

CITY OF EVANSTON
TAX INCREMENT FINANCING DISTRICT NO. 6
WEST EVANSTON DISTRICT
ANNUAL REPORT FOR THE 10 MONTH PERIOD
BEGINNING MARCH 1, 2011 AND ENDING DECEMBER 31, 2011

***CITY OF EVANSTON WEST EVANSTON TIF DISTRICT ANNUAL REPORT FOR 10 MONTH PERIOD
BEGINNING MARCH 1, 2011 AND ENDING DECEMBER 31, 2011***

**City of Evanston
Tax Increment Financing District No. 6
West Evanston TIF District
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Section 1. Name of Redevelopment Project Area and Contact Information

Refer to chart attached.

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

Name of Redevelopment Project Area:	West Evanston	
Primary Use of Redevelopment Project Area*:		
If "Combination/Mixed" List Component Types:		
Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):		
Tax Increment Allocation Redevelopment Act	<input checked="" type="checkbox"/>	Industrial Jobs Recovery Law
	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)] If yes, please enclose the amendment labeled Attachment A	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)] Please enclose the CEO Certification labeled Attachment 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)] Please enclose the Legal Counsel Opinion labeled Attachment C		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)] If yes, please enclose the Activities Statement labeled Attachment D		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)] If yes, please enclose the Agreement(s) labeled Attachment E		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)] If yes, please enclose the Additional Information labeled Attachment F		X
Did TIF advisors or consultants have enter into contracts with entities or persons 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)] If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G	X	
Were there any reports 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)] If yes, please enclose the Joint Review Board Report labeled Attachment H	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)] If yes, please enclose the Official Statement labeled Attachment I	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)] If yes, please enclose the Analysis labeled Attachment J	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)] If yes, please enclose Audited financial statements of the special tax allocation fund labeled Attachment K		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)] If yes, please enclose a certified letter statement reviewing compliance with the Act labeled Attachment L		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)] If yes, please enclose a copy of the Intergovernmental agreements labeled Attachment M	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 10 Month 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 10 Month Period.

Re: West Evanston 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 10 Month Period beginning March 1, 2011 and ending December 31, 2011.


MAYOR

1-10-13

DATE

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

RE: Attorney Review City of Evanston West Evanston 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 10 Month Period beginning March 1, 2011 and ending December 31, 2011, 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 10 Month Period; and
- B. A description of the redevelopment activities undertaken.

The City undertook demolition of improvements located on properties that the City acquired in the previous Fiscal Year. In addition, the City undertook various public improvements in the TIF District, including lighting and capital improvements, as well as monitoring other projects.

The City entered into an agreement for façade improvements up to \$16,500 for property located at 1715 Church/1703 - 11 Darrow.

Attachment E Description of Agreements Regarding Property Disposition or Redevelopment

No agreements regarding property disposition were entered into by the City in the reporting 10 Month Period.

The City entered into an agreement for façade improvements up to \$16,500 for property located at 1715 Church/1703 - 11 Darrow and is attached as Exhibit C.

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

The City undertook additional area reviews regarding capital improvements and redevelopment activities, and allocated TIF revenues to such costs.

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.

The Joint Review Board met on December 16, 2011. Minutes of the meeting are attached as Exhibit A.

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

No new debt obligations were issued by the City in the reporting 10 Month Period.

Attachment J Financial Analysis: TIF Obligations

The City continued to review projected tax increment attributable to the area based upon updated equalized assessed valuations certified by Cook County.

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.

Refer to selected portions of the City audit included in Exhibit B.

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.

No revenues received in reporting Fiscal Year

Reporting Year	Cumulative
----------------	------------

Fund Balance at Beginning of Reporting Period

\$ 1,254,443

Revenue/Cash Receipts Deposited in Fund During Reporting FY:

			% of Total
Property Tax Increment	\$ 352,740	\$ 2,027,167	100%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ 2,285	\$ 4,524	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)			0%

Total Amount Deposited in Special Tax Allocation Fund During Reporting Period

\$ 355,025

Cumulative Total Revenues/Cash Receipts

\$ 2,031,691	100%
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Total Expenditures/Cash Disbursements (Carried forward from Section 3.2)

\$ 113,875

Distribution of Surplus

\$ -

Total Expenditures/Disbursements

\$ 113,875

NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS

\$ 241,150

FUND BALANCE, END OF REPORTING PERIOD

\$ 1,495,593

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

Section 3.2 Itemized List of Expenditures from Special Tax Allocation Fund

Refer to tables attached.

		\$ -
TOTAL ITEMIZED EXPENDITURES		\$ 113,875

		\$ -
TOTAL ITEMIZED EXPENDITURES		\$ 113,875

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

FUND BALANCE, END OF REPORTING PERIOD \$ 1,495,593

	Amount of Original Issuance	Amount Designated
1. Description of Debt Obligations		

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

2. Description of Project Costs to be Paid		
Redevelopment and capital project costs		\$ 1,500,000
Implementation of Master Plan activities		\$ 1,000,000

Total Amount Designated for Project Costs \$ 2,500,000

TOTAL AMOUNT DESIGNATED \$ 2,500,000

SURPLUS*/(DEFICIT) \$ (1,004,407)

* 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

Refer to table attached.

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

Provide a description of all property purchased by the municipality during the reporting fiscal year within the

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	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (2):	
Street address	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

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)
 Please include a brief description of each project.

_____ No Projects Were Undertaken by the Municipality Within the Redevelopment Project Area

	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
TOTAL:			
Private Investment Undertaken (See Instructions)	\$ 13,100,000		
Public Investment Undertaken	\$ 700,000		
Ratio of Private/Public Investment	18 5/7		
Project 1: LSL Industries			
Private Investment Undertaken (See Instructions)	\$ 1,100,000		\$ 1,100,000
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0
Project 2: Church Street townhomes			
Private Investment Undertaken (See Instructions)	\$ 7,000,000		\$ 7,000,000
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0
Project 3: Greenwood Loft			
Private Investment Undertaken (See Instructions)	\$ 5,000,000		\$ 5,000,000
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0
Project 4: Ward Manufacturing Company			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 700,000		
Ratio of Private/Public Investment	0		
Project 5:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		
Project 6:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0
Project 7:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

EXHIBIT A

**TIF Joint Review Board
Meeting Minutes
December 16, 2011**

Attendees:

- Board Members:** Mary Brown- School District 65, Larry Kaufman – Howard Street, Valerie Kretchmer – Evanston Resident and VSK Associates, Pat Vance – Evanston Township, Marty Norkett - Resident, Dr. Sandy Martell – Cook County HHS, Mary Rodino – School District 202, Ald. Mark Tendam – City of Evanston
- Board Members** Ann Laurence – Oakton College, Brian Rosinski – Ridgville Park District, Toni Preckwinkle – Cook County, Terrance O'Brien – Metropolitan Water Reclamation District
- Absent**
- City Staff:** Steve Griffin, Nancy Radzevich, Johanna Nyden, Paul Zalmezak, Martin Lyons, Jim Furey
- Others in Attendance:** Bob Rychlicki – Kane McKenna, Carolyn Dellutri – Downtown Evanston, Karen Berkowitz – Pioneer Press, Bill Smith – Evanston Now, Michio Murakishi – MEECH Group, Ald. Delores Holmes – City of Evanston, Ald. Ann Rainey – City of Evanston

- I. Call to Order / Declaration of Quorum by Ald. Mark Tendam, Chair**
A quorum being present, Chair Mark Tendam called the meeting to order at 9:15 a.m.
- II. Consideration of JRB Meeting Minutes from December 16, 2010**
Mary Brown of District 65 moved to approve the December 16, 2010 minutes, seconded by at-large member, Valerie Kretchmer.

The minutes were approved unanimously, 8-0.

III. Review of Annual Reports for Fiscal Year March 1, 2010 – February 28, 2011

A. Southwest TIF District 2

Nancy Radzevich introduced TIF #2 (Southwest TIF) and explained that it was formed on June 25, 1990 and is scheduled to expire in 2013. This TIF encompasses Sam's Club and Ward Manufacturing. In 2010 City Council approved an agreement with Ward Manufacturing allowing them to rehab their building and expand their manufacturing operation. Due to City assistance through TIF, Ward Manufacturing was able to stay in Evanston and able to add jobs as they have expanded their metal stamping operation. Sewer infrastructure projects are planned for this area in 2012.

Marty Lyons provided an executive summary to the TIF Joint Review Board detailing what has happened with the revenues, and therefore assessed property values for each of the City's TIF Districts. Mr. Lyons referred the Board to pages 19, 26, and 31

of TIF #2's annual report. Discussion ensued on the beginning and ending balances of the fund, what future projects the remaining funds will be used for, debt obligations, and changes in Equalized Assessed Values (EAVs) over the life of the Southwest TIF.

Alderman Rainey asked Mr. Lyons which properties are included in TIF District #2 and which properties are not and why some were originally excluded from the district. Mr. Lyons introduced Robert Rychlicki, the City's TIF consultant, who explained why some properties were included in the TIF District and others were not.

Member-At-Large Valerie Kretchmer asked if the City can find out how much the City spent on a particular TIF District project and what the City is getting in return. Mr. Rychlicki responded that the City can compare growth in EAV's. Mr. Lyons explained we can also show jobs created. Mr. Rychlicki went on to explain that the property values in the areas immediately surrounding a TIF District often rise as a result of increased EAVs within a TIF District. Mr. Lyons suggested the City look at growth in an area prior to the establishment of a TIF District and compare that rate to growth in the same area after a TIF is formed. Mr. Lyons described the neighborhood improvement fund as it related to Home Depot. Ald. Rainey added that the City only spends increment funds generated from a particular TIF within that same TIF and explained that the City does not use any general funds for a TIF project.

B. Howard-Hartrey TIF District 3

Ms. Radzevich introduced TIF District #3 (Howard-Hartrey). This TIF District was created on April 27th, 1992 and will expire in 2015.

Mr. Lyons referred the Board to pages 19, 26, and 31 of the TIF #3 Annual Report document. Mr. Lyons described the fund balance, debt obligations, project costs, capital improvements, surplus information, EAV growth, and the benefit of increased sales tax from this TIF.

Alderman Rainey asked Mr. Lyons to include sales tax figures from the previous year in next year's report. Mary Rodino asked what was on the site prior to the creation of the TIF. Ald. Rainey explained that the site previously had industrial buildings on it. Marty Norkett asked for clarification on outlot redevelopment. Johanna Nyden explained Target's outlot policy and what their future plans for them are. Ald. Rainey stated her desire to see more TIF funds allocated to Police and Fire services for this particular TIF district.

