

**SECTION 2 [Sections 2 through 5 must be completed for each redevelopment project area listed in Section 1.]
FY 2017**

Name of Redevelopment Project Area (below):
Howard Ridge TIF District No. 5

Primary Use of Redevelopment Project Area*: Retail Other Comm'l

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

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
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
Statement setting forth all activities undertaken in furtherance of the objectives of the redevelopment plan including any project implemented and a description of the redevelopment activities.? [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 the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G	X	
Were there any reports or meeting minutes submitted to the municipality by the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] If yes, please enclose the Joint Review Board Report labeled Attachment H		X
Were any obligations issued by the municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] If yes, please enclose any Official Statement labeled Attachment I and Attachment J MUST be Yes	X	
An 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 attachment I is yes, Analysis MUST be attached and labeled Attachment J	X	
Has a cumulative of \$100,000 of TIF revenue been deposited 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 taxes 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, 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 labeled Attachment L		X
A list of all intergovernmental agreements in effect 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 list only, not actual agreements labeled Attachment M	X	

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

Provide an analysis of the special tax allocation fund.

FY 2017

TIF NAME:

Howard Ridge TIF District No. 5

Special Tax Allocation Fund Balance at Beginning of Reporting Period \$ (84)

SOURCE of Revenue/Cash Receipts:	Revenue/Cash Receipts for Current Reporting Year	Cumulative Totals of Revenue/Cash Receipts for life of TIF	% of Total
Property Tax Increment	\$ 583,827	\$ 5,126,333	90%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ 21	\$ 14,029	0%
Land/Building Sale Proceeds			0%
Bond Proceeds			0%
Transfers from Municipal Sources		\$ 282,307	5%
Private Sources			0%
Other (identify source _____; if multiple other sources, attach schedule)	\$ 32,000	\$ 255,897	5%

All Amount Deposited in Special Tax Allocation by source

\$ 615,848

Cumulative Total Revenues/Cash Receipts

\$ 5,678,566 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2)

\$ 368,386

Distribution of Surplus

Total Expenditures/Disbursements

\$ 368,386

Net/Income/Cash Receipts Over/(Under) Cash Disbursements

\$ 247,462

FUND BALANCE, END OF REPORTING PERIOD*

\$ 247,378

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

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

FY 2017

TIF NAME: Howard Ridge TIF District No. 5

ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND
(by category of permissible redevelopment project costs)

PAGE 1

Category of Permissible Redevelopment Cost [65 ILCS 5/11-74.4-3 (q) and 65 ILCS 5/11-74.6-10 (o)]	Amounts	Reporting Fiscal Year
1. Cost of studies, surveys, development of plans, and specifications. Implementation and administration of the redevelopment plan, staff and professional service cost.		
Community Development	307,391	
Fund Transfers - administration, reimbursements	60,000	

SECTION 3.2 A

13. Relocation costs.		
		\$ -
14. Payments in lieu of taxes.		
		\$ -
15. Costs of job training, retraining, advanced vocational or career education.		
		\$ -
16. Interest cost incurred by redeveloper or other nongovernmental persons in connection with a redevelopment project.		
		\$ -
17. Cost of day care services.		
		\$ -
18. Other.		
		\$ -
TOTAL ITEMIZED EXPENDITURES		\$ 368,386

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

FY 2017

TIF NAME: Howard Ridge TIF District No. 5

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

Check here if no property was acquired by the Municipality within the
X 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 - 20 ILCS 620/4.7 (7)(F)

PAGE 1

FY 2017

TIF Name:

Howard Ridge TIF District No. 5

Page 1 is to be included with TIF report. Pages 2 and 3 are to be included **ONLY** if projects are listed.Select **ONE** of the following by indicating an 'X':

1. NO projects were undertaken by the Municipality Within the Redevelopment Project Area.	
2. The Municipality DID undertake projects within the Redevelopment Project Area. (If selecting this option, complete 2a.)	X
2a. The number of projects undertaken by the municipality within the Redevelopment Project Area:	7

LIST the projects undertaken by the Municipality Within the Redevelopment Project Area:

TOTAL:	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
Private Investment Undertaken (See Instructions)	\$ 782,500	\$ -	\$ 39,757,500
Public Investment Undertaken	\$ 312,500	\$ -	\$ 3,722,446
Ratio of Private/Public Investment	2 1/2		10 49/72

*PROJECT NAME TO BE LISTED AFTER PROJECT NUMBER

Project 1 501 Howard

Private Investment Undertaken (See Instructions)			\$ 30,000,000
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 2 Ward Eight Wine Bar

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

Project 3 607 Howard LOC

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

Project 4 Peckish Pig

Private Investment Undertaken (See Instructions)	\$ 770,000		\$ 1,445,000
Public Investment Undertaken	\$ 200,000		\$ 200,000
Ratio of Private/Public Investment	3 17/20		7 9/40

Project 5 Theo Ubique Theatre

Private Investment Undertaken (See Instructions)			\$ 500,000
Public Investment Undertaken			\$ 1,400,000
Ratio of Private/Public Investment	0		5/14

Project 6 Café Coralie

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			\$ 50,000
Ratio of Private/Public Investment	0		0

Project 7 Evanston Gateway

Private Investment Undertaken (See Instructions)			\$ 7,800,000
Public Investment Undertaken			\$ 1,959,946
Ratio of Private/Public Investment	0		3 48/49

Project 8

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

Project 9*:

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

Project 10*:

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

Project 11*:

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

Project 12*:

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

Project 13*:

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

Project 14*:

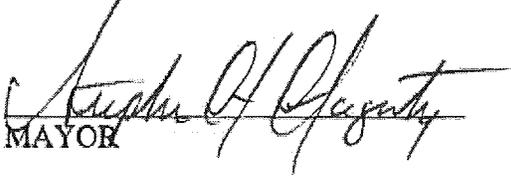
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 15*:

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

Re: Howard and Ridge TIF District

I, Stephen H. Hagerty, the Mayor of the City of Evanston, County of Cook, State of Illinois, do hereby certify that to the best of my knowledge, the City of Evanston complied with the requirements pertaining to the Illinois Tax Increment Redevelopment Allocation Act during the Fiscal Year beginning January 1, 2017 and ending December 31, 2017.


MAYOR

6/28/18
DATE

**CITY OF EVANSTON HOWARD AND RIDGE TIF DISTRICT ANNUAL REPORT FOR FISCAL YEAR
BEGINNING JANUARY 1, 2017 AND ENDING DECEMBER 31, 2017**

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

To Whom It May Concern:

This will confirm that I am the City Attorney for the City of Evanston, Illinois. I have reviewed all information provided to me by the City staff and consultants, and I find that the City of Evanston has conformed to all applicable requirements of the Illinois Tax Increment Redevelopment Allocation Act set forth thereunder for the Fiscal Year beginning January 1, 2017 and ending December 31, 2017 to the best of my knowledge and belief.

Sincerely,

Michelle L. Mason
Corporation Counsel

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

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

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

In the reporting fiscal year, the City approved up to a \$2,000,000 grant for a mixed use 24 unit residential (with 5 affordable units) and retail redevelopment at 128 to 130 Chicago Avenue. The City also sold property to the developer as part of the redevelopment project.

The City agreed to lease space at 721 Howard Street to Theo Ubique Theater and as part of the terms agreed to provide \$1,400,000 for build out in order to provide for live performing arts uses.

