;

(b) recorded easements for the distribution of utility and municipal services;

(c) property taxes and special assessments levied in the year of closing and subsequent years;

(d) such other matters disclosed by the Survey, which are not objected to by Buyer within the 30-day period described in Section 4 above, or are waived or deemed waived or approved by Buyer pursuant to Section 4 above, or if Buyer does not obtain and deliver a copy of the survey to Seller within the 30-day period described in Section 4 above, then any matters that would be shown on a current accurate and complete ALTA survey;

(e) such other matters as disclosed by the Commitment and waived or accepted or deemed waived or accepted by Buyer pursuant to this Section 5;

(f) the standard or general exceptions contained in the Commitment;

(g) the rights of tenants in possession under leases to be assigned to Buyer at Closing (subject to Section 19 below); and

(h) acts done or suffered to be done by Buyer or its affiliates or anyone claiming by, through or under Buyer or its affiliates.

Buyer's obligation to purchase the Realty is conditioned upon the Title Company being prepared to issue, at Closing, a current, standard ALTA owner's title insurance policy (or a marked-up and binding commitment therefor), without extended coverage over the printed standard or general exceptions, in the amount of the Purchase Price allocated to the Realty insuring Buyer as the fee simple owner of the Realty as of the date of recording the deed, subject to the Permitted Exceptions ("Title Policy").

**6. Inspection Contingency.** During the fifteen (15) day period immediately following the Effective Date (the "Inspection Period"), Buyer, at its sole expense, may obtain an

inspection of all buildings and related improvements located on the Realty and/or a current Phase I environmental assessment of the Realty. Buyer shall not have the right to conduct any sampling or other invasive testing of the water, soil, air or building improvements on or beneath the Property without Seller's express prior written consent. Buyer shall repair any damage done to the Property by any such inspection. Buyer shall insure that any party entering onto the Realty for purposes of inspection maintains commercially reasonable liability insurance naming Seller as an additional insured, and upon request of Seller and prior to any such party entering onto the Realty, Buyer shall deliver to Seller a certificate of insurance evidencing that such insurance is in place. Buyer shall indemnify, defend and hold Seller harmless from and against any loss, cost, liability or expense Seller may incur resulting from any such inspection. Buyer shall have until the end of the Inspection Period to terminate this Contract by written notice to Seller resulting from Buyer's objection to any matter shown in an inspection report or Phase I environmental assessment, which materially affects the Realty or Buyer's intended use of the Realty. If Buyer does not deliver a written notice to Seller before the end of the Inspection Period terminating this Contract, then Buyer is deemed to have waived this inspection contingency and any right to object to the condition of the Property. In no event shall Seller be required to cure any matter to which the Buyer objects relating to the condition of the Property. If this Contract is terminated by Buyer for any reason other than a default by Seller, then, as a condition to the return of any earnest money deposited hereunder, Buyer shall, within five (5) business days after termination of this Contract, cause to be delivered to Seller copies of any and all non-proprietary reports, tests, results and analyses in Buyer's possession or under Buyer's control, including, but not limited to, all title reports, surveys, environmental reports, geotechnical analyses, and traffic reports, at no cost or expense to Seller. Seller's rights and Buyer's obligations under this Section 6 shall survive the Closing or any termination of this Contract.

**7. No Representations or Warranties; AS-IS Condition.**

(a) Buyer is hereby purchasing the Property in "AS-IS, WHERE-IS" condition and "with all faults", and agrees that it relies upon no warranties, representations or statements by Seller, or any other persons for Seller, in entering into this Contract or in closing the transactions described herein, except for the express representation and warranty set forth in Section 3 hereof. Buyer's closing on the acquisition of the Property shall constitute conclusive evidence that Buyer is satisfied with the condition of and title to the Property and has waived or satisfied Buyer's survey, title and inspection contingencies set forth in Sections 4 through 6 above. In closing and completing this transaction, Buyer will have relied exclusively upon its own inspections and reviews, and not upon any representation or warranty of Seller or its agents or employees except those expressly set forth in Section 3 above.

(b) Except for the express representation and warranty set forth in Section 3 hereof, Seller makes no warranties, representations or statements whatsoever, express or implied, concerning or relating to the Property, including without limitation: the income or expenses of the Property; zoning and building codes and other similar restrictions; availability or cost of utilities; the condition of the soils on the Property, the environmental condition of the Property; the presence or absence of any hazardous substances, hazardous materials, petroleum, or any substances regulated by federal, state or local law in, on or under the Property; compliance of the Property with any law,

regulation, ordinance or similar requirement, including without limitation the Americans with Disabilities Act; or the physical condition of the Property or any improvements thereon. Buyer acknowledges that no agents, employees, brokers or other persons are authorized to make any representations or warranties for Seller.

(c) Buyer acknowledges and agrees that any Personalty to be conveyed in this transaction from Seller to Buyer will be transferred by quit claim bill of sale, with no representation, warranty or guaranty, expressed or implied, regarding the condition of or the title to such Personalty, and Buyer further agrees to accept such Personalty in its "AS-IS/WHERE IS" condition at closing.

(d) Buyer (and any party claiming through or under Buyer) hereby agrees that following the Closing, Seller shall be fully and finally released from any and all claims or liabilities against the Seller relating to or arising on account of the condition of or title to the Property, including without limitation, any matters specifically referenced in this Contract. This Section 7(a) through (d) shall survive the Closing.

**8. Closing.** The closing of this transaction (the "Closing") shall take place within thirty (30) days after Seller's receipt of Buyer's notice of waiver of all of Buyer's contingencies pursuant to Section 19 below (the "Closing Date"), at the offices of the Title Company or at such other time and place as may be agreed upon by Buyer and Seller. At Closing, Buyer shall deliver to the Title Company by wire transfer to an account designated by the Title Company, immediately available funds in the amount of the Purchase Price, as adjusted by any prorations and closing costs provided for herein, and such affidavits, resolutions and other documents agreed between the parties, required for a legal conveyance of real estate in the state where the Realty is located or otherwise required by the Title Company to issue the Title Policy.

At the Closing, Seller shall deliver to the Title Company a Quit Claim Deed conveying Seller's interest in the Realty to Buyer, subject only to the Permitted Exceptions, a Quit Claim bill of sale conveying Seller's interest, if any, in the Personalty to Buyer, if applicable, an assignment of all leases encumbering the Realty in the form as that attached hereto as Exhibit C, if applicable, and such affidavits, resolutions and other documents agreed between the parties, required for a legal conveyance of real estate in the state where the Realty is located or otherwise required by the Title Company to issue the Title Policy. All prorations required hereunder shall be computed as of the Closing Date. Possession of the Property shall be delivered to Buyer on the Closing Date, subject to the Permitted Exceptions. Buyer shall pay for recording the deed. Seller shall pay the title insurance premium for the Title Policy to be issued to Buyer and gap coverage or endorsement charges. Buyer shall pay for all other endorsement charges and the title insurance premium for any loan policy, including endorsement charges related thereto. All escrow fees and Title Company closing charges shall be shared equally by Seller and Buyer, except Buyer shall pay any escrow fees and other charges related to Buyer's loan, if any. All other closing costs, including without limitation, state, county and municipal transfer taxes and other recording fees, shall be allocated as customary in the state and municipality in which the Realty is located.

**9. Taxes.**

(a) Taxes for Years Prior to Closing. Seller will pay in full all general real property taxes that are levied with respect to the Realty for tax years prior to the year of closing.

(b) Tax Challenges. If any tax challenge is ongoing with respect to the Realty for general real estate taxes levied for any tax years prior to the year of Closing, Seller will receive the full benefit of any refund arising out of such tax challenge. If any tax challenge commenced by Seller results in a reduction in taxes for the general real estate taxes levied for the year of Closing, the parties shall re-prorate taxes for the year of Closing upon receipt of the actual tax bill or adjusted tax bill. This Section 9(b) expressly survives Closing.

(c) Taxes for Current Year of Closing. All general real property taxes that are levied with respect to the Realty for the year of Closing will be prorated at the rate of 105% between Buyer and Seller as of the business day immediately prior to the Closing Date. If the precise amount of taxes levied for the year of Closing cannot be determined, then the proration shall be computed on the basis of the lesser of (i) the taxes on the Realty levied for the immediately preceding tax year; or (ii) an amount equal to the taxable valuation, if available, of the Property in the year of Closing multiplied by the prior tax year's total tax rate.