C. Washington-National TIF District 4

Ms. Radzevich introduced TIF District #4 (Washington-National) and explained that it was created on September 15th, 1994 and was amended and expanded in 1999. For fiscal year 2012, \$500,000 is being set aside as a place holder for yet to be determined development projects. The TIF District is set to expire in 2017.

Mr. Lyons explained how the Downtown TIF aided the Washington National TIF maintain its value from 2009 to 2011. Mr. Lyons explained that the major expense for the debt service for the Sherman Avenue parking garage. Mr. Lyons referred board members to pages 19, 26, and 31 and discussed fund balances, debt information, EAVs, and future goals for the TIF.

Ms. Kretchmer asked if the revenues from the Sherman parking garage pay down the garage's debt. Mr. Lyons explained that the revenues from the garage go into the Parking Fund and pay to maintain the garage. The TIF transfers money to the parking fund and the parking fund then makes the payments on debt for the garage. Money from the Sherman parking garage cannot go to parking garages in other areas outside of the TIF District.

D. Howard-Ridge TIF District 5

Ms. Radzevich introduced TIF District #5 (Howard-Ridge) and explained that it was created on January 26, 2004. She described how the City acquired a series of properties within the last year through the use of TIF Funds including 623-627 ½ Howard Street, 629-631 Howard Street, and 727-729 Howard Street. Ms. Radzevich explained that the City Council recently approved a \$900,000 Reimbursement Resolution for Fiscal Year 2012 for capital improvement projects on the buildings the City acquired.

Mr. Lyons explained how the City is using a different strategy for this TIF than for others and described the 415 Howard Street building and different financing strategies. Mr. Lyons then referred the Board to pages 19, 26, and 31 of the Howard Ridge TIF Annual Report document and described fund balances, debt obligations, \$900,000 in future project costs for the district, and EAVs.

E. West Evanston TIF District 6

Ms. Radzevich introduced TIF District #6 (West Evanston) and explained that it was created in September of 2005, is very large in area, and unique in shape. The District encompasses a lot of manufacturing properties and crosses two different Wards within the City. Ms. Radzevich described LSL Industries and the \$50,000 incentive they received in the 2010-2011 period. Ms. Radzevich explained how the City acquired two properties at 1708 and 1710 Darrow Street. For 2012, the City has proposed a series of infrastructure and economic development projects.

Mr. Lyons detailed the young age of TIF District 6 and the \$2.2 million in capital improvement work for this TIF. He went on to explain the unique business make up of the district and the fact that it contains industrial, commercial, and residential uses within it. Mr. Lyons referred the Board to pages 19, 26, and 31 of the TIF District #6 Annual Report and described fund balances, future debt service on projects, and bond information.

Alderman Rainey mentioned the \$2,000,000 approved for the West Evanston TIF by the City Council earlier in December and that specific projects have been assigned. Ms. Radzevich added that by issuing bonds, it allows the City to have cash on hand to use on smaller economic development projects. The City can also borrow off of future increment.

Alderman Holmes asked Mr. Lyons on the possibility of dividing the TIF along Ward lines. Mr. Lyons explained that the City has had an internal discussion on this idea and mentioned how dividing the TIF would require the City to go through all of the necessary legal steps. Mr. Lyons described separate TIFs would be divided along the divergent needs of commercial and industrial uses in the existing TIFs. Mr. Rychlicki stated his

EXHIBIT B

CITY OF EVANSTON, ILLINOIS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE TEN MONTHS ENDED
December 31, 2011

Prepared by Administrative Services Department

GOVERNMENTAL FUND TYPES

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

City Funds

Motor Fuel Tax - to account for the operation of street maintenance programs and capital projects as authorized by the Illinois Department of Transportation. Financing is provided from the City's share of gasoline taxes.

Economic Development - to account for cost associated with economic development activities of the City. Financing is provided primarily by Hotel Tax revenues.

Emergency Telephone System - to account for revenues and expenditures for 911 emergency telephone service. Financing is provided by network connection surcharges.

Library Endowment - to account for the activity of the funds donated to the library. These funds are invested at the direction of the library board and are used for library acquisitions.

Neighborhood Improvement - to account for a portion of the sales tax revenues derived from retail sales of the Home Depot U.S.A. Inc. store in Evanston. Sales tax revenues allocated to this fund are to be expended on public projects that will benefit the immediate neighborhood of the store.

Affordable Housing - to account for costs associated with housing-related programs of the City.

HOME - to account for the activity of the HOME program. Financing is provided by the federal government. Expenditures are made in accordance with the requirements of federal law.

Community Development Block Grant - to account for revenues and expenditures of the community block grant program. Financing is provided by the federal government on a reimbursement basis in accordance with federal formula. Expenditures are made in accordance with requirements of federal law.

Community Development Loan - to account for residential rehabilitation loans to residents.

Neighborhood Stabilization Program 2 - funded by the American Recovery and Reinvestment Act of 2009 to stabilize neighborhoods that have been negatively impacted by high numbers of foreclosed and vacant homes.

Special Service District No. 4 - to account for promotion, advertisement, and street maintenance costs of the area located in the City's central business district. Financing is provided by the City through an annual property tax levy.

Homelessness Prevention and Rapid Re-Housing Program (HPRP) - funded by American Recovery and Reinvestment Act of 2009 to provide financial assistance and services to either prevent individuals and families from becoming homeless or help those who are experiencing homelessness to be quickly rehoused and stabilized.

Continued

Special Revenue Funds - Continued

Township Funds

Town - to account for general administrative services.

General Assistance - to account for the assistance given to persons and/or families to meet their basic living expenses.

Debt Service Funds

Debt Service funds are used to account for the servicing of general long-term debt.

Special Service District No. 5 - accumulated monies for the principal and interest payments on unlimited ad valorem tax bonds issued for this special taxing district.

Southwest Tax Increment District - accumulated monies for the principal and interest payments on debt issued for this special taxing district.

Howard Hartrey Tax Increment District - accumulated monies for the principal and interest payments on debt issued for this special taxing district.

Washington National Tax Increment District - accumulated monies for the principal and interest payments on debt issued for this special taxing district.

Howard Ridge Tax Increment District - accumulated monies for the payments on redevelopment project for this special taxing district.

West Evanston Tax Increment District - accumulated monies for the payments on redevelopment project for this special taxing district.

Capital Projects Funds

Capital projects are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Special Assessment - to account for capital improvements financed by special assessments on property holder and public benefit contributions from the City.

Concluded

CITY OF EVANSTON, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet
December 31, 2011

Assets	Special Revenue				
	Motor Fuel Tax	Economic Development	Emergency Telephone System	Library Endowment	Neighborhood Improvement
Cash and equivalents	\$ 1,043,574	\$ 1,960,455	\$ 1,261,007	\$ 439,220	\$ 109,915
Investments	-	-	-	2,594,797	-
Receivables					
Property taxes (net of allowance)					
Current year levy	-	-	-	-	-
Notes	-	-	-	-	-
Allowance	-	-	-	-	-
Special assessments	-	-	-	-	-
Accrued interest	-	-	-	9,435	-
Other	-	391,816	164,570	-	-
Property held for resale	-	-	-	-	-
Prepaid items	-	-	-	-	-
Due from other governments	156,670	-	-	-	-
Due from other funds	-	-	-	-	-
Total Assets	\$ 1,200,244	\$ 2,352,271	\$ 1,425,577	\$ 3,043,452	\$ 109,915
Liabilities and Fund Balances					
Liabilities					
Vouchers payable	\$ -	\$ 83,039	\$ 98,950	\$ -	\$ -
Due to other governments	-	-	-	-	-
Due to other funds	-	81,623	15,869	-	-
Deferred revenues	-	-	-	-	-
Total Liabilities	-	164,662	114,819	-	-
Fund Balances					
Nonspendable	-	-	-	-	-
Restricted					
Highway maintenance	1,200,244	-	-	-	-
Emergency telephone system	-	-	1,310,758	-	-
Library projects	-	-	-	3,043,452	-
HUD approved projects	-	-	-	-	-
Neighborhood improvements	-	-	-	-	109,915
Economic Development	-	-	-	-	-
Debt service	-	-	-	-	-
Township	-	-	-	-	-
Committed	-	805,575	-	-	-
Assigned	-	1,382,034	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances (Deficit)	1,200,244	2,187,609	1,310,758	3,043,452	109,915
Total Liabilities and Fund Balances	\$ 1,200,244	\$ 2,352,271	\$ 1,425,577	\$ 3,043,452	\$ 109,915

Special Revenue							
Affordable Housing	HOME	Community Development Block Grant	Community Development Loan	Neighborhood Stabilization Program 2	Special Service District No. 4	HPRP	Total City Funds
\$ 557,524	\$ 14,246	\$ 58,905	\$ 53,521	\$ 3,222	\$ 10,091	\$ -	\$ 5,511,680
-	-	-	-	-	-	-	2,594,797
-	-	-	-	-	403,472	-	403,472
1,444,162	2,670,863	24,799	2,054,421	-	-	-	6,194,245
-	-	(12,000)	(78,000)	-	-	-	(90,000)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	9,435
246,831	-	-	-	-	-	-	803,217
-	-	410,000	-	-	-	-	410,000
-	-	-	-	-	-	-	-
-	147,707	359,614	-	726,390	-	-	1,390,381
10,000	-	78	-	-	-	-	10,078
\$ 2,258,517	\$ 2,832,816	\$ 841,396	\$ 2,029,942	\$ 729,612	\$ 413,563	\$ -	\$ 17,237,305
\$ -	\$ 112,195	\$ 364,817	\$ 26,386	\$ 722,926	\$ -	\$ -	\$ 1,408,313
-	-	-	260	3,222	-	-	3,482
-	3	53,780	1,216	3,464	100,000	-	255,955
-	-	-	-	-	374,594	-	374,594
-	112,198	418,597	27,862	729,612	474,594	-	2,042,344
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	1,200,244
-	-	-	-	-	-	-	1,310,758
-	-	-	-	-	-	-	3,043,452
-	2,720,618	422,799	2,002,080	-	-	-	5,145,497
2,258,517	-	-	-	-	-	-	2,368,432
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	805,575
-	-	-	-	-	-	-	1,382,034
-	-	-	-	-	(61,031)	-	(61,031)
2,258,517	2,720,618	422,799	2,002,080	-	(61,031)	-	15,194,961
\$ 2,258,517	\$ 2,832,816	\$ 841,396	\$ 2,029,942	\$ 729,612	\$ 413,563	\$ -	\$ 17,237,305

CITY OF EVANSTON, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet - Continued
 December 31, 2011 and March 31, 2011 for City and Township respectively