As part of the continuing redevelopment of the Peckish Pig use, the City approved the sale of property at 623 Howard Street for \$675,000.

The City entered into a lease with The Sweet Life of Coralie LLC (Café Coralie) for space at 633 Howard Street for a ten year term and also included a loan for tenant improvements.

Attachment E Description of Agreements Regarding Property Disposition or Redevelopment

In the reporting fiscal year, the City approved up to a \$2,000,000 grant for a mixed use 24 unit residential (with 5 affordable units) and retail redevelopment at 128 to 130 Chicago Avenue. The City also sold property to the developer as part of the redevelopment project.

The City agreed to lease space at 721 Howard Street to Theo Ubique Theater and as part of the terms agreed to provide \$1,400,000 for build out in order to provide for live performing arts uses.

As part of the continuing redevelopment of the Peckish Pig use, the City approved the sale of property at 623 Howard Street for \$675,000.

The City entered into a lease with The Sweet Life of Coralie LLC (Café Coralie) for space at 633 Howard Street for a ten year term and also included a loan for tenant improvements.

The agreements and leases are attached

Certificate as Keeper of
Records, Files and Seals

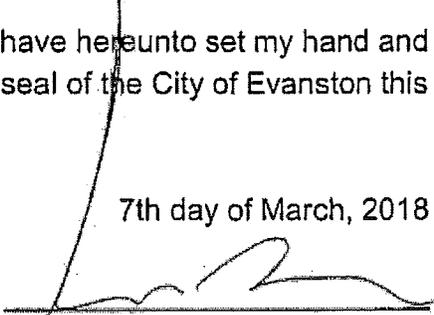
STATE OF ILLINOIS)
)§
COUNTY OF COOK)

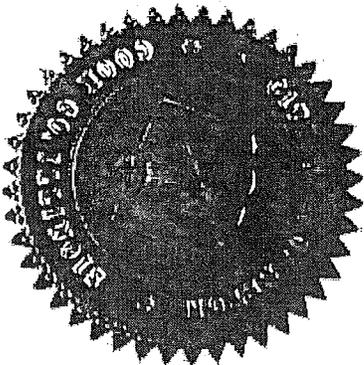
I, Eduardo Gomez,, Deputy City Clerk of the City of Evanston in the County of Cook and State aforesaid, United States of America and Keeper of the Records, Files and Seal of said City, do hereby certify that attached hereto is a true and correct copy of **Ordinance 6-O-18 "Sale of City Property 623-627 Howard Street"** certified on March 7, 2018

All of which appear from the records and files presented in my office

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the City of Evanston this

7th day of March, 2018


Eduardo Gomez, Deputy City Clerk



12/12/2017

6-O-18

AN ORDINANCE

**Authorizing the City Manager to Execute a Sale Contract for
City Owned Real Property located at 623 ½ - 627 Howard Street**

WHEREAS, the City of Evanston owns property and building located at 623 ½ - 627 Howard Street, Evanston, Illinois, 60202 (the "Subject Property"); and

WHEREAS, on March 18, 2013, the City Council adopted Ordinance 9-O-13 which authorized a commercial lease agreement with an option to purchase the Subject Property by and between the City and Peckish One LLC d/b/a "Peckish Pig"; and

WHEREAS, Peckish Pig seeks to exercise the option to purchase the Subject Property from the City of Evanston based on the terms outlined in Agreement and purchase the property through an entity, Little Piggy LLC, owned by the principals of Peckish Pig; and

WHEREAS, the City Council of the City of Evanston has determined that ownership of the aforesaid Subject Property is no longer necessary, appropriate, required, or in the best interests of the City of Evanston and seeks to sell the Subject Property to Peckish Pig; and

WHEREAS, pursuant to Ordinance 9-O-13, the parties previously negotiated the sale of the Subject Property; and

WHEREAS, the City Manager recommends that the City Council hereby approve the sale of the Subject Property, with the City as Seller and Little Piggy LLC as Buyer; and

WHEREAS, the City Council hereby finds and determines that the best interests of the City of Evanston and its residents will be served by conveying the aforesaid Subject Property, on terms consistent with the Sale Agreement for Real Estate, attached hereto as Exhibit A and incorporated herein by reference (hereinafter, the "Agreement"); and

WHEREAS, as required by Section 1-17-4-2-(B) of the Evanston City Code, 2012, as amended (the "City Code"), a Notice of Intent to Sell Certain Real Estate, was published in the *Chicago Tribune*, a newspaper in general circulation in the City of Evanston, on December 28, 2017, neither less than fifteen (15) nor more than thirty (30) days before the date on which the City Council considered adoption of this ordinance authorizing the sale of the Property,

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF EVANSTON, COOK COUNTY, ILLINOIS, THAT:

SECTION 1: The foregoing recitals are hereby found as fact and incorporated herein by reference.

SECTION 2: The City Council of the City of Evanston hereby approves the negotiated sale of the Subject Property to Little Piggy LLC.

SECTION 3: The City Manager is hereby authorized and directed to sign, the Real Estate Sale and Purchase Agreement, pursuant to the terms of which the Subject Property shall be conveyed. The City Manager is further authorized to negotiate any changes or additional terms and conditions with respect to the sale of the aforesaid Subject Property as the City Manager may deem fit and proper.

SECTION 4: The City Manager and the City Clerk, respectively, are hereby authorized and directed to execute, attest, and deliver such other documents, agreements, and certificates as may be necessary to effectuate the sale herein authorized.

SECTION 5: All ordinances or parts of ordinances in conflict herewith are hereby repealed.

SECTION 6: This ordinance shall be in full force and effect from and after its passage, approval, and publication in the manner provided by law.

SECTION 7: If any provision of this ordinance or application thereof to any person or circumstance is held unconstitutional or otherwise invalid, such invalidity shall not affect other provisions or applications hereof that can be given effect without the invalid provision or application, and each invalid application hereof is severable.

SECTION 8: The findings and recitals contained herein are declared to be prima facie evidence of the law of the City and shall be received in evidence as provided by the Illinois Compiled Statutes and the courts of the State of Illinois.

Ayes: 9

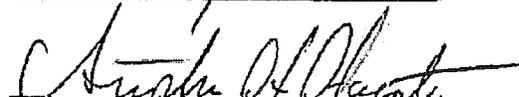
Nays: 0

Introduced: January 22, 2018

Adopted: January 22, 2018

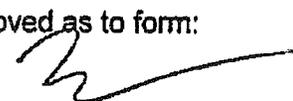
Approved:

January 31, 2018


Stephen H. Hagerty, Mayor

Attest: 

Devon Reid, City Clerk

Approved as to form:


W. Grant Farrar, Corporation Counsel

EXHIBIT A

Real Estate Sale and Purchase Agreement

REAL ESTATE CONTRACT

THIS REAL ESTATE CONTRACT (the "Contract") is entered into as of the ___ day of January, 2018 (the "Effective Date"), by and between the City of Evanston, an Illinois municipal corporation (hereinafter, "Seller") and Little Piggy LLC, an Illinois limited liability company (hereinafter, "Buyer"). The Seller and Buyer must be referred to hereinafter individually as a "Party" and collectively as the "Parties".