**10. Special Assessments.** At Closing Seller will pay all special assessments that were levied prior to the Effective Date. All special assessments levied after the Effective Date shall be paid exclusively by Buyer. Real estate taxes and special assessments shall not be re-prorated after the Closing, except as provided in Section 9(b), above. Prepaid expenses (including homeowner's association or similar assessments), if any, paid by Seller shall be prorated on a per diem basis as of the Closing Date, and Seller shall receive a payment at the Closing, in addition to the Purchase Price, equal to the allocated portion of such prepaid expenses attributable to periods on and after the Closing Date.

**11. Municipal Agreements.** Seller and Buyer agree that upon Closing, Buyer will assume any and all responsibilities and obligations under all existing development agreements, declarations, escrow agreements and other agreements affecting the Property. In addition, Buyer shall comply, at Buyer's sole expense, with all requirements imposed under any such agreement or by any state, federal or local governmental entity or agency including, without limitation, any requirement to construct infrastructure, construct improvements, install sidewalks and parkway trees and landscaping, and to escrow funds, post letters of credit or any other required security in connection with the development of the Property. On or before Closing, Buyer shall, at Buyer's sole expense, replace any funds or letters of credit deposited in connection with any such agreement or requirement. Buyer's failure to do so on or before the Closing Date shall be a default under this agreement. The parties agree that all development work is Buyer's sole responsibility and shall be performed at Buyer's sole cost and expense. Buyer shall indemnify, defend and hold Seller harmless from and against any and all losses, actions, liabilities, damages, costs and expenses, including reasonable attorneys' fees, incurred by Seller in connection with the failure by Buyer to observe or perform any of the obligations pursuant to this Section 11. Buyer and Seller agree that this paragraph shall be self-operative but, if requested by Seller, Buyer shall execute a document in recordable form evidencing the agreements set forth in this

Section. To the extent Seller, any of its affiliates, or any predecessor owner of the Property is entitled to a refund of any funds (including the proceeds of any letter of credit drawn upon) or other security deposited with respect to the Property before the Closing, any such refund shall be and remain the property of Seller or its applicable affiliate, and to the extent Buyer receives any such refund before or after the Closing, Buyer shall remit such refund to Seller or its affiliate within five (5) days after Buyer's receipt therefor. Seller's right and Buyer's obligations under this Section 11 shall survive the Closing.

**12. Condemnation.** If before the Closing, any of the Realty is condemned under the power of eminent domain, is the subject of a threatened condemnation, or is conveyed to a condemning authority in lieu of condemnation, Seller shall notify Buyer in writing of the threat, condemnation or conveyance within five (5) business days of its occurrence. Buyer shall within ten (10) days of the notice have the option of (a) proceeding with the Closing (without any reduction in the Purchase Price) and receiving the award or condemnation payment (or an assignment thereof, if the same is not received by Closing), or (b) canceling this Contract and receiving back the earnest money deposited, and the parties shall have no further obligations hereunder except those provisions that expressly survive.

**13. Indemnification.** Buyer shall indemnify, defend and hold Seller harmless from and against any and all losses, claims, actions, liabilities, damages, liens, costs and expenses, including reasonable attorneys' fees, incurred by Seller (or its agents, consultants or affiliates) arising out of or related to (i) any activities upon the Property by Buyer, its agents, contractors and employees, or (ii) the failure by Buyer to observe or perform any of its covenants, representations or obligations under this Contract. This Section 13 shall survive the Closing or termination of this Contract.

**14. Notices.** All notices required or permitted to be given hereunder shall be in writing and delivered by certified mail, postage prepaid, or by overnight delivery service, or shall be personally served or sent via facsimile with confirmation of transmission, to Buyer and Seller at the following addresses:

BUYER:                   City of Evanston  
                                  City Manager, Wally Bobkiewicz  
                                  2100 Ridge Avenue  
                                  Evanston, IL 60201

With a copy to:        City of Evanston  
                                  Corporation Counsel, W. Grant Farrar  
                                  2100 Ridge Avenue  
                                  Evanston, IL 60201

SELLER:                 BMO Harris Bank N.A.  
                                  770 North Water Street  
                                  Milwaukee, WI 53202  
                                  Attn: Commercial REO Group, 9<sup>th</sup> Floor  
                                  Facsimile: (414) 765-7410

With copies to:           Godfrey & Kahn, S.C.  
780 North Water Street  
Milwaukee, WI 53202  
Attn: Marvin C. Bynum II  
Facsimile: (414) 273-5198

Notices may be given on behalf of a party by their respective attorneys named above. All notices shall be deemed received either when actually received or three (3) days after posting (if mailed), one business day after deposit with the delivery service (if sent by overnight delivery), or when delivered (if personally delivered), or if sent by facsimile transmission, upon transmission as evidenced by the confirmation slip generated by the sender's facsimile machine. Either party may change the above addresses by written notice to the other.

**15. Default.** If before the Closing, Buyer defaults in the full and timely performance of any of its obligations hereunder, Seller shall be entitled to cancel this Contract and receive and retain the earnest money deposited hereunder as liquidated damages, the parties agreeing that in the event of a default hereunder before the Closing, actual damages would be impossible to calculate; provided, however, notwithstanding anything contained herein to the contrary, nothing contained in this Section 15 shall: (i) limit Seller's rights or remedies with respect to a breach or default by Buyer after the Closing or of a covenant or obligation that survives the Closing or a termination of this Contract; or (ii) limit Buyer's indemnification obligations under this Contract, and Seller shall be entitled to any and all rights and remedies available at law and/or in equity if Buyer defaults in the full and timely payment and performance of Buyer's indemnification obligations under this Contract, or any of Buyer's covenants or obligations after the Closing, or any covenant or obligation that survives the Closing or a termination of this Agreement. If Seller breaches any representation or warranty set forth in this Contract or defaults in the full and timely performance of any of its obligations hereunder, Buyer, as its sole and exclusive remedy, may elect to either terminate this Contract and receive a refund of the earnest money (in which case the parties shall have no further obligations hereunder except those provisions that expressly survive) or seek specific performance, provided that any action for specific performance must be commenced within forty-five (45) days after Buyer obtains knowledge of Seller's default. If no such action is commenced within said 45-day period, Buyer shall be deemed to have waived its right to bring or pursue an action for specific performance. Buyer hereby expressly waives, relinquishes and releases any other right or remedy available to it at law, in equity or otherwise by reason of Seller's default of its obligations hereunder, including, without limitation, any rights Buyer may have to bring an action to recover direct, consequential, punitive or any other damages.

**16. Real Estate Commissions.** Seller hereby represents and warrants that it has not engaged the services of any real estate agent, broker or firm in connection with the Property or this real estate transaction other than Re/MAX One Team ("Seller's Broker"). Seller hereby agrees to defend, indemnify and hold Buyer harmless from any and all loss, cost or expense from any claim for real estate commission made by any agent, broker or firm engaged by Seller in connection with the Property or this transaction. Buyer hereby represents and warrants that it has not engaged the services of any real estate agent, broker or firm in connection with the Property or this real estate transaction. Each party's rights and obligations under this Section 16 shall survive the Closing or any termination of this Contract.

**17. Entire Agreement.** This Contract contains the entire agreement between Seller and Buyer and there are no other terms, conditions, promises, understandings, statements or representations, express or implied, regarding the transaction contemplated hereby. This Contract may be amended only by a further written document signed by each of the parties.

**18. Assignment.** Buyer shall have the right to assign this Contract without Seller's prior written consent only to any entity owned and/or controlled by Buyer or its principals, provided that not less than five (5) business days before the Closing, Buyer gives notice of such assignment to Seller accompanied by reasonable evidence that the assignee is owned and/or controlled by Buyer. All other assignments shall require Seller's prior written consent, which may be withheld in Seller's sole discretion. Notwithstanding the foregoing, if this Contract is assigned by Buyer hereunder, Buyer shall remain jointly and severally liable, along with the assignee, for the Buyer's obligations under this Contract. Buyer shall cause any permitted assignee to acknowledge in writing that it will be bound by all of the terms and conditions of this Contract, with said acknowledgement set forth in a form subject to Seller's reasonable approval. This Section 18 shall survive the Closing or termination of this Contract.