	Special Revenue			
	Town	General Assistance	Total Township Funds	Total Special Revenue
Assets				
Cash and equivalents	\$ 297,152	\$ 1,216,667	\$ 1,513,819	\$ 7,025,499
Investments	-	-	-	2,594,797
Receivables				
Property taxes (net of allowance)				
Current year levy	241,659	814,717	1,056,376	1,459,848
Notes	-	-	-	6,194,245
Allowance	-	-	-	(90,000)
Special assessments	-	-	-	-
Accrued interest	-	-	-	9,435
Other	11,926	1,368	13,294	816,511
Property held for resale	-	-	-	410,000
Prepaid items	-	-	-	-
Due from other governments	-	-	-	1,390,381
Due from other funds	-	14,689	14,689	24,767
Total Assets	\$ 550,737	\$ 2,047,441	\$ 2,598,178	\$ 19,835,483
Liabilities and Fund Balances				
Liabilities				
Vouchers payable	\$ 98,531	\$ 42,204	\$ 140,735	\$ 1,549,048
Due to other governments	-	-	-	3,482
Due to other funds	14,689	-	14,689	270,644
Deferred revenues	134,688	472,218	606,906	981,500
Total Liabilities	247,908	514,422	762,330	2,804,674
Fund Balances				
Nonspendable	-	-	-	-
Restricted				
Highway maintenance	-	-	-	1,200,244
Emergency telephone system	-	-	-	1,310,758
Library projects	-	-	-	3,043,452
HUD approved projects	-	-	-	5,145,497
Neighborhood improvements	-	-	-	2,368,432
Economic Development	-	-	-	-
Debt service	-	-	-	-
Township	302,829	1,533,019	1,835,848	1,835,848
Committed	-	-	-	805,575
Assigned	-	-	-	1,382,034
Unassigned	-	-	-	(61,031)
Total Fund Balances (Deficit)	302,829	1,533,019	1,835,848	17,030,809
Total Liabilities and Fund Balances	\$ 550,737	\$ 2,047,441	\$ 2,598,178	\$ 19,835,483

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	West Evanston Tax Increment District	Total Debt Service
\$ 15,660	\$ 8,119	\$ 4,900,873	\$ 7,802,957	\$ 968,447	\$ 933,885	\$ 14,629,941
-	-	-	-	-	-	-
428,756	451,421	1,212,637	5,077,823	644,407	484,794	8,299,838
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
378,853	-	-	-	-	-	378,853
-	-	100,000	-	130,000	490,000	720,000
<u>\$ 823,269</u>	<u>\$ 459,540</u>	<u>\$ 6,213,510</u>	<u>\$ 12,880,780</u>	<u>\$ 1,742,854</u>	<u>\$ 1,908,679</u>	<u>\$ 24,028,632</u>
\$ -	\$ -	\$ -	\$ -	\$ 7,184	\$ 3,000	\$ 10,184
-	130,000	-	190,000	-	-	320,000
375,100	443,623	1,212,637	4,496,432	634,917	410,086	7,572,795
375,100	573,623	1,212,637	4,686,432	642,101	413,086	7,902,979
378,853	-	-	-	-	-	378,853
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	2,841,573	6,100,349	1,100,753	1,495,593	11,538,268
69,316	-	2,159,300	2,093,999	-	-	4,322,615
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	(114,083)	-	-	-	-	(114,083)
448,169	(114,083)	5,000,873	8,194,348	1,100,753	1,495,593	16,125,653
<u>\$ 823,269</u>	<u>\$ 459,540</u>	<u>\$ 6,213,510</u>	<u>\$ 12,880,780</u>	<u>\$ 1,742,854</u>	<u>\$ 1,908,679</u>	<u>\$ 24,028,632</u>

CITY OF EVANSTON, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet - Continued
December 31, 2011

Assets	Special Assessment Capital Projects	Total Nonmajor Governmental Funds
Cash and equivalents	\$ 3,120,741	\$ 24,776,181
Investments	-	2,594,797
Receivables		
Property taxes (net of allowance)		
Current year levy	-	9,759,686
Notes	-	6,194,245
Allowance	-	(90,000)
Special assessments	737,084	737,084
Accrued interest	-	9,435
Other	-	816,511
Property held for resale	-	410,000
Prepaid items	-	378,853
Due from other governments	-	1,390,381
Due from other funds	13,910	758,677
Total Assets	\$ 3,871,735	\$ 47,735,850
Liabilities and Fund Balances		
Liabilities		
Vouchers payable	\$ 157,996	\$ 1,717,228
Due to other governments	-	3,482
Due to other funds	31,766	622,410
Deferred revenues	737,084	9,291,379
Total Liabilities	926,846	11,634,499
Fund Balances		
Nonspendable	-	378,853
Restricted		
Highway maintenance	-	1,200,244
Emergency telephone system	-	1,310,758
Library projects	-	3,043,452
HUD approved projects	-	5,145,497
Neighborhood improvements	-	2,368,432
Economic Development	-	11,538,268
Debt service	-	4,322,615
Township	-	1,835,848
Committed	-	805,575
Assigned	2,944,889	4,326,923
Unassigned	-	(175,114)
Total Fund Balances (Deficit)	2,944,889	36,101,351
Total Liabilities and Fund Balances	\$ 3,871,735	\$ 47,735,850

CITY OF EVANSTON, ILLINOIS

Nonmajor Governmental Funds

Combining Statements of Revenues, Expenditures, and Changes in Fund Balances
For the Ten Months ended December 31, 2011

	Special Revenue				
	Motor Fuel Tax	Economic Development	Emergency Telephone System	Library Endowment	Neighborhood Improvement
Revenues					
Taxes	\$ -	\$ 1,682,505	\$ 895,430	\$ -	\$ 20,000
Special assessments	-	-	-	-	-
Intergovernmental	2,195,972	-	-	-	-
Investment income	615	179	296	(28,626)	-
SSI reimbursement	-	-	-	-	-
Medical reimbursement	-	-	-	-	-
Miscellaneous	-	-	-	31,000	-
Total Revenues	<u>2,196,587</u>	<u>1,682,684</u>	<u>895,726</u>	<u>2,374</u>	<u>20,000</u>
Expenditures					
Current					
General management and support	-	-	-	-	-
Public safety	-	-	973,428	-	-
Public works	980,941	-	-	-	-
Health and human resource development	-	-	-	-	-
Recreation and cultural opportunities	-	-	-	111,000	-
Housing and economic development	-	1,532,151	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay					
Total Expenditures	<u>980,941</u>	<u>1,532,151</u>	<u>973,428</u>	<u>111,000</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,215,646</u>	<u>150,533</u>	<u>(77,702)</u>	<u>(108,626)</u>	<u>20,000</u>
Other Financing Sources (Uses)					
Transfers in (out)					
General	(697,492)	(377,256)	-	-	-
General Obligation Debt Service	-	(8,870)	(6,370)	-	-
Motor Vehicle Parking System	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>(697,492)</u>	<u>(386,126)</u>	<u>(6,370)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	518,154	(235,593)	(84,072)	(108,626)	20,000
Fund Balances (Deficit) - Beginning	682,090	2,423,202	1,394,830	3,152,078	89,915
Fund Balances (Deficit) - Ending	<u>\$ 1,200,244</u>	<u>\$ 2,187,609</u>	<u>\$ 1,310,758</u>	<u>\$ 3,043,452</u>	<u>\$ 109,915</u>

Special Revenue							
Affordable Housing	HOME	Community Development Block Grant	Community Development Loan	Neighborhood Stabilization Program 2	Special Service District No. 4	HPRP	Total City Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 214,614	\$ -	\$ 2,812,549
-	-	-	-	-	-	-	-
-	175,068	1,754,755	4,800	5,409,752	-	195,943	9,736,290
245	6,030	-	1,018	-	30	-	(20,213)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
33,357	-	5,302	-	-	-	-	69,659
33,602	181,098	1,760,057	5,818	5,409,752	214,644	195,943	12,598,285
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	973,428
-	-	-	-	-	-	-	980,941
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	111,000
54,246	97,011	1,755,967	8,460	5,407,842	388,000	195,943	9,439,620
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
54,246	97,011	1,755,967	8,460	5,407,842	388,000	195,943	11,504,989
(20,644)	84,087	4,090	(2,642)	1,910	(173,356)	-	1,093,296
(19,992)	-	-	-	-	-	-	(1,094,740)
-	-	(4,090)	-	(1,910)	-	-	(21,240)
-	-	-	-	-	-	-	-
(19,992)	-	(4,090)	-	(1,910)	-	-	(1,115,980)
(40,636)	84,087	-	(2,642)	-	(173,356)	-	(22,684)
2,299,153	2,636,531	422,799	2,004,722	-	112,325	-	15,217,645
\$ 2,258,517	\$ 2,720,618	\$ 422,799	\$ 2,002,080	\$ -	\$ (61,031)	\$ -	\$ 15,194,961

Continued

CITY OF EVANSTON, ILLINOIS

Nonmajor Governmental Funds

Combining Statements of Revenues, Expenditures, and Changes in Fund Balances - Continued
 For the Ten Months ended December 31, 2011 and Twelve Months ended March 31, 2011
 for City and Township respectively

	Special Revenue			
	Town	General Assistance	Total Township Funds	Total Special Revenue
Revenues				
Taxes	\$ 299,184	\$ 978,529	\$ 1,277,713	\$ 4,090,262
Special assessments	-	-	-	-
Intergovernmental	62,910	-	62,910	9,799,200
Investment income	352	1,581	1,933	(18,280)
SSI reimbursement	-	23,205	23,205	23,205
Medical reimbursement	-	2,398	2,398	2,398
Miscellaneous	-	-	-	69,659
Total Revenues	362,446	1,005,713	1,368,159	13,966,444
Expenditures				
Current				
General management and support	566,824	1,066,729	1,633,553	1,633,553
Public safety	-	-	-	973,428
Public works	-	-	-	980,941
Health and human resource development	-	-	-	-
Recreation and cultural opportunities	-	-	-	111,000
Housing and economic development	-	-	-	9,439,620
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	566,824	1,066,729	1,633,553	13,138,542
Excess (Deficiency) of Revenues Over (Under) Expenditures	(204,378)	(61,016)	(265,394)	827,902
Other Financing Sources (Uses)				
Transfers in (out)				
General	-	-	-	(1,094,740)
General Obligation Debt Service	-	-	-	(21,240)
Motor Vehicle Parking System	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	(1,115,980)
Net Change in Fund Balances	(204,378)	(61,016)	(265,394)	(288,078)
Fund Balances (Deficit) - Beginning	507,207	1,594,035	2,101,242	17,318,887
Fund Balances (Deficit) - Ending	\$ 302,829	\$ 1,533,019	\$ 1,835,848	\$ 17,030,809