RECITALS

WHEREAS, Seller is the fee simple owner to certain real estate described on Exhibit A, attached hereto and incorporated herein, and all improvements located thereon and all appurtenances thereto, located at 623-627 1/2 Howard Street, Evanston, Illinois 60202 (the "Property");

WHEREAS, the Property is improved with a one story brick building consisting of a restaurant and brewery and leased to buyer to operate the business called "Peckish Pig";

WHEREAS, Seller and Buyer entered into that certain Commercial Lease and Option Agreement dated March 18, 2013, attached hereto and incorporated herein as Exhibit B (the "Lease") in which Buyer leased and is currently leasing the Premises, and contains an option for Buyer to purchase the Realty as set forth in Section 6 of the Lease (the "Option");

WHEREAS, pursuant to the terms and conditions set forth in Section 6 in the Lease, Buyer has submitted notification to Seller of its desire to exercise the Option; and

WHEREAS, Buyer desires to purchase from Seller and Seller desires to sell to Buyer the Property in accordance with the terms and conditions hereinafter set forth.

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

1. **Property.** Subject to the terms and conditions of this Contract and the above recitals, which are by this reference incorporated herein, Seller hereby agrees to convey to Buyer and Buyer hereby agrees to purchase from Seller all of Seller's interest in the Property.

2. **Purchase Price.** The purchase price for the Property is Six Hundred Seventy-Five Thousand and no/100 Dollars (\$675,000.00) ("Purchase Price") and shall be paid as follows:

(a) Buyer's commercial rent payments to Seller made during the Lease Term shall be applied as a credit at Closing to the Purchase Price (the "Rental Credit") and will not reduce the Purchase Price. The Rental Credit is sufficient for earnest money and Buyer owes no additional funds at the time of execution of the Contract; and

(b) The entire Purchase Price, minus the Rental Credit and any closing prorations as set forth herein, shall be paid to Seller in cash by wire transfer of immediately available funds at the Closing.

3. **Documents to be Delivered by Seller.** Within two (2) business days after the Effective Date, Seller will deliver to Buyer, or otherwise make available for inspection and review at Seller's location, all of the following pertaining to the Property, to the extent in Seller's possession or control:

(a) a true, correct and complete copy of "as-built" plans and specifications for all buildings and other improvements, structures, fixtures, parking areas and other improvements of any kind or nature whatsoever located on the Realty, and any modifications or amendments thereto, and copies of any reports or studies (including engineering, soil boring and physical inspection reports of employees, principals, consultants, governmental authorities or insurance carriers) in respect of the physical condition or operation of the Property or recommended improvements thereto;

(b) copies of all contracts and contract rights pertaining to the Property, or if no such contract or contract right exists, then Seller's written certification thereof;

(c) all other studies, reports, maps and documents related to the Property that are reasonably available to Seller including, without limitation, engineering reports, surveys, environmental reports, traffic circulation, operating methods, flood control and drainage plans, design renderings, shop drawings, feasibility studies, structural studies, documents relating to any special use, conforming use or zoning variance and all correspondence with governmental agencies and their personnel concerning the same, but excluding market analyses.

4. **Representation and Warranties.**

(a) Seller's Representations and Warranties. Seller hereby warrants and represents to Buyer that:

(i) Seller is the sole fee simple owner of the Property, and has the authority necessary to enter into this Contract and comply with Seller's obligations hereunder;

(ii) Seller is not in default in respect of any of its obligations or liabilities pertaining to the Property (including, but not limited to, such obligations and liabilities under the Permitted Exceptions, as defined in Section 6 below, easements, contracts), or, to the best of Seller's knowledge, by any other party thereto, and without limitation, to the best of Seller's knowledge, no event has occurred that, with the giving of notice or passage of time, or both, would give rise to any such default under any of the same;

(iii) Seller is not a party to any contract, agreement or commitment to sell, convey, assign, lease, transfer, provide rights of first refusal or other similar rights or otherwise dispose of any portion or portions of the Property. Neither

Seller nor any person or entity claiming by, through or under Seller has or will have, at any time or time prior to the Closing, done or suffered anything whereby any lien, encumbrance, claim or right of others has been or will be created on or against the Property or any part thereof or interest therein, except for the Permitted Exceptions;

(iv) There are two mechanics liens on the Property that the Seller will adjudicate prior to the sale of this Property. Except for the mechanics liens, Seller has received no written notice of any threatened against or affecting the Property or Seller; and

(v) Seller has no knowledge of any pending or threatened requests, applications or proceedings to alter or restrict the zoning or other use restrictions applicable to the Property. Seller has received no written notice from any state, federal or other governmental authority of zoning, building, fire, water, use, health, or other statute, ordinance, code or regulatory violations issued in respect of the Property, which have not been heretofore corrected, and, to Seller's actual knowledge, no such violations exist. Seller has not been advised of and is not aware of any plan, study or effort by any governmental agency or authority that would materially adversely affect the present use or zoning of the Property or that would modify or realign the adjacent street.

(b) Other than as expressly set forth in this Section 4, Seller makes no warranties, representations or statements whatsoever, express or implied, concerning or relating to the Property, including, without limitation: the income or expenses of the Property; zoning and building codes and other similar restrictions; availability or cost of utilities; the condition of the soils on the Property, the environmental condition of the Property; the presence or absence of any hazardous substances, hazardous materials, petroleum, or any substances regulated by federal, state or local law in, on or under the Property; compliance of the Property with any law, regulation, ordinance or similar requirement, including, without limitation, the Americans with Disabilities Act; or the physical condition of the Property or any improvements thereon. Buyer acknowledges that no agents, employees, brokers or other persons are authorized to make any representations or warranties for Seller.

(c) The representations and warranties made by Seller in this Section 4 shall be true as of the Closing Date (as defined in Section 9 below) and shall survive the Closing for a period of one (1) year.

(d) Buyer's Representations and Warranties. Buyer hereby represents and warrants to Seller that:

(i) Buyer agrees to take the Realty in "AS-IS, WHERE-IS" condition and "with all faults", and Buyer agrees that it relies upon no warranties, representations or statements by Seller, or any other persons for Seller, in entering into this Contract or in closing the transactions described herein, except as otherwise set forth in this Section 4. Buyer's closing on the acquisition of the

Realty shall constitute conclusive evidence that Buyer is satisfied with the condition of and title to the Realty and has waived or satisfied Buyer's survey, title and inspection contingencies set forth in Sections 5 through 7 below. In closing and completing this transaction, Buyer will have relied exclusively upon its own inspections and reviews, and not upon any representation or warranty of Seller or its agents or employees, except those expressly set forth in this Section 4;

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

(iii) Buyer (and any party claiming through or under Buyer) hereby agrees that following the Closing, Seller shall be fully and finally released from any and all claims or liabilities against the Seller relating to or arising on account of the condition of or title to the Property, except as otherwise specified in this Contract.

(e) The representations and warranties made by Buyer in this Section 4 shall survive the Closing.