**19. Leases.** Buyer acknowledges that, pursuant to a certain lease agreement (the "Lease"), the Realty is currently occupied by a third party tenant. Notwithstanding anything to the contrary in this Contract, Seller makes no representation or warranty regarding the validity of the Lease or the business operations or occupancy of the tenant under the Lease. Within two (2) business days of Seller's receipt of Buyer's notice of waiver of all of Buyer's contingencies under this Contract, Seller, in Seller's sole discretion, shall commence any or all of the following actions: (a) terminate the Lease, (b) cause the tenant under the Lease to cease business operations at the Realty, and/or vacate the Realty or any portion thereof, or (c) take any other action with respect to the Lease and/or the tenant under the Lease that Seller in good faith believes is in Seller's best interest. Buyer shall reasonably cooperate with Seller in such actions, to the extent reasonably deemed necessary by Seller. Notwithstanding the foregoing, Seller makes no representation or warranty that any such actions will cause the tenant under the Lease to cease business operations at the Realty, and/or vacate the Realty or any portion thereof on or before the Closing Date, and Buyer acknowledges that, despite any such actions by Seller, the tenant may not have ceased business operations at the Realty and/or vacated the Realty by the Closing Date. In addition, Seller shall not, at any time on or after the expiration of the Inspection Period, amend any Lease then in existence or enter into any new lease without Buyer's prior written approval, which approval shall not be unreasonably withheld, conditioned or delayed.

**20. Successors and Assigns.** Subject to Section 18 above, the provisions of this Contract shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors, assigns, executors, administrators and legal representatives.

**21. Captions.** The captions of the paragraphs in this Contract have been inserted for convenience of reference only and shall in no way modify or restrict any provision hereof or be used to construe any of the provisions hereof.

**22. Severability.** If any provision of this Contract is held invalid or unenforceable, the invalidity or unenforceability shall be limited to the particular provision(s) involved and shall not affect the validity or enforceability of the remaining provisions.

**23. Counterparts and Transmittal of Signatures.** This Contract may be executed in one or more counterparts, and all such executed counterparts shall constitute the same agreement. A signed copy of this Contract transmitted by facsimile or email shall be treated as an original and shall be binding against the party whose signature appears on such copy.

**24. Exculpation.** Buyer agrees to look solely to Seller's interest in the Property for the satisfaction of any liability or obligation arising under or in connection with this Contract, the transactions contemplated hereby or the documents executed pursuant hereto, or for the performance of any of the covenants, warranties or other agreements contained herein or therein, and Buyer shall not collect or attempt to collect any judgment or other amounts out of any assets of Seller other than Seller's interest in the Property. Further, Buyer agrees that it does not have and will not have any claims or causes of action against any disclosed or undisclosed officer, director, employee, trustee, shareholder, partner, member, principal, parent, subsidiary or other affiliate of Seller, or any officer, director, employee, trustee, shareholder, partner, member or principal of any such parent, subsidiary or other affiliate, arising under or in connection with this Contract, the transactions contemplated hereby or the documents executed pursuant hereto. The terms of this Section 24 shall survive the Closing and any termination of this Contract for any reason.

**25. Miscellaneous.**

(a) All questions with respect to the construction or interpretation of this Contract shall be determined in accordance with the laws of the State of Illinois, without regard to conflict of law rules. Time is of the essence of this Contract.

(b) If any date upon which action is required under this Contract shall be a Saturday, Sunday or legal holiday, the date for such action shall be extended to the first day after such date which is not a Saturday, Sunday or legal holiday.

[NO FURTHER TEXT ON THIS PAGE]

[SIGNATURE PAGE FOLLOWS IMMEDIATELY]

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be executed as of the day and year first above written.

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

**BUYER:**

CITY OF EVANSTON, an Illinois municipal corporation

By: \_\_\_\_\_  
Wally Bobkiewicz, City Manager

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

**SELLER:**

BMO HARRIS BANK N.A.,  
a national banking association

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT A**

**LEGAL DESCRIPTION OF THE PROPERTY**

LOTS 30 AND 31 IN BLOCK 8 IN BRUMMEL AND CASE HOWARD TERMINAL ADDITION, A SUBDIVISION OF ALL THAT PART OF THE NORTHWEST 1/4 OF SECTION 30, TOWNSHIP 41 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, COMMENCING AT THE SOUTHEAST CORNER OF SAID NORTHWEST 1/4 THENCE NORTH ON THE EAST LINE OF THE NORTHWEST 1/4 OF SAID SECTION 19, 19.65 CHAINS; THENCE WEST 19 CHAINS TO INTERSECTION WITH CENTER LINE OF RIDGE ROAD THENCE SOUTH 5 DEGREES 0 MINUTES EAST ON CENTER LINE OF RIDGE ROAD TO SOUTH LINE OF SOUTHEAST 1/4 OF NORTHWEST 1/4 THENCE EAST ON SOUTH LINE OF SOUTHEAST 1/4 OF NORTHWEST 1/4 14.99 CHAINS TO PLACE OF BEGINNING, (EXCEPT PUBLIC STREETS AND HIGHWAYS), IN COOK COUNTY, ILLINOIS.

P.I.N 11-30-124-024-0000 AND 11-30-124-025-0000

Commonly known: 721-723 Howard Street, Evanston, IL 60202.

**EXHIBIT B**

**PERSONAL PROPERTY**

All personal property, if any, located on the Realty (other than any personal property owned by a tenant, as applicable)

**EXHIBIT C**  
**ASSIGNMENT OF LEASES**

10700497.2

7/21/2014

**56-R-14**

**A RESOLUTION**

**Authorizing the City Manager to Negotiate  
a Contract for the Purchase of Real Property Located at  
717 Howard Street in Evanston, Illinois**

WHEREAS, the City of Evanston desires to purchase certain real property commonly known as 717 Howard Street, Evanston, Illinois 60202 (the "Subject Property") and legally described in Exhibit A to Exhibit 1;

WHEREAS, the Subject Property is improved with a commercial building with no existing commercial tenants; and

WHEREAS, the City Council of the City of Evanston has determined that the best interests of the City of Evanston would be served by executing a real estate contract with the seller, APEX Mortgage Corporation (the "Seller") for the Subject Property,

**NOW BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY  
OF EVANSTON, COOK COUNTY, ILLINOIS:**

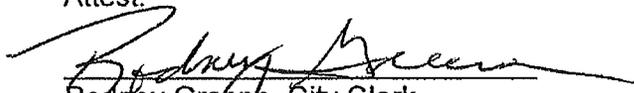
**SECTION 1:** The City Manager is hereby authorized and directed to execute, and the City Clerk hereby authorized and directed to attest, on behalf of the City, the Real Estate Contract (the "Agreement") as set forth in Exhibit 1, by and between APEX Mortgage Corporation and the City of Evanston for the purchase of the Subject Property for a price not to exceed ninety-seven thousand and five-hundred and no/100 dollars (\$97,500.00).

**SECTION 2:** The City Manager is hereby authorized and directed to negotiate any additional conditions or terms of the Real Estate Contract as may be determined to be in the best interests of the City.

**SECTION 3:** That this Resolution 56-R-14 shall be in full force and effect from and after its passage and approval in the manner provided by law.

  
Elizabeth B. Tisdahl, Mayor

Attest:

  
Rodney Greene, City Clerk

Adopted: July 28, 2014

**EXHIBIT 1**  
**REAL ESTATE CONTRACT**

## REAL ESTATE CONTRACT

THIS REAL ESTATE CONTRACT ("Contract") is entered into as of the \_\_\_ day of \_\_\_\_\_, 2014 ("Effective Date"), by and between APEX Mortgage Corporation ("Seller"), and the City of Evanston ("Buyer").

In consideration of the covenants and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant and agree as follows:

**1. Property.** Seller hereby agrees to convey to Buyer and Buyer hereby agrees to purchase from Seller all of Seller's interest in the real property described on Exhibit A attached hereto and all improvements located thereon and all appurtenances thereto (the "Realty"), and Seller's interest, if any, in the personal property described on Exhibit B attached hereto (the "Personalty"). The Realty and Personalty are sometimes collectively referred to herein as the "Property". The Realty has a street address of 717 Howard Street, Evanston, Illinois 60202.

**2. Purchase Price.** The purchase price for the Property is Ninety-Seven Thousand and Five-Hundred and 00/100 Dollars (\$97,500.00) ("Purchase Price") and shall be paid as follows:

(a) The amount of Five Thousand and 00/100 Dollars (\$5,000.00) shall be deposited by wire transfer within 5 days of the Effective Date; and

(b) The balance of the Purchase Price, subject to closing prorations and credits, shall be paid to Seller in cash by wire transfer of immediately available funds at the Closing.