Special Service District No.5	Debt Service					Total Debt Service
	Southwest Tax Increment District	Howard Haytrey Tax Increment District	Washington National Tax Increment District	Howard Ridge Tax Increment District	West Evanston Tax Increment District	
\$ 263,566	\$ 212,489	\$ 641,140	\$ 3,326,012	\$ 479,036	\$ 352,740	\$ 5,274,983
-	-	-	-	-	-	-
34	31	1,826	6,708	100	2,285	10,984
-	-	-	-	-	-	-
-	-	-	-	17,618	-	17,618
263,600	212,520	642,966	3,332,720	496,754	355,025	5,303,585
-	-	1,200	-	-	-	1,200
-	-	-	108,129	-	-	108,129
-	700,000	-	-	-	-	700,000
-	-	-	5,083	27,551	63,875	96,509
-	-	570,000	325,000	-	-	895,000
53,853	-	141,058	118,200	-	-	313,111
53,853	700,000	712,258	556,412	27,551	63,875	2,113,949
209,747	(487,480)	(69,292)	2,776,308	469,203	291,150	3,189,636
-	(24,100)	(141,600)	(325,000)	(120,400)	(50,000)	(661,100)
-	-	-	(3,419,636)	-	-	(3,419,636)
-	(24,100)	(141,600)	(3,744,636)	(120,400)	(50,000)	(4,080,736)
209,747	(511,580)	(210,892)	(968,328)	348,803	241,150	(891,100)
238,422	397,497	5,211,765	9,162,676	751,950	1,254,443	17,016,753
\$ 448,169	\$ (114,083)	\$ 5,000,873	\$ 8,194,348	\$ 1,100,753	\$ 1,495,593	\$ 16,125,653

Continued

TAX INCREMENT FINANCING DISTRICT
REQUIREMENTS



Baker Tilly Virchow Krause, LLP
1301 W 22nd St, Ste 400
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INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE
TAX INCREMENT FINANCING DISTRICTS

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Evanston as of and for the ten months ended December 31, 2011, and have issued our report thereon dated June 26, 2012. The financial statements are the responsibility of the management of the City of Evanston. Our responsibility is to express opinions on the financial statements based upon our audit.

Our audit was made in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

Compliance with laws, regulations, contracts and grants applicable to the City of Evanston is the responsibility of the City of Evanston's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatements, we performed tests of the City of Evanston's compliance with provisions in Subsection (q) of Section 11-74.4-3 of Public Act 85-1142, "An Act in Relation to Tax Increment Financing." However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests indicate that, with respect to the items tested, the City of Evanston complied, in all material respects, with Subsection (q) of Section 11-74.4-3 of Public Act 85-1142.

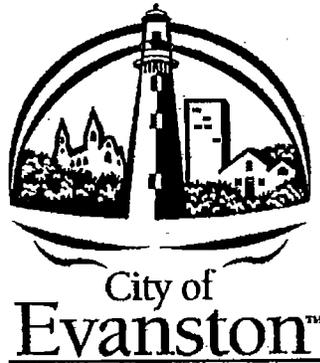
This report is intended solely for the information and use of the City Council, management, the State of Illinois, and others within the City and is not intended to be, and should not be, used by anyone other than the specified parties.

Baker Tilly Virchow Krause, LLP

Oak Brook, Illinois
June 26, 2012

EXHIBIT C

City of Evanston Façade Improvement Program



Program Guidelines
Effective September 2010

DEPARTMENT OF COMMUNITY & ECONOMIC DEVELOPMENT
ECONOMIC DEVELOPMENT DIVISION
2100 RIDGE AVENUE, EVANSTON, ILLINOIS 60201
☎ 847-448-8100 ✉ economicdevelopment@cityofevanston.org 🌐 www.cityofevanston.org

Contents

Program Overview and Purpose 3
Eligibility Criteria 3
Façade Improvement Program Administration 4
Design Guidelines 5
Program Steps 5
Terms & Conditions 6
ATTACHMENT A: 2010-2011 Deadlines & Meeting Dates..... 7
ATTACHMENT B: SAMPLE Program Agreement 9

Program Overview and Purpose

The purpose of the Façade Improvement Program ("the Program") is to improve the appearance of the façades, the street-facing exteriors of a building, of commercial buildings located throughout the City of Evanston. The Program seeks to improve a commercial building's façade that fronts a commercial corridor's public right-of-way. The Program works to address especially deteriorating property conditions and to generate business for Evanston's commercial areas.

Approved participants of the program are eligible to receive a rebate in the form of a loan, forgivable over a five (5) year period, upon the completion their approved project. Requirements for program submission for project consideration include:

- Completed Application form and accompanying documents; and
- Completed approval document from property owner indicating understanding of the terms and conditions of the program.

The Program is managed and administered by Staff in the City of Evanston's Community & Economic Development Department. On an annual basis, Staff will:

- Revise and publish the Façade Improvement Program Application ("the Application") as necessary. Revisions will include update of deadlines for submission as well as other pertinent program deadlines and dates. Additional revisions to the Application and the Program will be considered as recommended by City Council.
- Prepare proposed total dollar amount to be allocated to each Façade Improvement project and total budget for annual program from the Economic Development Fund. Total amount annually allocated for this program will be submitted to the Economic Development Committee for a recommendation for approval by the City Council.

Applications for this program will be accepted three (3) times per calendar year, February, May, and September. **Attachment A** outlines deadlines and public approval processes.

Eligibility Criteria

Eligible participants of the program include property owners of commercial buildings within Evanston and tenants of ground floor commercial buildings. A business owner who is leasing space must have:

- A current lease with a minimum of five (5) years remaining from the date of Application or provide evidence that the business has operated in Evanston for over five (5) years; and
- Written approval from the property owner to participate in the Program and consent to recordation against the subject property of a Declaration of Covenants Affecting the Property.

Eligible improvements include improvements that contribute to the visual enhancement of the property as viewed from the public right-of-way. Improvements must be comprehensive, incorporating enhancements/additions to several components of the existing façade. Examples of eligible improvements include painting, lighting, windows, doors, fascia, tile, canopies, awnings, trim, fascia boards, metal work and other decorative elements, and restoration of historic properties.

Ineligible Improvements Include roofs, non-permanent fixtures, security systems, personal property, interior window coverings, equipment, any improvements not visible from the public right-of-way, and any improvements deemed to be inconsistent with redevelopment purposes and objectives.

Any alteration or construction on properties which have been designated as a local landmark or are located in historic districts must be approved by the Historic Preservation Commission prior to consideration for funding in the Program.

Ineligible Participants of the program include:

- National franchises/for profit corporations with more than ten locations outside of Evanston, unless the organization is headquartered in Evanston;
- Occupants or owners of buildings that are not current with property taxes, water bills, or properties possessing any sort of non-mortgage liens (i.e. mechanics lien, etc.);
- Persons who have one or more outstanding City of Evanston parking tickets;
- Buildings in excess of an 80,000 square foot footprint;
- Churches or other religious organizations;
- Government offices and agencies (non-governmental tenants are eligible);
- New construction, less than five (5) years old; and
- Property that has received façade improvement funds within the past ten years (unless change of use is significant enough to warrant change in façade).

Façade Improvement Program Administration

Projects are funded on a 50/50 cost-sharing basis. The Program provides participants the opportunity to receive a rebate up to the maximum amounts set forth in the sections below, forgivable over a five (5) year period, upon the completion of their façade project. Projects are eligible for up to half of the cost of the total project cost up to an approved amount.

Funding Source(s): Projects will be funded through: tax increment financing (TIF) through applicable TIF Districts, Community Development Block Grants, and Economic Development Funds. Staff will prepare recommendations for approval of Applications and submit to the appropriate Committee. Annual allocation of funds will be determined through the City's budget process each year. Funds may be budgeted in the Economic Development Fund, Tax Increment Financing Funds (TIF), and Community Development Block Grant Fund (CDBG).

Rebate – Forgivable Loan: The Program provides participants the opportunity to receive a rebate up to the maximum amounts set forth below, forgivable over a five (5) year (or 60 month) period as described in the box, upon the completion of their façade project. Projects are eligible for up to half of the cost of the total project cost up an approved amount. To determine total eligible cost, rebates are based on a formula whereby the first thirty-five (35) linear feet of public right-of-way facing frontage (or less) is eligible for

FIVE (5) YEAR FORGIVEABLE LOAN	
<u>Example Improvement:</u>	
Total Project Cost:	\$50,000
Eligible Rebate:	\$13,500
Owner/Tenant Funds:	\$36,500
<u>Total Forgivable Loan from the City: \$13,500</u>	
Month 0-12 Loan (\$2,700):	\$10,800
Month 13-24 Loan (\$2,700):	\$ 8,100
Month 25-36 Loan (\$2,700):	\$ 5,400
Month 37-48 Loan (\$2,700):	\$ 2,700
Month 49-60 Loan (\$2,700):	\$ 0

up to \$10,000 on a 50/50 cost-sharing basis. Each linear foot of frontage beyond thirty-five (35) is eligible for an additional \$100 per foot. **Note: if agreement is terminated prior to the completion of the five-year period, the Participant will be responsible for repayment of the loan on a prorated basis. The prorated amount due will be obtained by multiplying the original rebate amount times the percentage obtained by dividing the number of months remaining in the five (5) year period that commences on the month that the project was recorded by the Cook County Recorder of Deeds and ends on the 5th anniversary date by 60, which is the total number of months in the loan period.**

Facades are defined as the portion of a building that faces the public right-of-way and is fronted by a sidewalk or similar pedestrian-oriented pathway. Measurements should be taken from one end of a structure to another end of the structure that includes only the portion(s) of the storefront for which funds are being requested for assistance. For example, if the public right-of-way facing portion of a storefront is seventy (70) linear feet, the first thirty-five (35) linear feet are eligible for \$10,000. The remaining thirty-five linear feet qualify the building for an additional \$3,500 in assistance. In total, this building would qualify for up to \$13,500 in façade assistance.

Design Guidelines

The use of the City of Evanston Design Guidelines is encouraged. Obtain a copy of the Design Guidelines from the Economic Development Division office or by visiting the web at <http://www.cityofevanston.org/business/economic-development/facade-improvement-program/index.php>

Program Steps

Step 1: Pre-Application submission information sessions. Information sessions will be held approximately three (3) to four (4) weeks prior to the submission deadline of the Application. The meetings will include:

- Comprehensive review of the Application, Program requirements, approval process, and terms and conditions of the rebate;
- Examples of past successful façade improvements; and
- Opportunity to ask questions.

Dates, times, and location on these sessions is located in **Attachment A**.

Step 2: Application Submission. Applications are due no later than 5:00 p.m. upon the date of the deadline. Incomplete Applications will not be reviewed by staff, therefore be sure to contact Economic Development Division Staff at least 48 hours prior to deadlines to confirm that your Application is complete. Contact information for Staff can be found on the cover of this document. If you meet the deadline, Staff will provide you with a proof of submission form. Submissions must include the following:

- Completed Application (<http://www.cityofevanston.org/business/economic-development/facade-improvement-program/index.php>);
- Copies of estimates for proposed work;
- Two (2) Color photographs of the property
- If tenant is the applicant, letter of support from property owner indicating he/she is supportive of the project and has reviewed the terms and conditions of the Program.