5. **Survey Contingency.** Buyer, at its sole expense, may obtain a survey, but not required by this Contract, (the "Survey") of the Realty prepared by a land surveying company registered in the same state as the Realty. If Buyer elects to obtain a Survey, Buyer agrees to (i) have such Survey certified to the Title Company, as defined in Section 6 below, and to the Seller, and (ii) provide Seller with a copy of such Survey. Buyer shall have three (3) days from the Effective Date to obtain and deliver to Seller a copy of the Survey and, in writing any objection to a matter shown on the Survey, which materially affects the Realty or Buyer's intended use of the Realty ("Survey Objections"). If within such three (3) day period, Buyer fails to (a) obtain and deliver a copy of the Survey to Seller, and/or (b) deliver written notice of Survey Objections to Seller, then Buyer is deemed to have waived all rights to object to, is deemed to have approved, and shall accept title to the Realty subject to, any matters shown on the Survey. If within such three (3) day period, Buyer obtains and delivers a copy of the Survey to Seller and delivers written notice of Survey Objections to Seller, Seller shall have five (5) business days after receipt of Buyer's objection notice to notify Buyer in writing what, if anything, Seller agrees to do to cure such Survey Objections. Failure of Seller to respond within said five (5) business day period shall indicate that Seller elects not to cure the Survey Objections. Seller shall have no obligation to cure any Survey Objections or incur any expense with respect thereto. Upon receipt of notice from Seller indicating that Seller elects not to pursue a cure of any Survey Objection, Buyer shall have two (2) business days after delivery of such notice from Seller to deliver notice to Seller terminating this Contract, in which event the Earnest Money shall be disbursed to Buyer and the Parties shall have no further obligations hereunder except those provisions that expressly survive. If Buyer does not terminate this Contract pursuant to the immediately preceding sentence within said two (2) business day period, then Buyer is deemed to have waived all rights to object to, is deemed to have approved, and shall accept title to the

Realty subject to such uncured Survey Objection(s). If Seller pursues a cure and is unable to cure the Survey Objections by the Closing Date, then Buyer shall have the option, as its sole right, to either terminate this Contract on the Closing Date (in which event the Earnest Money shall be disbursed to Buyer and the Parties shall have no further obligations hereunder except those provisions that expressly survive), or close on the purchase of the Property with no Purchase Price reduction, in which case Buyer is deemed to have approved any uncured Survey Objections and waived any rights against Seller relating thereto.

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

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

- (a) municipal and zoning ordinances and agreements entered under them, agreements with any municipality regarding the development of the Property, building and use restrictions and covenants, and State and/or Federal statutes and regulations;
- (b) recorded easements for the distribution of utility and municipal services;

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

(d) such other matters disclosed by the Survey, which are not objected to by Buyer within the three (3) day period described in Section 5 above, or are waived or approved or deemed waived or approved by Buyer pursuant to Section 5 above, or if Buyer does not obtain and deliver a copy of the survey to Seller within the seven (7) day period described in Section 5 above, then any matters that would be shown on a current accurate and complete survey;

(e) such other matters as disclosed by the Commitment and waived or accepted or deemed waived or accepted by Buyer pursuant to this Section 6;

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

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

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

7. Mortgage Contingency.

This contract is subject to the condition that Purchaser be able to procure within 30 days a firm commitment for a loan to be secured by a mortgage or trust deed on the real estate in the amount of: *to be determined*, or such lesser sum as Purchaser accepts, with interest not to exceed: *to be determined*% a year to be amortized over years, the commission and service charges for such loan not to exceed: *to be determined*%. If, after making every reasonable effort, Purchaser is unable to procure such commitment within the time specified herein and so notifies Seller thereof within that time, this contract shall become null and void and all earnest money shall be returned to Purchaser.

8. Inspection Contingency.

(a) During the fifteen (15) day period immediately following the Effective Date (the "Inspection Period"), Buyer, at its sole expense, may obtain an inspection of all buildings and related improvements located on the Realty and/or a current Phase I environmental assessment of the Realty. Buyer shall not have the right to conduct any sampling or other invasive testing of the water, soil, air or building improvements on or beneath the Property without Seller's express prior written consent. Buyer shall repair any damage done to the Property by any such inspection. Buyer shall insure that any party entering onto the Realty for purposes of inspection maintains commercially reasonable liability insurance naming Seller as an additional insured, and upon request of Seller and prior to any such party entering onto the Realty, Buyer shall deliver to Seller a

certificate of insurance evidencing that such insurance is in place. Buyer shall indemnify, defend and hold Seller harmless from and against any loss, cost, liability or expense Seller may incur resulting from any such inspection.

(b) Buyer shall have until the end of the Inspection Period to terminate this Contract by written notice to Seller resulting from Buyer's objection to any matter shown in an inspection report or Phase I environmental assessment, which materially affects the Realty or Buyer's intended use of the Realty. If Buyer does not deliver a written notice to Seller before the end of the Inspection Period terminating this Contract, then Buyer is deemed to have waived this inspection contingency and any right to object to the condition of the Property. In no event shall Seller be required to cure any matter to which the Buyer objects relating to the condition of the Property. If this Contract is terminated by Buyer for any reason other than a default by Seller, then, as a condition to the return of any Earnest Money deposited hereunder, Buyer shall, within five (5) business days after termination of this Contract, cause to be delivered to Seller copies of any and all non-proprietary reports, tests, results and analyses in Buyer's possession or under Buyer's control, including, but not limited to, all title reports, surveys, environmental reports, geotechnical analyses, and traffic reports, at no cost or expense to Seller. Seller's rights and Buyer's obligations under this Section 7 shall survive the Closing or any termination of this Contract.

(c) If Seller is required under this Contract to deliver to Buyer a document within a specified number of days after the execution hereof, including any extensions thereto granted by Buyer, and Seller fails to deliver such document within such time, but delivers such document subsequently thereto and Buyer accepts same and does not terminate this Contract, then the Inspection Period shall be extended by the number of days between the date the document should have been delivered and the date it was actually delivered, without further notice.

9. **Closing.** The closing of this transaction (the "Closing") shall take place within 5 days after the expiration of the Inspection Period or an earlier date as agreed by the parties (the "Closing Date"), at the offices of the Chicago Title and Trust Company or at such other time and place as may be agreed upon by Buyer and Seller. At Closing, Buyer shall deliver to the Title Company by wire transfer to an account designated by the Title Company, immediately available funds in the amount of the Purchase Price, as adjusted by the Earnest Money, the Rental Credit and any closing proration as set forth herein, and such affidavits, resolutions and other documents agreed between the Parties, required for a legal conveyance of real estate in the state where the Realty is located or otherwise required by the Title Company to issue the Title Policy.

At the Closing, Seller shall deliver to the Title Company a Quit Claim Deed conveying Seller's interest in the Realty to Buyer, subject only to the Permitted Exceptions, a Quit Claim bill of sale conveying Seller's interest in the Personalty to Buyer, if applicable, and such affidavits, resolutions and other documents agreed between the Parties, required for a legal conveyance of real estate in the state where the Realty is located or otherwise required by the Title Company to issue the Title Policy. All proration required hereunder shall be computed as of the Closing Date. Possession of the Property shall be delivered to Buyer on the Closing Date, subject to the Permitted Exceptions, and Seller shall have no further interest in the Property.

Buyer shall pay for recording the deed(s). Seller shall pay the title insurance premium for the Title Policy to be issued to Buyer and gap coverage or endorsement charges. Buyer shall pay for all other endorsement charges and the title insurance premium for any loan policy, including endorsement charges related thereto. All escrow fees and Title Company Closing charges shall be shared equally by Seller and Buyer, except Buyer shall pay any escrow fees and other charges related to Buyer's loan as set forth in Section 8 above. All other Closing costs, including without limitation, state, county and municipal transfer taxes and other recording fees, shall be allocated as customary in the state and municipality in which the Realty is located.

10. Taxes.

(a) Taxes for Years Prior to Closing. Buyer will pay in full all general real property taxes that are levied with respect to the Realty for tax years prior to the year of Closing. Buyer will not receive a credit at Closing for taxes from Seller.