**3. Seller's Representation and Warranty.** Seller hereby warrants and represents to Buyer that Seller has the authority necessary to enter into this Contract and comply with Seller's obligations hereunder.

The representation and warranty made by Seller in this Section 3 shall be true as of the Closing Date (as defined below) hereof and shall survive the Closing of this transaction for a period of one (1) year.

**4. Survey Contingency.** Buyer, at its sole expense, shall obtain a survey (the "Survey") of the Realty prepared by a land surveying company registered in the same state as the Realty within fourteen (14) days of the Effective Date of this Contract. Buyer agrees to (i) have such Survey certified to the Title Company and to the Buyer, and (ii) provide Seller with a copy of such Survey. Buyer shall have three (3) days from the Effective Date to obtain and deliver to Seller a copy of the Survey and, in writing any objection to a matter shown on the Survey which materially affects the Realty or Buyer's intended use of the Realty ("Survey Objections"). If within such three (3) day period, Buyer fails to (a) obtain and deliver a copy of the Survey to Buyer, and/or (b) deliver written notice of Survey Objections to Seller, then Buyer is deemed to have waived all rights to object to, is deemed to have approved, and shall accept title to the Realty subject to, any matters shown on the Survey (or that would be shown on a current, accurate and complete ALTA survey). If within such three (3) day period, Buyer obtains and

delivers a copy of the Survey to Seller and delivers written notice of Survey Objections to Seller, Seller shall have five (5) business days after receipt of Buyer's objection notice to notify Buyer in writing what, if anything, Seller agrees to do to cure such Survey Objections. Failure of Seller to respond within said five (5) business day period shall indicate that Seller elects not to cure the Survey Objections. Seller shall have no obligation to cure any Survey Objections or incur any expense with respect thereto. Upon receipt of notice from Seller indicating that Seller elects not to pursue a cure of any Survey Objection, Buyer shall have two (2) business days after delivery of such notice from Seller to deliver notice to Seller terminating this Contract, in which event the earnest money shall be disbursed to Buyer and the parties shall have no further obligations hereunder except those provisions that expressly survive. If Buyer does not terminate this Contract pursuant to the immediately preceding sentence within said two (2) business day period, then Buyer is deemed to have waived all rights to object to, is deemed to have approved, and shall accept title to the Realty subject to such uncured Survey Objection(s). If Seller pursues a cure and is unable to cure the Survey Objections by the Closing Date, then Buyer shall have the option, as its sole right, to either terminate this Contract on the Closing Date (in which event the earnest money shall be disbursed to Buyer and the parties shall have no further obligations hereunder except those provisions that expressly survive), or close on the purchase of the Property with no Purchase Price reduction, in which case Buyer is deemed to have approved any uncured Survey Objections and waived any rights against Seller relating thereto.

**5. Title Contingency.** Promptly after the Effective Date, Seller shall deliver or cause to be delivered to Buyer a current commitment (the "Commitment") for an ALTA owner's title insurance policy for the Realty issued by a title agent selected by Seller using a nationally recognized title insurance underwriter (the "Title Company"). Buyer shall have five (5) business days after receipt of the Commitment to deliver to Seller in writing any objection to a matter shown on the Commitment which materially affects the Realty or Buyer's use of the Realty ("Title Objections"). If Buyer fails to deliver notice of Title Objections to Seller within said five (5) business day period, Buyer shall be deemed to have fully accepted the Commitment and all matters disclosed therein. If Buyer delivers notice of Title Objections to Seller within said five (5) business day period, Seller shall have ten (10) days after receipt of Buyer's objection notice (the "Title Cure Period") to notify Buyer in writing what, if anything, Seller agrees to do to cure the Title Objections. Failure of Seller to respond within the Title Cure Period shall indicate that Seller elects not to cure the Title Objections. Seller shall have no obligation to cure any Title Objection or incur any expense with respect thereto. If Seller elects not to cure one or more of the Title Objections, as Buyer's sole right, Buyer shall have two (2) business days after the end of the Title Cure Period to deliver notice to Seller terminating this Contract, in which event the earnest money shall be disbursed to Buyer and the parties shall have no further obligations hereunder except those provisions that expressly survive. If Buyer does not terminate this Contract during said two business day period, Buyer is deemed to have accepted any uncured Title Objections. If Seller pursues a cure and is unable to cure a Title Objection by the Closing Date, then Buyer shall have the option, as its sole right, to either terminate this Contract (in which event the earnest money shall be disbursed to Buyer and the parties shall have no further obligations hereunder except those provisions that expressly survive), or close on the purchase of the Realty with no Purchase Price reduction, in which case Buyer is deemed to have accepted any uncured Title Objections and waived any rights against Seller relating thereto. Buyer shall make its election under the immediately preceding sentence within one (1) business day after Seller notifies Buyer that it was unable to cure one or more Title Objections. If Buyer does not

terminate this Contract during said one (1) business day period, Buyer is deemed to have accepted any uncured Title Objections.

Notwithstanding anything to the contrary herein, the following matters shall be deemed "Permitted Exceptions" and Buyer shall have no right to object to any of said matters on the Commitment or Survey:

(a) municipal and zoning ordinances and agreements entered under them, agreements with any municipality regarding the development of the Property, building and use restrictions and covenants, and State and/or Federal statutes and regulations;

(b) recorded easements for the distribution of utility and municipal services;

(c) property taxes and special assessments levied in the year of closing and subsequent years;

(d) such other matters disclosed by the Survey, which are not objected to by Buyer within the 7-day period described in Section 4 above, or are waived or approved or deemed waived or approved by Buyer pursuant to Section 4 above, or if Buyer does not obtain and deliver a copy of the survey to Seller within the 7-day period described in Section 4 above, then any matters that would be shown on a current accurate and complete ALTA survey;

(e) such other matters as disclosed by the Commitment and waived or accepted or deemed waived or accepted by Buyer pursuant to this Section 5;

(f) the standard or general exceptions contained in the Commitment;

(g) the rights of tenants in possession under leases to be assigned to Buyer at Closing, however Seller shall use all reasonable efforts to terminate any and all existing leases for the current tenants prior to Closing by serving a 30-day notice of cancellation of leases on each tenant of the Premises within 5 business days of the signing of this Contract; and

(h) acts done or suffered to be done by Buyer or its affiliates or anyone claiming by, through or under Buyer or its affiliates.

Buyer's obligation to purchase the Realty is conditioned upon the Title Company being prepared to issue, at Closing, a current, standard ALTA owner's title insurance policy (or a marked-up and binding commitment therefor), without extended coverage over the printed standard or general exceptions, in the amount of the Purchase Price allocated to the Realty insuring Buyer as the fee simple owner of the Realty as of the date of recording the deed, subject to the Permitted Exceptions ("Title Policy").

**6. Inspection Contingency.** During the fifteen (15) day period immediately following the Effective Date (the "Inspection Period"), Buyer, at its sole expense, may obtain an inspection of all buildings and related improvements located on the Realty and/or a current Phase I environmental assessment of the Realty. Buyer shall not have the right to conduct any

sampling or other invasive testing of the water, soil, air or building improvements on or beneath the Property without Seller's express prior written consent. Buyer shall repair any damage done to the Property by any such inspection. Buyer shall insure that any party entering onto the Realty for purposes of inspection maintains commercially reasonable liability insurance naming Seller as an additional insured, and upon request of Seller and prior to any such party entering onto the Realty, Buyer shall deliver to Seller a certificate of insurance evidencing that such insurance is in place. Buyer shall indemnify, defend and hold Seller harmless from and against any loss, cost, liability or expense Seller may incur resulting from any such inspection. Buyer shall have until the end of the Inspection Period to terminate this Contract by written notice to Seller resulting from Buyer's objection to any matter shown in an inspection report or Phase I environmental assessment, which materially affects the Realty or Buyer's intended use of the Realty. If Buyer does not deliver a written notice to Seller before the end of the Inspection Period terminating this Contract, then Buyer is deemed to have waived this inspection contingency and any right to object to the condition of the Property. In no event shall Seller be required to cure any matter to which the Buyer objects relating to the condition of the Property. If this Contract is terminated by Buyer for any reason other than a default by Seller, then, as a condition to the return of any earnest money deposited hereunder, Buyer shall, within five (5) business days after termination of this Contract, cause to be delivered to Seller copies of any and all non-proprietary reports, tests, results and analyses in Buyer's possession or under Buyer's control, including, but not limited to, all title reports, surveys, environmental reports, geotechnical analyses, and traffic reports, at no cost or expense to Seller. Seller's rights and Buyer's obligations under this Section 6 shall survive the Closing or any termination of this Contract.