Step 3: Staff Application Review Process. After Applications are submitted, Staff will:

- Evaluate each project submitted to determine if Application is complete. Incomplete Applications received prior to the deadline will be returned to applicant advising to resubmit a completed Application;
- Identify appropriate funding sources for each proposed project;
- Staff will prepare recommendations of approval of funds to either the Housing & Community Development Act Committee or the Economic Development Committee.

Staff will evaluate Applications on the following criteria:

- Total project budget;
- Location within an established business district along a major street or near a transit station;
- Use of energy efficiency measures (installation of energy saving windows, doors, etc.);
- Returning unproductive uses to productive uses and/or creation of new rentable space in a building; and
- Total linear feet of storefront to be improved.

Step 4: Public Review and Approval Process. Based on the recommended source of funds, Staff will submit recommendations to the following Committees:

- Economic Development Funds: Economic Development Committee;
- Tax Increment Financing Funds: Economic Development Committee; and
- Community Development Block Grant Funds: Housing & Community Development Act Committee.

Participants are required to be present at all public meetings at which proposed façade projects will be discussed. Following Staff review, Participants will be notified of time, date, and place of the public meeting at which the Application will be considered. See **Attachment A** for information on meeting dates and times for an approximate idea of approval timelines.

Step 5: Execution of Program Agreement. Following approval by City Council, approved Participants will be required to enter into and execute a written agreement with the City of Evanston which will establish the terms, conditions, and requirements for participation in the Program. The Program Agreement shall be in a form prepared by the City of Evanston, consistent with the Program Guidelines and outlined Terms and Conditions. Once the Program Agreement has been executed to the satisfaction of the Director of Community & Economic Development, a Notice to Proceed will be issued to the Participant. A sample copy of the terms and agreements is provided in **Attachment B** of this document. **Note: Commencement of work without an executed Program Agreement will automatically disqualify a Participant from being eligible to participate in the Program.**

Terms & Conditions

In accordance with the Program Guidelines, the City of Evanston will provide financial assistance up to the approved amount of a project at no more than half of the total project cost. The rebate will come in the form of a loan forgivable over a five (5) year (or 60 month) period, upon completion of the façade improvement project.

Any rebates paid by the City of Evanston pursuant to this program shall not be made until all work has been completed; all improvement work has been inspected and approved by the City

of Evanston. Additionally, all payments for said work must be made to contractors, material suppliers, and vendors. Participants of the Program must submit to the City of Evanston itemized invoices detailing work completed and materials purchased. Such invoices shall include proof of payment to all contractors, suppliers, and vendors. Documentation must be submitted within 45 days of project completion. The participant shall also submit unconditional lien releases and other documentation as required by this Program. **The participant is responsible for all payments to all contractors, material suppliers, and vendors.**

Any rebates paid by the City of Evanston pursuant to this Program constitute loans made to the Participants. Said loans will be forgiven, as described in the Program Agreement, however, if the property owner or successor-in-interest assumes the Participant's obligations of the Program Agreement pursuant to a City-approved assignment and assumption agreement, and continues to own and/or occupy the rehabilitated property and maintain the façade improvements for a period ending five (5) years from the date of receipt of the rebate without removing or significantly altering the façade improvements, as determined by the City of Evanston in its sole discretion.

If the property owner sells the property or the business owner fails to occupy the property prior to the end of the fifth (5th) year, the remaining share of the loan (prorated on a monthly basis) shall become due, plus three percent (3%) interest per annum payable to the City of Evanston is due within thirty (30) calendar days, unless the succeeding property owner or business owner (i) assumes the obligations of the Program Agreement pursuant to a City of Evanston approved assignment and assumption agreement, and (ii) does not make any changes to the property resulting in the removal of significant alteration to the façade improvements, and maintains the façade improvements for a period of five (5) years from the date of receipt of the rebate. The prorated amount due will be obtained by multiplying the original rebate amount times the percentage obtained by dividing the number of months remaining in the five (5) year period that commences on the month that the project was recorded by the Cook County Recorder of Deeds and ends on the 5th anniversary date by 60, which is the total number of months in the loan period.

Prevailing Wages: Projects utilizing CDBG must comply with Davis-Bacon Prevailing Wages. Participants will be informed if they will have to comply with Davis-Bacon Prevailing Wages.

Project Completion: Projects must be completed within ninety (90) days of approval date (extensions will be considered on a case-by-case basis);

Property Taxes and Liens: Property taxes must be current, and participants may have no debts in arrears to the City when the Commitment Letter is issued. The property must also be clear of all other non-debt related liens and.

Voluntary Conditions: All completed projects will be asked and encouraged to display a sign (provided by the City) for 24 months indicating that funds from the City of Evanston was involved in the improvement.

ATTACHMENT A: 2011 Deadlines & Meeting Dates

1st 2011 Review Period:

- **Tues., Jan. 4, 6:00pm:** Mandatory Pre-Application Meeting (visit website for details).
- **Wed., Jan. 26, 5:00pm:** Applications due to Economic Development Division.
- **Jan. 27 – Feb. 9:** Staff Review Period
- **Fri., Feb. 4,** Staff will notify Participants of proposed project funding source to determine attendance at public approval meeting.
 - **CDBG Funds: Tues., Feb. 15, 7:30p:** Housing & Community Development Act Committee Meeting
 - **Economic Development or TIF Funds: Wed., Feb. 23, 7:30p:** Economic Development Committee Meeting

2nd 2011 Review Period:

- **Tues., April 5, 6:00pm:** Mandatory Pre-Application Meeting (visit website for details).
- **Wed., April 27, 5:00pm:** Applications due to Economic Development Division.
- **April 28 – May 11:** Staff Review Period.
- **Fri., May 6:** Staff will notify Participants of proposed project funding source to determine attendance at public approval meeting.
 - **CDBG Funds: Tues., May 17, 7:30p:** Housing & Community Development Act Committee Meeting
 - **Economic Development or TIF Funds: Wed., May 25, 7:30p:** Economic Development Committee Meeting

3rd 2011 Review Period:

- **Tues., Aug. 9, 6:00pm:** Mandatory Pre-Application Meeting (visit website for details).
- **Wed., Aug. 31, 5:00pm:** Applications due to Economic Development Division.
- **Sept. 1 – 14:** Staff Review Period
- **Fri., Sept. 9:** Staff will notify Participants of proposed project funding source to determine attendance at public approval meeting.
 - **CDBG Funds: Tues., Sept. 20, 7:30p:** Housing & Community Development Act Committee Meeting
 - **Economic Development or TIF Funds: Wed., Sept. 28, 7:30p:** Economic Development Committee Meeting

****All meetings will occur at the Lorraine H. Morton Civic Center, Room 2404, unless otherwise noted**

ATTACHMENT B: Program Agreement

THIS PROGRAM AGREEMENT [Agreement] is entered into on this 24 day of AUGUST, 20 11 [Effective Date], by and between the City of Evanston [City], and JOHN LEINWEBER & MARY M. ANLEY [Participant], owner (or tenant) of property located at 1715 CHURCH STREET & 1703-11 DAPEROW AVENUE, EVANSTON, ILLINOIS [Property], with regard to Participant's participation in the "City of Evanston – Façade Improvement Program" [Program].

RECITALS

WHEREAS, the City desires to enhance the visual appearance of buildings and structures, stimulate private investment, and complement other community revitalization efforts throughout Evanston as identified in the Program Guidelines; and

WHEREAS, investment on commercial façade improvements visible to persons from public rights-of-way will beautify the subject properties and surrounding area, create a positive visual impact, increase the volume of business by making the subject properties and businesses more attractive, stimulate private investment, and complement other community revitalization efforts within the City; and

WHEREAS, the City has authorized Economic Development Division Staff to manage and administer the Program on behalf of the City including, without limitation, authorizing the Director of Community & Economic Development to execute this Agreement with the Participant thereby establishing the terms, conditions, and requirements for participation in the Program in accordance with the Guidelines for the Program approved by the City Council [Program Guidelines]; and

WHEREAS, the City Council has approved the Participant and the proposed project for participation in the Program, subject to the terms and conditions of the Program Guidelines and this Agreement.

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated herein by this reference, and the mutual obligations of the parties as herein expressed, the City and Participant agree as follows:

AGREEMENT

I. DEFINITIONS

The following terms shall have the following meanings whenever used in this Agreement, except where the context clearly indicates otherwise. Any ambiguity as to the intended meaning or scope of the terms set forth below will be resolved solely by the City through its designated representative.

- a. **"Director of Community & Economic Development"** means the City's designated representative responsible for managing and administering the Program on behalf of the City.
- b. **"Completion Date"** means the date that the contractor has finished the Project pursuant to the design and architectural plans approved by City Council, the Director of Community & Economic Development, or his/her designee, and to the satisfaction of the Participant, as evidenced by final payment to the contractor from the Participant.
- c. **"Declaration"** means the Declaration of Covenants Affecting Real Property Participant is required to execute and record against the Property in order to obtain the Rebate in the form attached hereto and incorporated herein as Exhibit "B."
- d. **"Owner Consent"** means a Certification of Ownership and Consent to be executed by the owner of the Property, if the Participant is not the owner, in the form attached hereto and incorporated herein as Exhibit "C".
- e. **"Participant"** means the person applying for a rebate for facade improvements on the Property and determined eligible by the City Council or Director of Community & Economic Development or his/her designee to participate in the Program. Participant may be the owner of the Property or a business owner who has obtained written consent of the Property owner to participate in the Program and to proceed with the improvements identified within this Agreement.
- f. **"Program Guidelines"** means the "City of Evanston -- Façade Improvement Program Guidelines" approved by the City Council that govern the Program and this Agreement. The Program Guidelines are attached hereto and incorporated herein as Exhibit "D". All terms not defined herein shall have the meanings ascribed thereto in the Program Guidelines.
- g. **"Project"** means the façade improvements on the subject property as proposed by the Participant and approved by the City Council.
- h. **"Property"** means the subject property owned or occupied by the Participant on which the improvements shall be completed. The Property is located within the City of Evanston and is legally described in Exhibit "A", which is attached hereto and incorporated herein by this reference.
- i. **"Rebate"** means the total amount of the City's loan provided to the Participant, which is equal to no more than half the final total project cost up to the amount approved by City Council (whichever is less).
- j. **"Total Allowable Expenses"** means the actual costs incurred, paid for, and documented by the Participant and approved by the Director of Community & Economic Development or his/her designee for the proper performance of the improvement work required by the plans and specifications and/or architectural/design renderings for the Project.