(b) Tax Challenges. If any tax challenge is ongoing with respect to the Realty for general real estate taxes levied for any tax years prior to the year of Closing, Buyer will receive the full benefit of any refund arising out of such tax challenge. This Section 10(b) expressly survives Closing.

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

12. Municipal Agreements. Seller and Buyer agree that upon Closing, Buyer will assume any and all responsibilities and obligations under all existing development agreements, declarations, escrow agreements and other agreements affecting the Property (collectively, the "Municipal Agreements"). In addition, Buyer shall comply, at Buyer's sole expense, with all requirements imposed under any such agreement or by any state, federal or local governmental entity or agency including, without limitation, any requirement to construct infrastructure, construct improvements, install sidewalks and parkway trees and landscaping, and to escrow funds, post letters of credit or any other required security in connection with the development of the Property. On or before Closing, Buyer shall, at Buyer's sole expense, replace any funds or letters of credit deposited in connection with any such agreement or requirement. Buyer's failure to do so on or before the Closing Date shall be a default under this Contract. The Parties agree that all development work is Buyer's sole responsibility and shall be performed at Buyer's sole cost and expense. Buyer shall indemnify, defend and hold Seller harmless from and against any and all losses, actions, liabilities, damages, costs and expenses, including reasonable attorneys' fees, incurred by Seller in connection with the failure by Buyer to observe or perform any of the obligations pursuant to this Section 12. Buyer and Seller agree that this Section 12 shall be self-operative but, if requested by Seller, Buyer shall execute a document in recordable form evidencing the Municipal Agreements set forth in this Section 12. To the extent Seller, any of its

affiliates, or any predecessor owner of the Property is entitled to a refund of any funds (including the proceeds of any letter of credit drawn upon) or other security deposited with respect to the Property before the Closing, any such refund shall be and remain the property of Seller or its applicable affiliate, and to the extent Buyer receives any such refund before or after the Closing, Buyer shall remit such refund to Seller or its affiliate within five (5) days after Buyer's receipt therefor. Seller's right and Buyer's obligations under this Section 13 shall survive the Closing.

13. Indemnification.

(a) **Buyer's Indemnification.** Buyer shall indemnify, defend and hold Seller harmless from and against any and all losses, claims, actions, liabilities, damages, liens, costs and expenses, including reasonable attorneys' fees, incurred by Seller (or its agents, consultants or affiliates) arising out of or related to (i) any activities upon the Property by Buyer, its agents, contractors and employees occurring from and after the Closing Date, or (ii) the failure by Buyer to observe or perform any of its covenants, representations or obligations under this Contract. This Section 15 shall survive the Closing or termination of this Contract.

(b) **Seller's Indemnification.** Seller shall indemnify, defend and hold Buyer harmless from and against any and all losses, claims, actions, liabilities, damages, liens, costs and expenses, including reasonable attorneys' fees, incurred by Buyer (or its agents, consultants or affiliates) arising out of or related to (i) Seller's ownership or use of the Property prior to the Closing Date, or (ii) the failure by Seller to observe or perform any of its covenants, representations or obligations under this Contract. This Section 15 shall survive the Closing or termination of this Contract for a period of one (1) year.

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

SELLER: City of Evanston
City Manager, Wally Bobkiewicz
2100 Ridge Avenue
Evanston, IL, 60201
wbobkiewicz@cityofevanston.org

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

BUYER: Little Piggy LLC
Attn: Debbie Evans
623 Howard Street
Evanston, IL 60202

info@thepeckishpig.com

With a copy to: James H. Wolf
33 N. Dearborn Street, Suite 800
Chicago, IL 60602
jhwolf@wolfandtenant.com

Notices may be given on behalf of a Party by their respective attorneys named above. All notices shall be deemed received either when actually received or three (3) days after posting (if mailed), one (1) business day after deposit with the delivery service (if sent by overnight delivery), or when delivered (if personally delivered), or if sent by facsimile transmission, upon transmission as evidenced by the confirmation slip generated by the sender's facsimile machine, or if sent by email, upon the receiving Party's receipt of delivery. Either Party may change the above addresses by written notice to the other.

15. Default.

(a) **Buyer's Default.** If before the Closing, Buyer defaults in the full and timely performance of any of its obligations hereunder and fails to cure the same within three (3) business days of Seller's written notice to Buyer of such default, Seller shall be entitled to cancel this Contract and receive and retain the Earnest Money deposited hereunder as liquidated damages, the Parties agreeing that in the event of a default hereunder before the Closing, actual damages would be impossible to calculate; provided, however, notwithstanding anything contained herein to the contrary, nothing contained in this Section 17 shall: (i) limit Seller's rights or remedies with respect to a breach or default by Buyer and Buyer fails to cure the same within three (3) business days of Seller's written notice to Buyer of such default after the Closing or of a covenant or obligation that survives the Closing and Buyer fails to cure the same within three (3) business days of Seller's written notice to Buyer of such default or a termination of this Contract; or (ii) limit Buyer's indemnification obligations under this Contract. Further, Seller shall be entitled to any and all rights and remedies available at law and/or in equity if Buyer defaults in (a) the full and timely payment and performance of Buyer's indemnification obligations under this Contract and fails to cure the same within three (3) business days of Seller's written notice to Buyer of such default, (b) any of Buyer's covenants or obligations that survives the Closing and fails to cure the same within three (3) business days of Seller's written notice to Buyer of such default, or (c) a termination of this Contract.

(b) **Seller's Default.** If Seller breaches any representation or warranty set forth in this Contract or defaults in the full and timely performance of any of its obligations hereunder, Buyer, as its sole and exclusive remedy, may elect to either terminate this Contract and receive a refund of the Earnest Money (in which case the Parties shall have no further obligations hereunder except those provisions that expressly survive) or seek specific performance, provided that any action for specific performance must be commenced within forty-five (45) days after Buyer obtains knowledge of Seller's default. If no such action is commenced within said forty-five (45) day period, Buyer shall be deemed to have waived its right to bring or pursue an action for specific

performance. Buyer hereby expressly waives, relinquishes and releases any other right or remedy available to it at law, in equity or otherwise by reason of Seller's default of its obligations hereunder, including, without limitation, any rights Buyer may have to bring an action to recover direct, consequential, punitive or any other damages.

16. Real Estate Commissions. Both parties hereby represent and warrant that it has not engaged the services of real estate agent, broker or firm in connection with the Property or this real estate transaction. Seller hereby agrees to defend, indemnify and hold the Buyer harmless from any and all loss; cost or expense from any claim for real estate commission made by any agent, broker or firm engaged by Seller in connection with the Property or this transaction. Buyer hereby represents and warrants that it has not engaged the services of any real estate agent, broker or firm in connection with the Property or this real estate transaction. Buyer hereby agrees to defend, indemnify and hold Seller harmless from any and all loss, cost or expense from any claim for real estate commission made by any agent, broker or firm engaged by Buyer in connection with the Property or this transaction. Each Party's rights and obligations under this Section 18 shall survive the Closing or any termination of this Contract.