**7. No Representations or Warranties; AS-IS Condition.**

(a) Buyer is hereby purchasing the Property in "AS-IS, WHERE-IS" condition and "with all faults", and agrees that it relies upon no warranties, representations or statements by Seller, or any other persons for Seller, in entering into this Contract or in closing the transactions described herein, except for the express representation and warranty set forth in Section 3 hereof. Buyer's closing on the acquisition of the Property shall constitute conclusive evidence that Buyer is satisfied with the condition of and title to the Property and has waived or satisfied Buyer's survey, title and inspection contingencies set forth in Sections 4 through 6 above. In closing and completing this transaction, Buyer will have relied exclusively upon its own inspections and reviews, and not upon any representation or warranty of Seller or its agents or employees except those expressly set forth in Section 3 above.

(b) Except for the express representation and warranty set forth in Section 3 hereof, Seller makes no warranties, representations or statements whatsoever, express or implied, concerning or relating to the Property, including without limitation: the income or expenses of the Property; zoning and building codes and other similar restrictions; availability or cost of utilities; the condition of the soils on the Property, the environmental condition of the Property; the presence or absence of any hazardous substances, hazardous materials, petroleum, or any substances regulated by federal, state or local law in, on or under the Property; compliance of the Property with any law, regulation, ordinance or similar requirement, including without limitation the Americans with Disabilities Act; or the physical condition of the Property or any improvements

thereon. Buyer acknowledges that no agents, employees, brokers or other persons are authorized to make any representations or warranties for Seller.

(c) Buyer acknowledges and agrees that any Personalty to be conveyed in this transaction from Seller to Buyer will be transferred by quit claim bill of sale, with no representation, warranty or guaranty, expressed or implied, regarding the condition of or the title to such Personalty, and Buyer further agrees to accept such Personalty in its "AS-IS/WHERE IS" condition at closing.

(d) Buyer (and any party claiming through or under Buyer) hereby agrees that following the Closing, Seller shall be fully and finally released from any and all claims or liabilities against the Seller relating to or arising on account of the condition of or title to the Property, including without limitation, any matters specifically referenced in this Contract. This Section 7(a) through (d) shall survive the Closing.

**8. Closing.** The closing of this transaction (the "Closing") shall take place on the 15th day of August, 2014 (the "Closing Date"), at the offices of the Title Company or at such other time and place as may be agreed upon by Buyer and Seller. At Closing, Buyer shall deliver to the Title Company by wire transfer to an account designated by the Title Company, immediately available funds in the amount of the Purchase Price, as adjusted by any prorations and closing costs provided for herein, and such affidavits, resolutions and other documents agreed between the parties, required for a legal conveyance of real estate in the state where the Realty is located or otherwise required by the Title Company to issue the Title Policy.

At the Closing, Seller shall deliver to the Title Company a Quit Claim Deed conveying Seller's interest in the Realty to Buyer, subject only to the Permitted Exceptions, a Quit Claim bill of sale conveying Seller's interest, if any, in the Personalty to Buyer, if applicable, an assignment of all leases encumbering the Realty in the form as that attached hereto as Exhibit C, if applicable, and such affidavits, resolutions and other documents agreed between the parties, required for a legal conveyance of real estate in the state where the Realty is located or otherwise required by the Title Company to issue the Title Policy. All prorations required hereunder shall be computed as of the Closing Date. Possession of the Property shall be delivered to Buyer on the Closing Date, subject to the Permitted Exceptions. Buyer shall pay for recording the deed. Seller shall pay the title insurance premium for the Title Policy to be issued to Buyer and gap coverage or endorsement charges. Buyer shall pay for all other endorsement charges and the title insurance premium for any loan policy, including endorsement charges related thereto. All escrow fees and Title Company closing charges shall be shared equally by Seller and Buyer, except Buyer shall pay any escrow fees and other charges related to Buyer's loan, if any. All other closing costs, including without limitation, state, county and municipal transfer taxes and other recording fees, shall be allocated as customary in the state and municipality in which the Realty is located.

**9. Taxes.**

(a) Taxes for Years Prior to Closing. Seller will pay in full all general real property taxes that are levied with respect to the Realty for tax years prior to the year of closing.

(b) Tax Challenges. If any tax challenge is ongoing with respect to the Realty for general real estate taxes levied for any tax years prior to the year of Closing, Seller will receive the full benefit of any refund arising out of such tax challenge. If any tax challenge commenced by Seller results in a reduction in taxes for the general real estate taxes levied for the year of Closing, the parties shall re-prorate taxes for the year of Closing upon receipt of the actual tax bill or adjusted tax bill. This Section 9(b) expressly survives Closing.

(c) Taxes for Current Year of Closing. All general real property taxes that are levied with respect to the Realty for the year of Closing will be prorated at the rate of 105% between Buyer and Seller as of the business day immediately prior to the Closing Date based on the estimated reduced value contained within the Cook County Assessor's Office Tax Appeal determination letter dated June 25, 2014. If the precise amount of taxes levied for the year of Closing cannot be determined, then the proration shall be computed on the basis of the lesser of (i) the taxes on the Realty levied for the immediately preceding tax year; or (ii) an amount equal to the taxable valuation, if available, of the Property in the year of Closing multiplied by the prior tax year's total tax rate.

**10. Special Assessments.** At Closing Seller will pay all special assessments that were levied prior to the Effective Date. All special assessments levied after the Effective Date shall be paid exclusively by Buyer. Real estate taxes and special assessments shall not be re-prorated after the Closing, except as provided in Section 9(b), above. Prepaid expenses (including homeowner's association or similar assessments), if any, paid by Seller shall be prorated on a per diem basis as of the Closing Date, and Seller shall receive a payment at the Closing, in addition to the Purchase Price, equal to the allocated portion of such prepaid expenses attributable to periods on and after the Closing Date.

**11. Municipal Agreements.** Seller and Buyer agree that upon Closing, Buyer will assume any and all responsibilities and obligations under all existing development agreements, declarations, escrow agreements and other agreements affecting the Property. In addition, Buyer shall comply, at Buyer's sole expense, with all requirements imposed under any such agreement or by any state, federal or local governmental entity or agency including, without limitation, any requirement to construct infrastructure, construct improvements, install sidewalks and parkway trees and landscaping, and to escrow funds, post letters of credit or any other required security in connection with the development of the Property. On or before Closing, Buyer shall, at Buyer's sole expense, replace any funds or letters of credit deposited in connection with any such agreement or requirement. Buyer's failure to do so on or before the Closing Date shall be a default under this agreement. The parties agree that all development work is Buyer's sole responsibility and shall be performed at Buyer's sole cost and expense. Buyer shall indemnify, defend and hold Seller harmless from and against any and all losses, actions, liabilities, damages, costs and expenses, including reasonable attorneys' fees, incurred by Seller in connection with the failure by Buyer to observe or perform any of the obligations pursuant to this Section 11. Buyer and Seller agree that this paragraph shall be self-operative but, if requested by Seller, Buyer shall execute a document in recordable form evidencing the agreements set forth in this Section. To the extent Seller, any of its affiliates, or any predecessor owner of the Property is entitled to a refund of any funds (including the proceeds of any letter of credit drawn upon) or

other security deposited with respect to the Property before the Closing, any such refund shall be and remain the property of Seller or its applicable affiliate, and to the extent Buyer receives any such refund before or after the Closing, Buyer shall remit such refund to Seller or its affiliate within five (5) days after Buyer's receipt therefor. Seller's right and Buyer's obligations under this Section 11 shall survive the Closing.

**12. Condemnation.** If before the Closing, any of the Realty is condemned under the power of eminent domain, is the subject of a threatened condemnation, or is conveyed to a condemning authority in lieu of condemnation, Seller shall notify Buyer in writing of the threat, condemnation or conveyance within five (5) business days of its occurrence. Buyer shall within ten (10) days of the notice have the option of (a) proceeding with the Closing (without any reduction in the Purchase Price) and receiving the award or condemnation payment (or an assignment thereof, if the same is not received by Closing), or (b) canceling this Contract and receiving back the earnest money deposited, and the parties shall have no further obligations hereunder except those provisions that expressly survive.