- k. **Total Project Expenditure**" means the total actual Project costs incurred by and paid for by the Participant including, without limitation, the costs of construction, materials, and supplies.

II. CERTIFICATION OF OWNERSHIP

If Participant is not the fee owner of the Property, Participant shall, prior to the City's execution hereof, obtain and provide to the City from the fee owner of the Property his/her/its approval in writing for Participant to participate in the Program and proceed with the Project, and for the recordation against the Property of a Declaration in the Official Records of the County Recorder of Cook County, by and through the Owner's execution of a Certification of Ownership and Consent substantially in the form attached hereto as Exhibit "C" and incorporated herein by this reference (the "Owner Consent").

III. TERMS OF REBATE - FORGIVABLE LOAN OVER FIVE (5) YEARS

- a. The Participant hereby agrees to comply with all terms and conditions of the Program as set forth in the Program Guidelines. (See Exhibit "D".)
- b. The Rebate paid by the City pursuant to this Program shall not be made until all of the improvement work comprising the Project has been completed, all of the improvement work comprising the Project has been inspected and approved by the Director of Community & Economic Development or his/her designee, and all payments for said work have been made to contractors, materials suppliers, and vendors. Thus, the Participant shall finance the Project, with tenant/owner funds (cash) and/or private funding (bank loan), during construction the Participant shall submit to the Director of Community & Economic Development or his/her designee itemized invoices detailing the work completed and materials purchased. Such invoices shall include proof of payment to all contractors, suppliers, and vendors. The Participant is responsible for all payments to the contractors, materials suppliers, and vendors, and for providing true and correct copies of unconditional lien releases to the City.
- c. The Rebate paid by the City pursuant to the Program constitutes a loan to Participant. Said loan will be forgiven, provided that the Participant or successor-in-interest that has assumed the obligations of Participant hereunder pursuant to an City-approved assignment and assumption agreement, either continues to own or occupy, as the case may be, the rehabilitated Property for a period of five (5) years from the date of receipt of the Rebate without removing or significantly altering the façade improvements, as determined by the City in its sole discretion, and agrees to maintain the improvements for said five (5) year period. The total amount of the loan will be forgiven in twenty percent (20%) increments, on an annual basis, such that at the end of five (5) years, the entire loan amount will be deemed forgiven and the loan balance will be zero. If the Participant sells the Property or fails to occupy the Property, as the case may be, prior to the end of the fifth (5th) year, the remaining prorata share of the loan, with interest at the rate of three percent (3%) per annum, is due and payable to the City within thirty (30) calendar days, unless the succeeding

property owner or business owner, as the case may be, (i) assumes the obligations of Participant pursuant to an City-approved assignment and assumption agreement, and (ii) does not make any changes to the Property resulting in the removal or a significant alteration to the façade improvements, and maintains the facade improvements, for a period of five (5) years from the date of receipt of the Rebate.

IV. PARTICIPANT'S RESPONSIBILITIES

- a. In preparation for submission of an Application, the Participant shall obtain a minimum of three (3) written bids from qualified, licensed contractors to perform the Project. Once the Participant awards a bid to a qualified, licensed contractor, the Participant shall provide to the Director of Community & Economic Development or his/her designee information on the awarded bid and rejected bid. At least one (1) bid must be from an Evanston-based contractor. If an Evanston-based contractor is not sought, written evidence must be provided that documents why an Evanston-based contractor was not considered and provided in the original submission.
- b. The Participant shall obtain and submit all required certificates of insurance, as set forth in the Program Guidelines, to the Director of Community & Economic Development or his/her designee upon execution of this Agreement and prior to City's execution.
- c. The Participant shall be responsible for hiring a licensed contractor to complete the Project. The Director of Community & Economic Development or his/her designee may require submission of proof of the State License issued to the selected contractor.
- d. The Participant shall be responsible for contacting the Director of Community & Economic Development or his/her designee to arrange for obtaining all City and other approvals and/or permits required for construction and completion of the Project.
- e. The Participant must issue a notice to proceed to the contractor within thirty (30) calendar days of receipt of the Notice to Proceed issued by the City to Participant.
- f. The Participant shall be fully responsible for managing, monitoring, and scheduling the construction of the Project, for ensuring compliance with the payment of prevailing wages (if applicable), and for ensuring that all improvements are completed properly and in conformance with the approved project.
- g. The Participant shall be fully responsible for making all payments to contractors, suppliers, vendors and/or other third parties and for ensuring that all contractors, subcontractors, suppliers, vendors and/or other third parties are paid in full.
- h. The Participant acknowledges and agrees that the improvements to be constructed in anticipation of a Rebate, in the form of a forgivable loan provided by the City, constitutes the construction, alteration, demolition, installation, or repair work done

under contract and paid for in whole or in part out of public funds. The Participant shall comply with all requirements of Federal, Illinois and City of Evanston law.

- i. Upon completion of the Project, the Participant shall notify the Director of Community & Economic Development or his/her designee and call for an inspection of the Project. Director of Community & Economic Development or his/her designee will arrange for the Property to be inspected.
- j. The Participant shall submit to the Director of Community & Economic Development or his/her designee a written request for a Rebate within forty-five (45) calendar days of the Completion Date, and shall include the following:
 - i. Cover letter indicating the Project is completed and the Total Cost Expenditures for the Project and requesting the Rebate;
 - ii. All contractor invoices detailing the specific tasks completed in accordance with approved Project;
 - iii. Proof of payment of all invoices for all expenditures associated with the Project;
 - iv. Unconditional lien releases;
 - v. Any additional back up material requested by the Director of Community & Economic Development or his/her designee;
 - vi. Two color 8" x 10" photos taken of the Project after completion;
 - vii. An executed (with signatures acknowledged) Declaration; and
 - viii. For the five (5) year term of the Declaration, the Participant shall maintain the façade improvements in good condition and shall not make any changes to the Property resulting in an alteration to the façade improvements.

V. THE CITY'S RESPONSIBILITIES

- a. Director of Community & Economic Development or his/her designee shall review the bids for construction submitted by Participant and prepare a submission to the appropriate City Committee that approves the Project based on the particular funding source for the project.
- b. Director of Community & Economic Development or his/her designee shall issue the Notice to Proceed to the Participant upon his/her receipt of this Agreement and any other required or requested documentation.
- c. Within a reasonable time after Participant notifies City of the completion of the Project, the Director of Community & Economic Development or his/her designee shall inspect the improvements to ensure they were completed in accordance with approved project scope.
- d. Director of Community & Economic Development or his/her designee shall review Participant's request and accompanying documents for a Rebate. If all the terms, conditions, and obligations of Participant under this Agreement and the Program Guidelines have been met, the Director of Community & Economic Development or his/her designee shall issue the Rebate in an amount not to exceed one-half (1/2) of

the Total Allowable Expenses, within the maximum allowable limits set forth in the Program Guidelines.

VI. TIME OF PERFORMANCE

The Participant shall complete the Project within ninety (90) days of the Effective Date of this Agreement in order to remain eligible for receipt of the Rebate. Failure to complete the Project within ninety (90) days will result in termination of this Agreement. Requests for additional time and extensions in project completion time will be granted, but only if submitted in writing prior to the expiration of the agreement.

VII. AMOUNT OF REBATE – FORGIVABLE LOAN

The total amount of the Rebate to be made by the City pursuant to the terms and conditions of this Agreement, shall not exceed the amount equal to one-half (1/2) of the Total Allowable Expenses approved by City Council for the Project up to the maximum allowable rebate amount stated above. The Total Allowable Expenses will be determined at completion of the Project at which time the total amount of the Rebate to be made by the City shall be calculated based on actual expenditures, and not to exceed program maximums, and such amount will be stated in the Declaration.

VIII. INSURANCE

- a. During the entire period in which work on the Project is performed until termination of the Declaration, the Participant shall obtain and maintain in full force and effect during said period the following insurance policies: (i) Comprehensive General Liability Insurance in a general aggregate amount of not less than one million dollars (\$1,000,000), \$1,000,000 Products and Completed Operations Aggregate, and \$1,000,000 each occurrence and including; (ii) Automobile Insurance, maintained in full force and effect in an amount of not less than one million dollars (\$1,000,000) per accident;
- b. The Comprehensive General Liability Insurance and Automobile Insurance policies shall name the City of Evanston, and their respective elected officials, officers, employees, agents, and representatives as additional insureds.
- c. All deductibles on any policy shall be the responsibility of the primary holder of such policy and shall not be the responsibility of the City of Evanston.
- d. Participant shall provide evidence of required insurance to the Director of Community & Economic Development before execution of this Agreement.

IX. OBLIGATION TO REFRAIN FROM DISCRIMINATION

- a. Participant covenants and agrees for itself, its successors and its assigns to the Property, or any part thereof, that it will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, marital status, national origin or ancestry, or age or physical or mental disabilities

that do not impair ability to work, and further that it will examine all job classifications to determine if minority persons or women are underutilized and will take appropriate affirmative action to rectify any such underutilization.

- b. That, if it hires additional employees in order to perform this contract, or any portion hereof, it will determine the availability of minorities and women in the area(s) from which it may reasonably recruit and it will hire for each job classification for which employees are hired in such a way that minorities and women are not underutilized.
- c. That, in all solicitations or advertisements for employees placed by it or on its behalf, it will state that all Participants will be afforded equal opportunity without discrimination because of race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, or disability.

X. NO AGENCY CREATED

The Participant and any contractor, supplier, vendor or any third party hired by Participant to complete the Project are not agents of the City. Any provisions of this Agreement that may appear to give the City any right to direct the Participant concerning the details of the obligations under this Agreement, or to exercise any control over such obligations, shall mean only that the Participant shall follow the direction of the City concerning the end results of the obligations.

XI. OWNERSHIP OF DOCUMENTS

All documents, including, without limitation, designs, plans, bids, bills and receipts, prepared and submitted to the City pursuant to this Agreement (including any duplicate copies) shall be the property of the City. The City's ownership of these documents includes use of, reproduction or reuse of and all incidental rights thereto.