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

18. Assignment. Buyer shall have the right to assign this Contract without Seller's prior written consent only to any entity owned and/or controlled by Buyer or its principals, provided that not less than five (5) business days before the Closing, Buyer gives notice of such assignment to Seller accompanied by reasonable evidence that the assignee is owned and/or controlled by Buyer. All other assignments shall require Seller's prior written consent, which may be withheld in Seller's sole discretion. Notwithstanding the foregoing, if this Contract is assigned by Buyer hereunder, Buyer shall remain jointly and severally liable, along with the assignee, for Buyer's obligations under this Contract. Buyer shall cause any permitted assignee to acknowledge in writing that it will be bound by all of the terms and conditions of this Contract, with said acknowledgement set forth in a form subject to Seller's reasonable approval. This Section 20 shall survive the Closing or termination of this Contract.

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

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

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

22. Counterparts and Transmittal of Signatures. This Contract may be executed in one (1) or more counterparts, and all such executed counterparts shall constitute the same agreement. A signed copy of this Contract transmitted by facsimile or email shall be treated as an original and shall be binding against the Party whose signature appears on such copy.

23. Exculpation. Buyer agrees to look solely to Seller's interest in the Property for the satisfaction of any liability or obligation arising under or in connection with this Contract, the transactions contemplated hereby or the documents executed pursuant hereto, or for the performance of any of the covenants, warranties or other agreements contained herein or therein, and Buyer shall not collect or attempt to collect any judgment or other amounts out of any assets of Seller other than Seller's interest in the Property. Further, Buyer agrees that it does not have and will not have any claims or causes of action against any disclosed or undisclosed officer, director, employee, trustee, shareholder, partner, member, principal, parent, subsidiary or other affiliate of Seller, or any officer, director, employee, trustee, shareholder, partner, member or principal of any such parent, subsidiary or other affiliate, arising under or in connection with this Contract, the transactions contemplated hereby or the documents executed pursuant hereto. The terms of this Section 25 shall survive the Closing and any termination of this Contract for any reason.

24. Miscellaneous.

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

(b) Time is of the essence of this Contract.

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

[SIGNATURE PAGE FOLLOWS IMMEDIATELY]

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

LOTS 7, 8 AND 9 IN BLOCK 1 IN NILES-HOWARD TERMINAL ADDITION, BEING A SUBDIVISION OF THE SOUTH 6.2 CHAINS OF THAT PART OF THE NORTHEAST QUARTER OF SECTION 30, TOWNSHIP 41 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN LYING WEST OF THE RIGHT OF WAY OF THE CHICAGO AND NORTHWESTERN RAILROAD COMPANY, ACCORDING TO THE PLAT THEREOF IN COOK COUNTY, ILLINOIS.

PIN: 11-30-209-025-0000

EXHIBIT B
COMMERCIAL LEASE

**MEMORANDUM OF UNDERSTANDING
THEO UBIQUE THEATRE/HOWARD STREET DEVELOPMENT**

This Memorandum of Understanding is entered into by and between the City of Evanston, an Illinois home rule municipal corporation "City" and Theo Ubuque, an Illinois not-for-profit corporation "Theo Ubuque".

RECITALS

WHEREAS, the City seeks to build a cultural corridor along Howard Street to build on the success of existing establishments like brew-pub Peckish Pig and cocktail lounge Ward Eight; and

WHEREAS, The City-owned property at 721-723 Howard Street was identified and acquired by the City to accommodate live performing arts uses; and

WHEREAS, The property at 721-723 Howard Street is located in the Howard/Ridge Tax Increment Financing District. The TIF District was established in 2004 and expires in 2028. The purpose of TIF districts is to facilitate catalytic economic development through the built environment; and

WHEREAS, In early 2015, the City engaged a working group of theatre professionals to develop parameters for an ideal theatre company for Howard Street. Subsequently the City issued a request for qualifications seeking theatre companies to identify themselves to be considered for the Howard Street opportunity. The theatre professionals reviewed the submissions and identified several finalists. Of those finalists, Theo Ubuque was identified as a potential user for the space; and

WHEREAS, Theo Ubuque presents musical theater productions in a cabaret setting with food and beverage service;

WHEREAS, The City issued a request for proposals for architectural services for an initial phase of work to develop concept and architectural plans for the Howard Street theatre that could be used for cost estimation purposes; and

WHEREAS, following a competitive process, Ross Barney Architects was selected to develop initial concept plans for renovation of the facility, in consultation with the City and the chosen tenant for the facility, attached hereto as Exhibit A.

WHEREAS, Ross Barney Architects developed initial concept plans that estimate the total cost of interior demolition, renovation, and purchase of equipment for a theatre at approximately \$1,515,412 as noted in Exhibit C; and

NOW THEREFORE, in consideration of the mutual covenants and conditions hereinafter contained, the parties hereto hereby agree as follows:

1. Definitions

For the purposes of this MOU, the following terms and phrases must have the meanings hereinafter ascribed to them:

A. "Certificate of Temporary Occupancy" means a document produced by the Building & Inspection Services Division of the City of Evanston evidencing the City's substantial completion of all material obligations to construct the Theatre as set forth in the Site Plan.

B. "City" means the City of Evanston, Cook County, Illinois, an Illinois municipal corporation and a home rule unit of government duly organized and existing under the 1970 Constitution of the State of Illinois.

C. "Construction Plans" means plans, drawings, specifications and related documents, and construction schedules for the construction of the Project, together with all supplements, amendments or corrections, created by the City and City's contractors for the Project in accordance with terms of this MOU.

D. "Corporate Authorities" means the City Council of the City of Evanston.

E. "Howard Street Theatre" means the theatre and performing arts space to be constructed at the Property.

F. "Lease Agreement" means the agreement between the Parties that will describe Theo Ubique's occupancy and obligations for the operating and maintenance of the Property during the term of the Lease Agreement.

G. "MOU" means this Memorandum of Understanding, as the same may be from time to time modified, amended or supplemented in writing by the parties hereto.

H. "Parties" means collectively the two parties to this MOU, City and Theo Ubique.

I. "Project" means the rehabilitation of approximately 3,663 square feet of theatre space and all work necessary to prepare the Property for the contemplated Project as described in this MOU as approved or amended by the Site Plan, and all other work reasonably necessary to effectuate the intent of this MOU.

J. "Property" means the real property at 721-723 Howard Street, Evanston, Illinois 60202. The Property contains two commercial units at 721-723 Howard (total 3,663 square feet for the building with total lot size at approximately 5,000 square feet.

K. "Theo Ubique" means Theo Ubique, an Illinois not-for-profit corporation.

L. "TIF Act" means the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1.

2. Construction of Project

A. Facility Renovation. The Parties hereby acknowledge the construction of the Project improvements by the City and selects the City, and its contractors and subcontractors, to construct or cause the construction of the Howard Street Theatre in accordance with the Floor Plan and this MOU. The Project improvements shall be performed in accordance with all applicable laws, ordinances, rules and regulations. The Project improvement will be performed with a contract between the City and the City's contractors; Theo Ubique will not be a party to the construction contract(s). Theo Ubique acknowledges and agrees that City's plans for Project improvements to the Property, as set forth in the Concept Floor Plan have been submitted to and approved by Theo Ubique. Theo Ubique may further review and suggest reasonable modifications to the Concept Floor Plan and provide comment and direction subject to the funding contemplated in this agreement.

B. Construction Schedule. The City should commence construction of the Project within 120 days of the later to occur of (a) the funds necessary to construct the Project are available; or (b) within 9 months after execution of this MOU, and shall substantially complete construction of the following approximate square feet of major uses that include theatre, prep kitchen, and basement space as follows (Exhibit A contains draft concept plan and designation of uses within the space for this project):

- 3,663 square feet of main stage theatre space, including dressing room area, restrooms, warming kitchen, and bar area (at-grade);
- 750 square feet of basement space;

C. Concept Floor Plan. The Concept Floor Plan is hereby approved by the Parties. The City will obtain the proper Governmental Approvals and this Concept Floor Plan is still subject to change.