**13. Indemnification.** Buyer shall indemnify, defend and hold Seller harmless from and against any and all losses, claims, actions, liabilities, damages, liens, costs and expenses, including reasonable attorneys' fees, incurred by Seller (or its agents, consultants or affiliates) arising out of or related to (i) any activities upon the Property by Buyer, its agents, contractors and employees, or (ii) the failure by Buyer to observe or perform any of its covenants, representations or obligations under this Contract. This Section 13 shall survive the Closing or termination of this Contract.

**14. Notices.** All notices required or permitted to be given hereunder shall be in writing and delivered by certified mail, postage prepaid, or by overnight delivery service, or shall be personally served or sent via facsimile with confirmation of transmission, to Buyer and Seller at the following addresses:

BUYER:                   City of Evanston  
                              City Manager, Wally Bobkiewicz  
                              2100 Ridge Avenue  
                              Evanston, IL, 60201

With a copy to:       City of Evanston  
                              Corporation Counsel, W. Grant Farrar  
                              2100 Ridge Avenue  
                              Evanston, IL 60201

SELLER:                 APEX Mortgage Corporation  
                              1300 Virginia Drive, Suite 400  
                              Fort Washington, PA 19034  
                              (877) 697-4513

Notices may be given on behalf of a party by their respective attorneys named above. All notices shall be deemed received either when actually received or three (3) days after posting (if mailed), one business day after deposit with the delivery service (if sent by overnight delivery),

or when delivered (if personally delivered), or if sent by facsimile transmission, upon transmission as evidenced by the confirmation slip generated by the sender's facsimile machine. Either party may change the above addresses by written notice to the other.

**15. Default.** If before the Closing, Buyer defaults in the full and timely performance of any of its obligations hereunder, Seller shall be entitled to cancel this Contract and receive and retain the earnest money deposited hereunder as liquidated damages, the parties agreeing that in the event of a default hereunder before the Closing, actual damages would be impossible to calculate; provided, however, notwithstanding anything contained herein to the contrary, nothing contained in this Section 15 shall: (i) limit Seller's rights or remedies with respect to a breach or default by Buyer after the Closing or of a covenant or obligation that survives the Closing or a termination of this Contract; or (ii) limit Buyer's indemnification obligations under this Contract, and Seller shall be entitled to any and all rights and remedies available at law and/or in equity if Buyer defaults in the full and timely payment and performance of Buyer's indemnification obligations under this Contract, or any of Buyer's covenants or obligations after the Closing, or any covenant or obligation that survives the Closing or a termination of this Agreement. If Seller breaches any representation or warranty set forth in this Contract or defaults in the full and timely performance of any of its obligations hereunder, Buyer, as its sole and exclusive remedy, may elect to either terminate this Contract and receive a refund of the earnest money (in which case the parties shall have no further obligations hereunder except those provisions that expressly survive) or seek specific performance, provided that any action for specific performance must be commenced within forty-five (45) days after Buyer obtains knowledge of Seller's default. If no such action is commenced within said 45-day period, Buyer shall be deemed to have waived its right to bring or pursue an action for specific performance. Buyer hereby expressly waives, relinquishes and releases any other right or remedy available to it at law, in equity or otherwise by reason of Seller's default of its obligations hereunder, including, without limitation, any rights Buyer may have to bring an action to recover direct, consequential, punitive or any other damages.

**16. Real Estate Commissions.** Seller hereby represents and warrants that it has engaged the services of real estate agent Steven Rapoport (Agent Identification Number: 180173; Broker: Chicago Real Estate Resources Inc., 205 N. Michigan Avenue, Chicago, IL 60601) ("Seller's Broker"). Seller hereby agrees to defend, indemnify and hold Buyer harmless from any and all loss, cost or expense from any claim for real estate commission made by any agent, broker or firm engaged by Seller in connection with the Property or this transaction, other than the aforementioned. Buyer hereby represents and warrants that it has not engaged the services of any real estate agent, broker or firm in connection with the Property or this real estate transaction. Each party's rights and obligations under this Section 16 shall survive the Closing or any termination of this Contract.

**17. Entire Agreement.** This Contract contains the entire agreement between Seller and Buyer and there are no other terms, conditions, promises, understandings, statements or representations, express or implied, regarding the transaction contemplated hereby. This Contract may be amended only by a further written document signed by each of the parties.

**18. Assignment.** Buyer shall have the right to assign this Contract without Seller's prior written consent only to any entity owned and/or controlled by Buyer or its principals,

provided that not less than five (5) business days before the Closing, Buyer gives notice of such assignment to Seller accompanied by reasonable evidence that the assignee is owned and/or controlled by Buyer. All other assignments shall require Seller's prior written consent, which may be withheld in Seller's sole discretion. Notwithstanding the foregoing, if this Contract is assigned by Buyer hereunder, Buyer shall remain jointly and severally liable, along with the assignee, for the Buyer's obligations under this Contract. Buyer shall cause any permitted assignee to acknowledge in writing that it will be bound by all of the terms and conditions of this Contract, with said acknowledgement set forth in a form subject to Seller's reasonable approval. This Section 18 shall survive the Closing or termination of this Contract.

**19. Successors and Assigns.** Subject to Section 18 above, the provisions of this Contract shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors, assigns, executors, administrators and legal representatives.

**20. Captions.** The captions of the paragraphs in this Contract have been inserted for convenience of reference only and shall in no way modify or restrict any provision hereof or be used to construe any of the provisions hereof.

**21. Severability.** If any provision of this Contract is held invalid or unenforceable, the invalidity or unenforceability shall be limited to the particular provision(s) involved and shall not affect the validity or enforceability of the remaining provisions.

**22. Counterparts and Transmittal of Signatures.** This Contract may be executed in one or more counterparts, and all such executed counterparts shall constitute the same agreement. A signed copy of this Contract transmitted by facsimile or email shall be treated as an original and shall be binding against the party whose signature appears on such copy.

**23. Exculpation.** Buyer agrees to look solely to Seller's interest in the Property for the satisfaction of any liability or obligation arising under or in connection with this Contract, the transactions contemplated hereby or the documents executed pursuant hereto, or for the performance of any of the covenants, warranties or other agreements contained herein or therein, and Buyer shall not collect or attempt to collect any judgment or other amounts out of any assets of Seller other than Seller's interest in the Property. Further, Buyer agrees that it does not have and will not have any claims or causes of action against any disclosed or undisclosed officer, director, employee, trustee, shareholder, partner, member, principal, parent, subsidiary or other affiliate of Seller, or any officer, director, employee, trustee, shareholder, partner, member or principal of any such parent, subsidiary or other affiliate, arising under or in connection with this Contract, the transactions contemplated hereby or the documents executed pursuant hereto. The terms of this Section 23 shall survive the Closing and any termination of this Contract for any reason.

**24. Miscellaneous.**

(a) All questions with respect to the construction or interpretation of this Contract shall be determined in accordance with the laws of the State of Illinois, without regard to conflict of law rules. Time is of the essence of this Contract.

(b) If any date upon which action is required under this Contract shall be a Saturday, Sunday or legal holiday, the date for such action shall be extended to the first day after such date which is not a Saturday, Sunday or legal holiday.

[NO FURTHER TEXT ON THIS PAGE]

[SIGNATURE PAGE FOLLOWS IMMEDIATELY]

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be executed as of the day and year first above written.

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

**BUYER:**  
City of Evanston, an Illinois municipal corporation

\_\_\_\_\_

By: City of Evanston  
Name: Wally Bobkiewicz  
Title: City Manager

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

**SELLER:**  
APEX Mortgage Corporation, a \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT A**

**LEGAL DESCRIPTION OF THE PROPERTY**

LOTS 32 AND 33 IN BLOCK 8 IN BRUMMEL AND CASE HOWARD TERMINAL  
ADDITION IN THE NORTHWEST 1/4 SECTION OF 30, TOWNSHIP 41 NORTH, RANGE  
14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

P.I.N 11-30-124-026-0000 and 11-30-124-027-0000

Commonly known: 717-719 Howard Street, Evanston, IL 60202.