XII. INDEMNIFICATION AND HOLD HARMLESS

To the maximum extent permitted by law, the Participant agrees to and shall defend, indemnify and hold harmless the City, and their respective officers, officials, employees, contractors and agents from and against all claims, liability, loss, damage, costs or expenses (including expert witness fees, reasonable attorneys' fees, and court costs) arising from or as a result of the death of any person or any accident, injury, loss or damage whatsoever caused to any person or the property of any person resulting or arising from or in any way connected with the following, provided Participant shall not be responsible for (and such indemnity shall not apply to) any negligence or willful misconduct of the City, or their respective officers, officials, active employees, contractors or agents:

- a. The development, construction, marketing, use or operation of the Property by the Participant, its officers, contractors, subcontractors, agents, employees or other persons acting on Participant's behalf [Indemnifying Parties];
- b. The displacement or relocation of any person from the Property as the result of the development of the Project on the Property by the Indemnifying Parties;

- c. Any plans or designs for the Project prepared by or on behalf of Participant including, without limitation, any errors or omissions with respect to such plans or designs;
- d. Any loss or damage to the City resulting from any inaccuracy in or breach of any representation or warranty of Participant, or resulting from any breach or default by Participant, under this Agreement; and
- e. Any and all actions, claims, damages, injuries, challenges and/or costs or liabilities arising from the approval of any and all entitlements or permits for the improvements by the City, and their respective officers, officials, employees, contractors or agents.

The foregoing indemnity shall continue to remain in effect after the Completion Date or after the earlier termination of this Agreement, as the case may be.

XIII. DUTY TO DEFEND

The Participant further agrees that the hold harmless agreement in Article XII, and the duty to defend the City, and their respective officers, officials, employees, contractors and agents, require the Participant to pay any costs that the City may incur which are associated with enforcing the hold harmless provisions, and defending any claims arising from obligations or services under this Agreement. If the City chooses at its own election to conduct its own defense, participate in its own defense, or obtain independent legal counsel in defense of any claim related to obligations or services under this Agreement, the Participant agrees to pay the City's attorney's fees, expert witness fees, and all costs.

XIV. COMPLIANCE WITH LAW

The Participant agrees to comply with all the requirements now in force, or which may hereafter be in force, of all municipal, county, state and federal authorities, pertaining to the development and use of the Property and construction of the Project, as well as operations conducted on the Property. The Director of Community & Economic Development or his/her designee will not issue any Rebate to the Participant if there is in violation of any law, ordinance, code, regulation, permit or Program Guideline.

XV. TERMINATION

If Participant shall fail to cure any Event of Default upon notice and within the time for cure provided for in XVII below, the City may, by written notice to the Participant, terminate this Agreement. Such termination shall trigger the "Repayment of Pro Rata Share of Rebate defined in XVII.

Participant may not terminate this Agreement without the express written consent of City.

XVI. NOTICES

All notices permitted or required hereunder must be in writing and shall be effected by (i) personal delivery, (ii) first class mail, registered or certified, postage fully prepaid, or (iii) reputable same-day or overnight delivery service that provides a receipt showing date and time of delivery, addressed to the following parties, or to such other address as any party may, from time to time, designate in writing in the manner as provided herein:

To City: City of Evanston
Economic Development Division
2100 Ridge Avenue
Evanston, IL 60201
Telephone: 847.448.8100
Email: economicdevelopment@cityofevanston.org

To Participant: JOHN LEINWEBER & MARY McAWLEY
70 RENEW MANAGEMENT SERVICES
P.O. Box 6094 EVANSTON, ILLINOIS 60204-6094
Phone No.: (847) 475-5120
Facsimile No.: (847) 475-5102
Email: JOHN.LEINWEBER@GMAIL
Attention: JOHN LEINWEBER

Any written notice, demand or communication shall be deemed received immediately if personally delivered or delivered by delivery service to the addresses above, and shall be deemed received on the third day from the date it is postmarked if delivered by registered or certified mail.

XVII. DEFAULT; REMEDIES; DISPUTE RESOLUTION

a. Notice of Default.

In the event of failure by either party hereto substantially to perform any material term or provision of this Agreement, the non-defaulting party shall have those rights and remedies provided herein, provided that such non-defaulting party has first provided to the defaulting party a written notice of default in the manner required by Article XVI hereof identifying with specificity the nature of the alleged default and the manner in which said default may be satisfactorily be cured.

b. Cure of Default

Upon the receipt of the notice of default, the alleged defaulting party shall promptly commence to cure, correct, or remedy such default within such thirty (30) day period, and shall continuously and diligently prosecute such cure, correction or remedy to completion. For purposes of this Agreement, "business days" shall refer to Monday through Friday, inclusive, other than State, Federal, or other locally declared holidays.

c. City Remedies; Repayment of Pro Rata Share of Rebate.

In the event of a default by Participant of the terms of this Agreement that has not been cured within the timeframe set forth in Paragraph B above, the City, at its option, may terminate this Agreement or may institute legal action in law or in equity to cure, correct, or remedy such default, enjoin any threatened or attempted violation, or enforce the terms of this Agreement. In the event of a default by Participant that occurs after the City has disbursed the Rebate, the "Pro Rata Repayment Amount" and interest, at the rate of three percent (3%) per annum, commencing on the date City disbursed the Rebate to Participant, shall become immediately due and payable. The rate of interest applicable to periods of default for the defaults set forth in this paragraph shall be calculated at the lesser of three percent (%) per annum or the maximum legal rate, and shall accrue as of the date such payment was originally due.

The "Pro Rata Repayment Amount" shall be the amount obtained by multiplying the original Rebate amount times the percentage obtained by dividing the number of months remaining in the five (5) year covenant period that commences on the month the Declaration is recorded, and ends on the 5th anniversary (the "Covenant Period") by 60, which is the total number of months in the Covenant Period (12 months x 5 years). For example, if the amount of the Rebate is \$15,000, and the breach occurs after 3 years and two months (38 months), Participant shall repay \$5,500 plus any interest that has accrued during this time.

All payments shall be first credited to accrued interest, next to costs, charges, and fees which may be owing from time to time, and then to principal. All payment shall be made in lawful money of the United States. Payments shall be made to City at the address set forth in Article XVI herein or at such other address as City may direct pursuant to notice delivered to Participant in accordance with Article XVI.

d. Participant's Exclusive Remedies.

The parties acknowledge that the City would not have entered into this Agreement if it were to be liable in damages under, or with respect to, this Agreement or any of the matters referred to herein, including the Project, except as provided in this Article. Accordingly, Participant shall not be entitled to damages or monetary relief for any breach of this Agreement by the City or arising out of or connected with any dispute, controversy, or issue between Participant and the City regarding this Agreement or any of the matters referred to herein, the parties agreeing that declaratory and injunctive relief, mandate, and specific performance shall be Participant's sole and exclusive judicial remedies.

XVIII. APPLICABLE LAW

The internal laws of the State of Illinois without regard to principles of conflicts of law shall govern the interpretation and enforcement of this Agreement.

XIX. CONFLICT OF INTEREST

- a. No member, official, or employee of the City shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official, or employee

participate in any decision relating to the Agreement which affects his/her personal interests or the interests of any corporation, partnership, or association in which he/she is, directly or indirectly, interested.

- b. The Participant warrants that it has not paid or given, and will not pay or give, any third person any money or other consideration for obtaining this Agreement.

XX. NON-LIABILITY OF CITY OFFICIALS AND EMPLOYEES

No member, official, agent, legal counsel or employee of the City shall be personally liable to the Participant, or any successor in interest in the event of any default or breach by the City or for any amount which may become due to Participant or successor or on any obligation under the terms of this Agreement.

XXI. BINDING EFFECT

This Agreement, and the terms, provisions, promises, covenants and conditions hereof, shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns.

XXII. AUTHORITY TO SIGN

The Participant hereby represents that the persons executing this Agreement on behalf of Participant have full authority to do so and to bind Participant to perform pursuant to the terms and conditions of this Agreement.

XXIII. COUNTERPARTS

This Agreement may be executed by each party on a separate signature page, and when the executed signature pages are combined, shall constitute one single instrument.

XXIV. ENTIRE AGREEMENT, WAIVERS AND AMENDMENTS

- a. This Agreement and the Exhibits and references incorporated into this Agreement express all understandings of the parties concerning the matters covered in this Agreement. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the subject matter hereof.
- b. All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorities of the City or the Participant, and all amendments hereto must be in writing and signed by the appropriate authorities of the City and the Participant.

XXV. NON-ASSIGNMENT

The Participant shall not assign the obligations under this Agreement, nor any monies due or to become due, without the Director of Community and Economic Development's prior

written approval, and Participant and Participant's proposed assignee's execution of an assignment and assumption agreement in a form approved by the City. Any assignment in violation of this paragraph is grounds for immediate termination of this Agreement, at the sole discretion of the Director of Community & Economic Development. In no event shall any putative assignment create a contractual relationship between the City, and any putative assignee.

XXVI. NO WAIVER

No failure of either the City or the Participant to insist upon the strict performance by the other of any covenant, term or condition of this Agreement, nor any failure to exercise any right or remedy consequent upon a breach of any covenant, term, or condition of this Agreement, shall constitute a waiver of any such breach or of such covenant, term or condition. No waiver of any breach shall affect or alter this Agreement, and each and every covenant, condition, and term hereof shall continue in full force and effect.

IN WITNESS WHEREOF, the City, and the Participant have signed this Agreement as of the dates set opposite their signatures.

"CITY"

Dated: 8/26/11 By: _____ (signature)
[Signature]
Name: STEPHEN GRIFFIN
Title: Director of Community + Econ Devel

"PARTICIPANT"

Dated: AUGUST 24th, 2011 By: _____ (signature)
[Signature]
Name: JOHN V. LEINWEBER
Title: OWNER

ATTACHMENTS:

1. Exhibit A – Legal Description of Property
2. Exhibit B – Declaration of Covenants Affecting Real Property
3. Exhibit C – Certification of Ownership and Consent
4. Exhibit D – Program Guidelines

Return this form to:
City of Evanston
Director Community & Economic Development
2100 Ridge Avenue
Evanston, IL 60201

For Official Use Only	
Date Received:	Received By:

Exhibit A: LEGAL DESCRIPTION OF PROPERTY

(Attach behind this page)

CHICAGO TITLE INSURANCE COMPANY
COMMITMENT FOR TITLE INSURANCE
SCHEDULE A (CONTINUED)

ORDER NO.: 1410 008473794 KA

5. THE LAND REFERRED TO BY THIS COMMITMENT IS DESCRIBED AS FOLLOWS:

LOTS 11 AND 12 IN BLOCK 4 IN MERRILL LADD'S SECOND ADDITION TO EVANSTON, BEING A SUBDIVISION OF THE WEST 1/2 OF THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 13, TOWNSHIP 41 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, ALSO, THAT PART OF LOT 10 IN BLOCK 4 IN MERRILL LADD'S SECOND ADDITION TO EVANSTON A SUBDIVISION OF THE WEST 1/2 OF THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 13, TOWNSHIP 41 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHWEST CORNER OF LOT 10, IN BLOCK 4 IN SAID MERRILL LADD'S SECOND ADDITION, THENCE NORTH ON THE WEST LINE OF SAID LOT 10 TO THE NORTHWEST CORNER THEREOF, THENCE EAST ON THE NORTH LINE OF SAID LOT 10 ONE-QUARTER OF ONE INCH; THENCE SOUTH TO A POINT ON THE SOUTH LINE OF SAID LOT 10 3/4 OF ONE INCH EAST OF THE SOUTHWEST CORNER THEREOF, THENCE WEST ON THE SOUTH LINE OF SAID LOT 10, 3/4 OF ONE INCH TO THE PLACE OF BEGINNING, IN COOK COUNTY, ILLINOIS

Exhibit B: DECLARATION OF COVENANTS AFFECTING REAL PROPERTY

[Space for Recorder]

THIS DECLARATION OF COVENANTS AFFECTING REAL PROPERTY ("Declaration") is entered into this 29th day of AUGUST, 2011 ("Effective Date"), by and between the CITY OF EVANSTON, a public body corporate and politic ("City"), and JOHN LEINWEBER ("Participant").