D. Parking Lot. The City plans to pave the adjacent vacant property (commonly known as 717 Howard) for a metered public parking lot. Patrons, employees, contractors, of Theo Ubique can utilize the parking lot with the general public. The parking lot is subject to City Council funding and solely in the City's discretion to proceed and the timeline for the project. The parking lot will not be part of the Lease Agreement.

E. Project Funding. The Parties expect the total Project cost to be between \$1,689,714 and \$1,756,058 (these costs are not inclusive of the public parking lot renovation).

1. City Funding for Project: City shall raise \$1,482,000 for construction of the theatre through TIF Act financing or other means (as well as any costs associated with the construction of the public parking lot). The City must follow all TIF Act regulations for this project for eligible expenditures, reporting, etc. Any portion of

funding that is the result of the actions of City employees, elected officials, or other individuals directly related to the City through means of employment, will be considered funding attributable to the City's portion.

2. Exhibit C addresses the portion of funds that the City will pay for the project.

3. City will engage a qualified architecture firm to complete construction documents and bid-level drawings of the concept plans developed by Ross Barney Architects. The City will pay for these services (as outlined under "Theo Ubique Obligations"). City Council will consider approval of the engagement of an architect no later than February 20, 2017; completed work to the City by selected architect will be due no later than July 1, 2017.

4. City will issue an invitation to bid for construction work on the project no later than July 15, 2017, with responses from qualified construction companies due no later than September 1, 2017.

a. City Council will consider the award the contract for construction no later than October 9, 2017.

b. It is the intent for construction to last no more than 18 months (or less) and that construction will commence no later than January 1, 2018 and that all construction activities on this building will be completed no later than June 20, 2018.

c. City will pay prevailing wage.

d. City will oversee all construction activities associated with the property and make all decisions related to the construction and rehabilitation activities.

e. The City Manager or his/her designee will provide monthly updates on construction activities to Theo Ubique. The City will provide regular tours to Theo Ubique of the construction site for the purposes of inspection, donor opportunities, etc.

E. Temporary Certificate of Occupancy. Promptly after substantial completion of the Project, the City will apply for and receive a Temporary Certificate of Occupancy from the City Building & Inspection Services Division. After the Temporary Certificate of Occupancy is issued Theo Ubique may occupy the Property to commence the uses contemplated herein.

F. Theo Ubique Improvements. The Parties will cooperate to select certain improvements and fixtures such as stage lighting, sound equipment, theatre seats, and other fixtures that will serve the needs of the performance space as identified in the conceptual plan attached as Exhibit C.

G. Lease: The Parties may enter into a lease and management agreement with Theo Ubique for the lease of the Property at a future date (initial lease terms/lease document are provided as an exhibit to this MOU). The Lease Agreement between the Parties will address commencement of rent obligations, maintenance, and other issues after the Temporary Certificate of Occupancy is issued. The initial basic lease terms are outlined in Exhibit B and incorporated herein by reference.

1. City will negotiate a lease with Theo Ubique and work to execute a lease no later than March 1, 2017 with Theo Ubique if the covenants contained within this MOU are met.
2. In the event that no lease is executed by both parties by June 1, 2017, the City has the ability to seek a new manager/tenant of the Howard Street Theatre.
3. City shall retain ownership of the theatre structure after the construction.

3. Theo Ubique Fundraising and Tenancy

A. Fundraising Benchmarks: Theo Ubique commits to raising \$204,450 toward the development of this property. Theo Ubique will deliver funding to the City in support of this project based on an agreed upon schedule that is summarized in Exhibit D.

B. Fundraising Reports: During the period of time Theo Ubique is raising \$204,450 toward the project. Theo Ubique will provide monthly fundraising reports to the City Manager or his/her designee until such time as the fundraising activities are complete (i.e. goal of fundraising is met). Monthly reports are due no later than the 10th of each month.

1. In the event the expenditures identified in this MOU are less than \$204,450, as identified in this MOU; Theo Ubique and the City will work to identify additional opportunities and uses for funding, so that all \$204,450 committed for this project is utilized.

2. In the event the expenditures identified in this MOU are more than \$204,450, as identified in this agreement, Theo Ubique and the City will work to identify additional funding opportunities for the necessary items.

3. If Theo Ubique does not raise funds provided Section 3A, Theo Ubique must furnish 75% of funding within 60 days of milestone date achievement. Additional 25% will be due and charged 10% penalty fee (e.g. if milestone was \$50,000 and only \$25,000 was raised and provided to the City within 60 days of milestone, the remaining \$25,000 will also have to include \$2,500, or 10% penalty, due to the City).

C. Tenancy: Theo Ubique agrees to negotiate and enter into a lease with the City no later than March 1, 2017. Theo Ubique will occupy the property within 30 days (or less) following the issuance of the Final Certificate of Occupancy. Theo Ubique will offer a live performance at the property within 90 days (or less) following the issuance of the Final Certificate of Occupancy.

4. Use of Property under Lease Agreement.

A. Performances. Theo Ubique will offer no less than XX performances annually and engage in an effort to "never go dark", which will include engaging the space in a way that supports an activated street frontage along Howard Street. Theo Ubique will offer events and activities on a semi-regular basis that will engage the local neighborhood that include, but are not limited to: Election Polling Place, and storytelling events and other creative pursuits. All events will be coordinated through Theo Ubique.

B. Permitted uses. Theo Ubique will use the Property to operate a theatre with live performances with dinner service, rehearsals, workshops, office uses, and uses incidental thereto, and no part of the Property will be used for any other purpose without the prior written consent of City (the "**Permitted Use**").

C. Liquor License. Theo Ubique must maintain at all times a valid liquor license for the Property with the State of Illinois and the City of Evanston, and pay all associated liquor tax payments on or before the due date. The City gives its written consent for an application to be submitted and reviewed by the Evanston City Liquor Control Review Board and the Evanston City Council in conformance with the Evanston City Code procedures, as amended.

D. Budget. Theo Ubique will develop an annual operating budget for the property (in coordination with the City) to ensure that components of the building are professionally and properly maintained. Theo Ubique will maintain a separate reserve of a determined amount for building maintenance activities that will be addressed further in a lease document.

5. Inability to Perform

A. City Breach: In the event the City does not fulfill its obligations as identified in this MOU (failure to fulfill obligations includes City Council not approving construction work):

1. Theo Ubique will be repaid all funding spent that relates to funding identified in Section 3A.
2. City is not obligated to refund Theo Ubique any of funding spent related to attorney fees and court costs, rental costs, and other expenditures incurred.
3. This excludes unanticipated delays in construction that are not the result of the City actions.

B. Theo Ubique Breach: In the event Theo Ubique does not fulfill its obligations as identified in this MOU:

1. City retains all funds provided by Theo Ubique pursuant to Section 3A without reimbursement.
2. Theo Ubique is not obligated to refund the City money expended for the Project or attorneys' fees, court costs, or other expenditures incurred.