**EXHIBIT B**  
**PERSONAL PROPERTY**

All personal property, if any, located on the Realty (other than any personal property owned by a tenant, as applicable)

**EXHIBIT C**  
**ASSIGNMENT OF LEASES**

**Not Applicable**

**EXHIBIT B**



**JOINT REVIEW BOARD MEETING**  
Wednesday, October 29, 2014 – 10:00 am  
Lorraine Morton Civic Center, 2100 Ridge Avenue, Room 2404

**Members Present:** Ald. Holmes, Ahmadou Drame, Mary Brown  
**Staff Present:** Marty Lyons, Johanna Nyden, Janella Hardin, Jessica Wingader  
**Others Present:** Ald. Rainey, Ald. Braithwaite  
**Presiding Member:** Alderman Holmes

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**AGENDA**

**1. CALL TO ORDER / DECLARATION OF QUORUM BY ALD. DELORES HOLMES, CHAIR**

With a quorum present, Alderman Holmes called the meeting to order at 10:16 am.

**2. APPROVAL OF JOINT REVIEW BOARD MEETING MINUTES OF DECEMBER 5, 2013**

Dr. Mary Brown moved approval. Ahmadou Drame seconded. A voice vote was taken and the meeting minutes of December 5, 2013, were unanimously approved.

**3. REVIEW OF ANNUAL REPORTS FOR FISCAL YEAR January 1, 2013 through December 31, 2013**

Alderman Holmes requested introductions. Mr. Lyons provided introductions and context. Review activities of municipality in all TIF districts, provide reports including balances and uncommitted funds and the status of each TIF. One of the TIFs is closing. Mr. Lyons requested that Bob Rychlicki provide a statutory overview, he explained that he would provide financial overview and Economic Development Division Manager Johanna Nyden would provide economic development overview.

Bob Rychlicki stated that the City is required by statute to report, format dictated by Comptroller's Office, defined time period – fiscal year. Info provided by city staff and audit, Mr. Lyons signs off, certification from Mayor and City legal team. Finally, City has an independent auditor that reviews all. Mr. Rychlicki stated that the report was informational and that all were happy to provide more information.

**A. SOUTHWEST T.I.F. DISTRICT 2**

Johanna Nyden stated that the Southwest TIF was closing, there was no activity. She defined the geographic area. The TIF only has 6 properties and includes WARD Manufacturing. No future plans for projects.

Mr. Lyons stated that all parties would receive a letter stating the dissolution of the TIF, resolution passed in October, information on closure would be provided by

November 1, 2014. Reiterated no planned activity stated balance, no infrastructure work to be done, TIF is surrounded by private properties. Mr. Lyons defined where information was located in the report. Page 19 provides an explanation of revenues and expenses. Mr. Lyons highlighted the property taxes – or what the TIF earned \$492,410. TIF had debt in the past, but not now. Increment over life 23 year life of TIF is \$10.8 million. As a result, City staff was able to transfer money to City in the amount of \$880,154 for economic development use. Expenditures of \$452,634 yield net income of \$39,778. Mr. Lyons discussed negative amount – City plans on using money for another project. TIF will not have a deficit. Mr. Lyons moved to page 26 to point out the amount the City would have from the TIF to support new development. Page 31 shows a review of the TIF 600% ROI on TIF.

Alderman Braithwaite asked about infrastructure.

Alderman Rainey commented on page 31, stating that it proves the TIF's success.

Mr. Lyons pointed out the partnership benefits with the schools that the money from the TIF provided. TIF was a success.

#### **B. HOWARD HARTREY T.I.F. DISTRICT 3**

Ms. Nyden outlined the boundary of the TIF. She talked about the Autobarn partnership that made this TIF successful. Property was vacant, but is now used to store vehicles for company, factory and offices also present. City Council approved \$2.5 million that made the property rehab possible. Sales tax sharing agreement that made additional successes possible. Business owner able to expand and bring FIAT to Evanston. Plans to improve Howard Street and develop out lots that have been difficult to develop because the property owners are large corporations that are difficult to negotiate with.

Alderman Braithwaite discussed the partnership with the community and the tour the business hosted. He asked about Culver's deal.

Ms. Nyden replied that the deal was not going through. One of the challenges is the soil removal that will be costly to remove.

Mr. Lyons discussed financial component. TIF opened April 27, 1992 TIFS are open 23 plus one years. Page 19 shows the strong finances of the TIF, fund balance of \$4.2 million at the start of reporting period and ends with \$3.9 million. Page 19 shows a negative balance, but that means that the funds are committed, not that the TIF is in debt. Funds are committed to Autobarn because the business is transforming the area. Mr. Lyons also pointed out the revenue sharing agreement to further incent business to increase property values and raise revenue. All information found on page 19 of the Southwest TIF section. Cumulative revenue of TIF is \$31 million. This TIF is a great resource for Evanston. Page 26 of the Southwest TIF shows further final numbers. Staff is still reviewing capital projects with Alderman Rainey. Mr. Lyons closed by stating that the TIF was strong and page 31 showed the \$13 million dollar growth.

#### **C. WASHINGTON NATIONAL T.I.F. DISTRICT 4**

Ms. Nyden defined the geography of the TIF. This TIF does not include the library. Mr. Lyons pointed out that the City chose not to include the library. The City committed money to private development and decided not to use the money to improve municipal buildings – City did this 5 years before legislation prohibited this use of funds.

Ms. Nyden defined the major projects including Sherman Plaza and the Music Institute of Chicago relocating offices. The business is an NPO, but it increased foot traffic and retail spending. Continue to review opportunities in surrounding spaces. Ms. Nyden highlighted new businesses and improvements to properties and also highlighted sewer and water projects that improved infrastructure.

Mr. Lyons discussed TIF formation on page 19\* and the numbers. This was a redevelopment of the downtown. Private developments allowed to use parking – 12 story Sherman avenue parking. ML explained the history of the finances of this TIF, the moneys spent on improvements, including streets and sewers and the revenue generated. Infrastructure projects also funded by other agencies; City still looking for developers. Page 26 \$18 million shows that the TIF debt is obligated. The City plans to review options to further develop. Page 31 shows success of TIF, now at \$78 million EAV.

There was discussion of County reassessments and the stability of the TIF. Mr. Lyons closed by asking for questions.

#### **D. HOWARD RIDGE T.I.F. DISTRICT 5**

Ms. Nyden defined geographic area. She described residential and commercial projects that were revitalizing the neighborhood including Ward 8, Peckish Pig and the Theater. Two of the properties that are successful were purchased as foreclosures. She further described the growth of the projects and the timeline for reduced funding.

Mr. Lyons discussed the development of the TIF. He stated that there will be additional money to invest (\$800k) and the City would like to expand development when more money comes in. ML pointed out that the City went for 10 years with no new TIF districts (1994 to 2004). This TIF started with a small fund balance and held value well. Properties stayed occupied. Page 24 shows private investment; page 26 shows a description of project costs and page 31 shows the financial growth of the TIF.

#### **E. WEST EVANSTON T.I.F. DISTRICT 6**

Ms. Nyden defined the geography of the TIF, the business districts present and some of the challenges. She additionally listed new businesses including the North Shore Contractors Cooperative, Heartwood Center, Evanston Soccer, Goldfish Swim School and a new Starbucks.

Ahmadou Drame asked if the TIF included BooCoo and asked about plans for the space. Ms. Nyden confirmed that BooCoo was within the TIF and stated that the area is a priority for the City.

The beginning balance was \$872,847 and as of 12/31/13 the balance was \$537,639.

**F. DEMPSTER/DODGE T.I.F. DISTRICT 7**

This TIF includes Evanston Plaza. The City pledged \$2 million in support for shopping center improvements for Valli Produce. Current Valli Produce stores are in Arlington Heights, Hoffman Estates and Glendale Heights. Ald. Braithwaite is planning roadtrip tours to the other facilities.

**G. CHICAGO MAIN T.I.F. DISTRICT 8**

No activity

**4. BOARD DISCUSSION**

Motion to accept the report made by Dr. Mary Brown and seconded by Ahmadou Drame. A voice vote was taken and the motion was unanimously approved.

**5. ADJOURNMENT**

Dr. Mary Brown moved approval. Ahmadou Drame seconded. A voice vote was taken and the meeting was adjourned.

**Meeting was adjourned at 11:46 am**

Respectfully Submitted,

Jessica Wingader  
Administrative Secretary

**EXHIBIT C**



**BAKER TILLY**

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## INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE

To the Honorable Elizabeth B. Tisdahl, Mayor and  
Members of the City Council  
Evanston, Illinois

We have audited the basic financial statements of the City of Evanston, Illinois, as of and for the year ended December 31, 2014, and have issued our report thereon dated July 23, 2015. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

In connection with our audit, nothing came to our attention that caused us to believe that the City of Evanston failed to comply with provisions of Subsection (q) of Section 11-74.4-3 of Public Act 85-1142, "An Act in Relation to Tax Increment Financing", insofar as it relates to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City of Evanston's noncompliance with the above-referenced statute, insofar as it relates to accounting matters.