RECITALS:

- A. Participant owns fee title to, or holds a valid leasehold interest in, that certain improved real property located at 115 CHURCH / 11531 DARWIN, in the City of Evanston, County of Cook, State of Illinois (hereinafter referred to as the "Property"). The property is improved with a commercial building currently used as OFFICE SPACE. A legal description of the Property is attached hereto and incorporated herein as Exhibit "1".
- B. The Site is within the City of Evanston ("City").
- C. Participant has entered into a Facade Improvement Program Agreement (the "Program Agreement") with the City, dated as of AUGUST 29th, 2011, concerning the "Project" (as defined in the Program Agreement), City's provision to provide the Participant of a rebate in the amount of half of the total project cost not to exceed sixteen thousand five hundred dollars (\$ 16,500), in the form of a loan, to assist Participant in developing the Project (the "Rebate"), and related matters, which Program Agreement is on file with the City as a public record and is incorporated herein by reference. All defined terms used herein shall have the same meaning as in the Program Agreement unless otherwise stated.

NOW, THEREFORE, in consideration of the foregoing Recitals, which are incorporated herein by this reference, and for other valuable consideration, the sufficiency of which is hereby acknowledged, City and Participant hereby agree as follows:

- 1. Participant hereby covenants as follows, which covenants shall run with land and shall be binding upon itself and its assigns, and each successor-in-interest to the Property or any portion thereof:

- a) To not transfer or encumber the Site or any portion thereof or assign any of its rights or obligations hereunder, under the Program Agreement, or under this Declaration without obtaining the prior written consent of the City.
- b) To maintain the insurance required pursuant to the provisions of Article VIII of the Program Agreement.
- c) To indemnify, defend, and hold the City, and their respective officers, officials, members, employees, agents, and representatives (collectively, the "City and City Personnel"), harmless from and against all liabilities, losses, damages, costs and expenses, including reasonable attorney's fees, expert witness fees, and court costs (hereinafter, collectively, "Claims"), arising from or as a result of the death or injury to any person or any accident, injury, loss, or damage whatsoever caused to any person or to the property of any person and which is caused by any acts or any errors or omissions of Participant or any of its employees, agents, servants, invitees, contractors, or subcontractors; provided, however, Participant shall not be required to indemnify, defend, and hold harmless the City if the Claim arises from or is caused in whole by active negligence or willful misconduct of the City, or any of their employees, agents, servants, invitees, contractors, or subcontractors
- d) To not devote the Property to uses inconsistent with applicable laws, rules, and regulations of any governmental agencies having jurisdiction.
- e) To maintain the Property and all improvements including the facade improvements constructed as the Project, in first class condition and repair and in accordance with all applicable laws, rules, ordinances, orders, and regulations of all federal, state, county, municipal, and other governmental agencies and bodies having jurisdiction and all their respective departments, bureaus, and officials. Participant shall not permit any accumulation of weeds, rubbish, or debris on the Property, and shall promptly remove any graffiti or other defacement of the Property. Participant shall not permit any unlawful use or public or private nuisance to be maintained on the Site.
- f) To repay the Rebate pursuant to the terms of Article XVII Paragraph C of the Program Agreement, when such repayment is required under the terms thereof.
- g) That there shall be no discrimination against, or segregation of, any persons, or group of persons, on any basis of race, color, religion, sex, sexual orientation, marital status, national origin or ancestry, or age or physical or mental disabilities that do not impair ability to work, and further that it will examine all job classifications to determine if minority persons or women are underutilized and will take appropriate affirmative action to rectify any such underutilization.

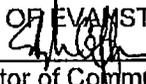
- h) That, if the Participant hires additional employees in order to perform this contract, or any portion hereof, it will determine the availability of minorities and women in the area(s) from which it may reasonably recruit and it will hire for each job classification for which employees are hired in such a way that minorities and women are not underutilized.
 - i) That, in all solicitations or advertisements for employees placed by it or on its behalf, it will state that all Participants will be afforded equal opportunity without discrimination because of race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, or disability.
- 2. All of the covenants, easements, agreements, conditions and restrictions contained herein, whether affirmative or negative: (a) are made for the direct benefit of the Benefited Property; (b) are covenants running with the land; (c) are appurtenant to and shall not be conveyed or otherwise transferred separately from the Benefited Property, or the Site; and (d) bind and inure to the burden or benefit, as the case may be, of the respective heirs, personal representatives, successors and assigns of the parties hereto, including, without limitation, successive owners of all or any portion of, respectively, the Benefited Public Property and the Site.
- 3. The covenants and agreements established in this Declaration shall, without regard to technical classification and designation, be binding on Participant for the benefit of and in favor of the City, regardless of whether the City own or hold any interest in real property butting or adjacent to the Site or within the Project Area. Notwithstanding the foregoing or anything to the contrary herein, neither Participant nor any assign or successor-in-interest to the Site shall have any liability or responsibility for the breach of any covenant or agreement contained herein by any other assign or successor-in-interest to the Property that would constitute a breach or violation of the provisions hereof. At the termination of the Program Agreement, Participant may request that the City release the covenants set forth herein. The decision whether to release said covenants shall remain in the sole discretion of the City, which shall not be unreasonably withheld.

[end - signature page follows]

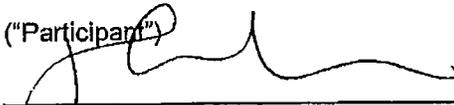
IN WITNESS WHEREOF, City and Participant have entered into this Declaration as of the Effective Date.

"City"

CITY OF EVANSTON, an Illinois Municipal Corporation

By:  8/26/11
Director of Community & Economic Development

Dated: AUGUST 24th, 2011

("Participant")
 (signature)

By: JOHN J. LETNIEWSKI

Its: OWNER

Dated: AUGUST 24th, 2011

State of Illinois)
County of Cook)

On August 24, 2011, before me,
Elaine Autwell (insert name and title of the officer) Notary Public,
personally appeared Jonathan Leinewaber, who proved to me on the basis of
satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within
instrument and acknowledged to me that he/she/they executed the same in his/her/their
authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of Illinois that the
forgoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Elaine Autwell

(Seal)



State of Illinois)
County of Cook)

On _____, before
me, _____ (insert name and title of the officer) Notary
Public, personally appeared _____, who proved to me on the
basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the
within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted, executed the
instrument.

I certify under PENALTY OF PERJURY under the laws of the State of Illinois that the
forgoing paragraph is true and correct. WITNESS my hand and official seal.

Signature _____

(Seal)

Owner Consent to Declaration

CONSENT TO RECORDATION

JOHN LEINWEBER (owner of the fee interest in the real property legally described in Exhibit "A" hereto, consents to the recordation of the foregoing Declaration of Covenants Affecting Real Property against said real property and agrees to be bound by the terms thereof applicable to the participant.

Dated: August 24th, 2011

[Signature] (signature)
By: JOHN LEINWEBER, OWNER

State of Illinois)
County of Cook)

On August 24, 2011, before me, Elaine Autwell (insert name and title of the officer), Notary Public, personally appeared Jonathan Leinweber, who proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument of the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of Illinois that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Elaine Autwell (Seal)

EXHIBIT C: CERTIFICATION OF OWNERSHIP AND CONSENT

This CERTIFICATION OF OWNERSHIP AND CONSENT (this "Consent") is executed by the undersigned ("Owner") at the request of JOHN LEINWEBER, OWNER ("Tenant").

1. Owner is the owner in fee of that certain real property located at 1715 CHURCH STREET 1703-11 ORRLOW, in the City of Evanston, County of Cook, State of Illinois (the "Property").
2. The Property is improved with a building (the "Building"). The Property is currently leased to MULTIPLE TENANTS, who operates a business thereon (the "Tenant").
3. The Tenant has submitted an Application to the City of Evanston (the "City") pursuant to the City's Façade Improvement Program (the "Program") for a rebate in connection with certain improvements the Tenant contemplates making to the Building façade (the "Improvements").
4. The Tenant has entered into a Program Agreement with the City that sets out the terms and conditions of the Program, and includes the Program Guidelines. Pursuant to the Program Agreement if the Tenant completes construction of the Improvements within ninety (90) year after the date of the Program Agreement, and satisfies certain other requirements set forth therein, the Tenant will be eligible for a rebate (the "Rebate"). The Rebate will be in the form of a loan, the repayment of which will be forgiven if the Tenant maintains and does not alter or remove the Improvements for a period of five (5) years from the Tenant's receipt of the Rebate.
5. If the Tenant sells the business without obtaining the prior written consent of the City and/or fails to maintain or alters or removes the Improvements before the close of the five (5) year period referenced above, the Tenant will be required to repay a prorata share of the Rebate.
6. One of the City's conditions to providing the Rebate to the Tenant is that a Declaration of Covenants Affecting Real Property is recorded against the Property which imposes certain maintenance and other requirements on the Property (the "Declaration").

Owner now wishes to provide its written consent to all of the foregoing.

NOW THEREFORE, in consideration of the foregoing Recitals, which are incorporated herein by this reference, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Owner hereby declares as follows:

1. Owner hereby consents to all of the following:
 - a. Tenant's execution of the Program Agreement and participation in the Program.
 - b. Tenant's construction of the Improvements.
 - c. The recordation against the Property of the Declaration, which Owner hereby agrees to execute, with signature(s) acknowledged, and deliver to the City when requested by the Tenant.

2. The person or persons executing this Consent on behalf of Owner is fully empowered to do so and in so doing binds Owner according to the terms hereof.
3. Owner acknowledges that Tenant and City are relying upon the provisions of this Consent and that the City would not agree to provide the Rebate to Tenant without this Consent.
4. City is a third party beneficiary to this Consent.

IN WITNESS WHEREOF, Owner has executed this Consent as of
AUGUST 24th, 2011

By: 
(signature)

Its: JOHN J. LETINEWICZ, OWNER

By: _____

Its: _____