This report is intended solely for the information and use of the City Council, management, the State of Illinois, and others within the City and is not intended to be, and should not be, used by anyone other than the specified parties.

*Baker Tilly Virchow Krause, LLP*  
Oak Brook, Illinois  
July 23, 2015

CITY OF EVANSTON, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet - Continued  
As of December 31, 2014

	Debt Service				
	Special Service District No.5	Southwest Tax Increment District	Howard Hartrey Tax Increment District	Washington National Tax Increment District	Howard Ridge Tax Increment District
Assets					
Cash and equivalents	\$ 400,694	\$ 911,477	\$ 2,305,980	\$ 5,697,176	\$ 59,818
Investments	-	-	-	-	-
Restricted cash	-	-	59,902	77,408	2,226
Receivables					
Property taxes (net of allowance)					
Current year levy	428,745	596,020	1,140,311	4,945,321	438,854
Notes	-	-	-	-	-
Allowance	-	-	-	-	-
Special assessments	-	-	-	-	-
Other	-	-	-	-	-
Due from other governments	-	-	-	-	-
Due from component unit	-	-	-	-	-
Due from other funds	-	-	-	-	2,979
<b>Total Assets</b>	<b>\$ 829,439</b>	<b>\$ 1,507,497</b>	<b>\$ 3,506,193</b>	<b>\$ 10,719,905</b>	<b>\$ 503,877</b>
Liabilities, Deferred Inflows, and Fund Balances					
Liabilities					
Vouchers payable	\$ -	\$ 15,354	\$ -	\$ 35,000	\$ 1,083
Due to other governments	-	-	-	-	-
Due to other funds	-	2,458	12,033	71,358	9,132
<b>Total Liabilities</b>	<b>-</b>	<b>17,812</b>	<b>12,033</b>	<b>106,358</b>	<b>10,215</b>
Deferred Inflows of Resources					
Property taxes	365,393	596,020	1,124,677	4,426,843	198,543
Fund Balances					
Restricted					
Highway maintenance	-	-	-	-	-
Emergency telephone system	-	-	-	-	-
HUD approved projects	-	-	-	-	-
Neighborhood improvements	-	-	-	-	-
Debt service	464,046	893,665	2,309,581	6,109,296	292,893
Township	-	-	-	-	-
Impaired investment	-	-	59,902	77,408	2,226
Committed - Economic Development	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
<b>Total Fund Balances (Deficit)</b>	<b>464,046</b>	<b>893,665</b>	<b>2,369,483</b>	<b>6,186,704</b>	<b>295,119</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 829,439</b>	<b>\$ 1,507,497</b>	<b>\$ 3,506,193</b>	<b>\$ 10,719,905</b>	<b>\$ 503,877</b>

West Evanston Tax Increment District	Total Debt Service	Special Assessment Capital Projects	Total Nonmajor Governmental Funds
\$ 560,208	\$ 9,935,353	\$ 2,536,992	\$ 19,806,597
-	-	-	363,495
8,162	147,698	3,549	151,247
-	7,549,251	-	9,217,804
-	-	-	8,586,612
-	-	-	(78,000)
-	-	425,314	425,314
-	-	4,025	933,932
-	-	-	533,702
-	-	-	9,900
-	2,979	9,121	208,707
<u>\$ 568,370</u>	<u>\$ 17,635,281</u>	<u>\$ 2,979,001</u>	<u>\$ 40,159,310</u>
\$ 63,000	\$ 114,437	\$ 23,847	\$ 440,713
-	-	-	210,108
5,000	99,981	14,146	1,001,264
<u>68,000</u>	<u>214,418</u>	<u>37,993</u>	<u>1,652,085</u>
-	6,711,476	422,440	9,188,205
-	-	-	1,780,031
-	-	-	908,353
-	-	-	7,115,642
-	-	-	2,716,835
492,208	10,561,689	-	10,561,689
-	-	-	183,099
8,162	147,698	3,549	151,247
-	-	-	3,540,470
-	-	2,515,019	2,515,019
-	-	-	(153,365)
<u>500,370</u>	<u>10,709,387</u>	<u>2,518,568</u>	<u>29,319,020</u>
<u>\$ 568,370</u>	<u>\$ 17,635,281</u>	<u>\$ 2,979,001</u>	<u>\$ 40,159,310</u>

Concluded

CITY OF EVANSTON, ILLINOIS

Nonmajor Governmental Funds

Combining Statements of Revenues, Expenditures, and Changes in Fund Balances - Continued  
For the Fiscal Year ended December 31, 2014

	Debt Service				
	Special Service District No.5	Southwest Tax Increment District	Howard Hartrey Tax Increment District	Washington National Tax Increment District	Howard Ridge Tax Increment District
Revenues					
Taxes	\$ 431,205	\$ 596,020	\$ 1,140,311	\$ 5,080,645	\$ 673,244
Special assessments	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Investment income	6	6	13,819	13,420	211
Net Change in FMV of Investments	-	-	(52,064)	(67,280)	(1,935)
Miscellaneous	-	-	-	-	61,932
Total Revenues	<u>431,211</u>	<u>596,026</u>	<u>1,102,066</u>	<u>5,026,785</u>	<u>733,452</u>
Expenditures					
Current					
General management and support	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Housing and economic development	-	17,578	1,221,143	111,226	721,450
Debt service					
Principal	380,000	-	685,000	455,000	-
Interest	62,050	-	39,088	55,000	-
Total Expenditures	<u>442,050</u>	<u>17,578</u>	<u>1,945,231</u>	<u>621,226</u>	<u>721,450</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(10,839)</u>	<u>578,448</u>	<u>(843,165)</u>	<u>4,405,559</u>	<u>12,002</u>
Other Financing Sources (Uses)					
Issuance of debt	-	-	-	-	-
Premiums and discount	-	-	-	-	-
Transfers in (out)					
General	-	(29,500)	(144,400)	(331,000)	(60,000)
General Obligation Debt Service	-	-	-	-	-
Economic Development	-	-	-	-	(45,500)
Howard Ridge Tax Increment District	-	-	-	-	-
Motor Vehicle Parking System	-	-	-	(2,925,296)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(29,500)</u>	<u>(144,400)</u>	<u>(3,256,296)</u>	<u>(105,500)</u>
Net Change in Fund Balances	<u>(10,839)</u>	<u>548,948</u>	<u>(987,565)</u>	<u>1,149,263</u>	<u>(93,498)</u>
Fund Balances (Deficit) - Beginning	<u>474,885</u>	<u>344,717</u>	<u>3,357,048</u>	<u>5,037,441</u>	<u>388,617</u>
Fund Balances (Deficit) - Ending	<u>\$ 464,046</u>	<u>\$ 893,665</u>	<u>\$ 2,369,483</u>	<u>\$ 6,186,704</u>	<u>\$ 295,119</u>

West Evanston Tax Increment District	Total Debt Service	Special Assessment Capital Projects	Total Nonmajor Governmental Funds
\$ -	\$ 7,921,425	\$ -	\$ 12,256,554
-	-	167,382	167,382
-	-	-	5,847,846
764	28,226	2,849	43,836
(7,095)	(128,374)	(3,084)	(131,458)
100,262	162,194	28	373,022
93,931	7,983,471	167,175	18,557,182
-	-	621	1,611,795
-	-	-	1,127,877
-	-	53,738	947,567
64,173	2,135,570	-	6,721,322
-	1,520,000	-	1,520,000
7,027	163,165	-	163,165
71,200	3,818,735	54,359	12,091,726
22,731	4,164,736	112,816	6,465,456
-	-	450,000	450,000
-	-	53,185	53,185
(60,000)	(624,900)	-	(2,374,666)
-	-	(169,848)	(169,848)
-	(45,500)	-	(45,500)
-	-	-	45,500
-	(2,925,296)	-	(2,925,296)
(60,000)	(3,595,696)	333,337	(4,966,625)
(37,269)	569,040	446,153	1,498,831
537,639	10,140,347	2,072,415	27,820,189
\$ 500,370	\$ 10,709,387	\$ 2,518,568	\$ 29,319,020

Concluded