6. Indemnification.

A. Indemnification of City. Except as otherwise provided in this MOU, and except to the extent caused by the negligence or willful misconduct of City, or its agents, employees or contractors, or by the breach of this MOU by City, Theo Ubique shall protect, defend, indemnify and save City and its officers, directors, agents, attorneys, and employees harmless from and against any and all obligations, liabilities, costs, damages, claims and expenses of whatever nature arising from (i) any matter, condition or thing that occurs during construction and arising out of work performed at the Property, which is not the result of City's negligence or willful misconduct, (ii) any negligence or willful misconduct of Theo Ubique, or its agents or employees; or (iii)

City's breach occasioned wholly or in part by any act, omission of Theo Ubique, its agents, employees, contractors or servants. The provisions of this Section shall survive the expiration or earlier termination of this Lease only with respect to any damage, injury or death occurring before such expiration or earlier termination.

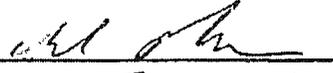
B. Indemnification of Theo Ubique. Except as otherwise provided in this MOU, and except to the extent caused by the negligence or willful misconduct of Theo Ubique, or its agents, employees or contractors, or by the breach of this MOU by Theo Ubique, City shall protect, defend, indemnify and save Theo Ubique and its officers, directors, agents, attorneys, and employees harmless from and against any and all obligations, liabilities, costs, damages, claims and expenses of whatever nature arising from City's willful acts occasioned wholly or in part by any act, omission or of City, its agents, employees, contractor or servants, contractors or servants. The provisions of this Section shall survive the expiration or earlier termination of this Lease only with respect to any damage, injury or death occurring before such expiration or earlier termination.

7. Amendments. This MOU may be modified or amended only in writing signed by City and Theo Ubique. It may not be amended or modified by oral agreements between the Parties unless they are in writing duly executed by the Parties.

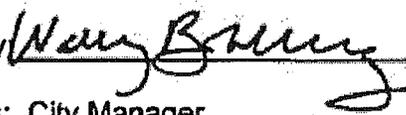
8. Parties Bound. Every provision of this MOU will bind the parties and their legal representatives. The term "legal representatives" is used in its broadest meaning and includes, in addition to assignees, every person, partnership, corporation or association succeeding to any interest in this MOU. Every covenant, agreement and condition of this MOU will be binding on Theo Ubique's successors and assignees.

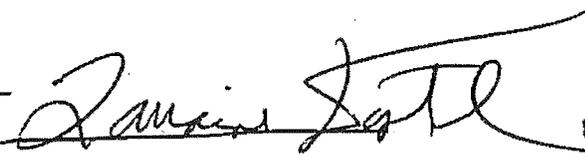
IN WITNESS WHEREOF, the parties hereto have each approved and executed this MOU on the day, month and year first above written.

THEO UBIQUE

By 
Its: ~~President~~ TREASURER
RICHARD P. MORAN
Date: 1-05-2017

CITY OF EVANSTON

By 
Its: City Manager
Date: 11/29/2016

ATTEST 
SECRETARY
LORRAINE DOSTAL

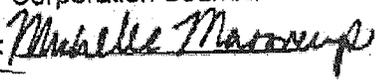
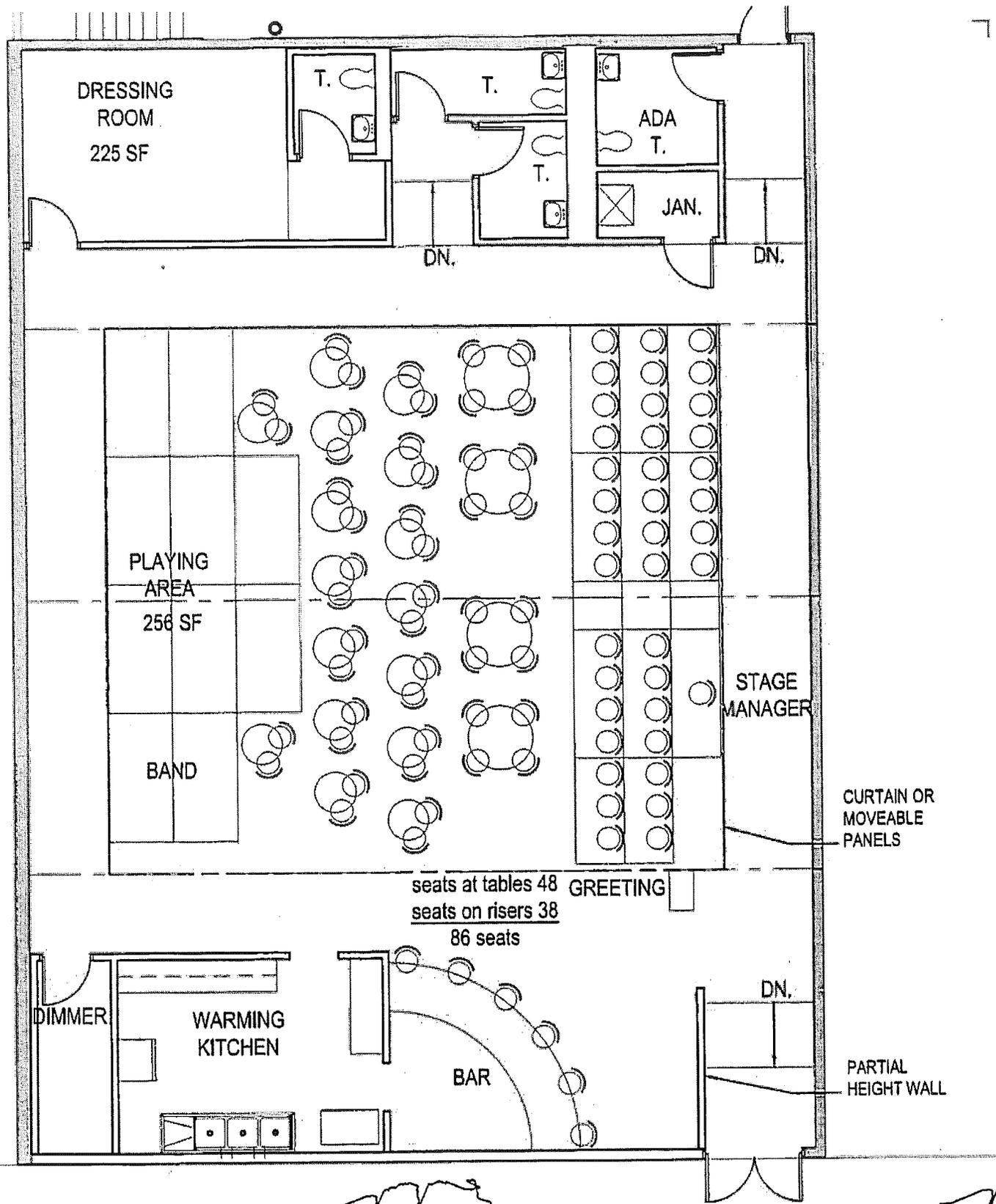
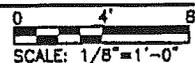
Approved as to form:
W. Grant Farrar
Corporation Counsel
By: 

EXHIBIT A
CONCEPT FLOOR PLAN



ross barney architects
r b arc
 10 west hubbard street chicago illinois 60654
 t312 832 0600 f312 832 0601
 www.r-barb.com

Howard Street Theater
 721-723, 717 Howard Street
 Evanston, IL 60202



Option F2

PROJECT NO.: 1651.00
 DATE: 09.13.2016
 DRAWING NO.:
 DRAWING SCALE:
 SKETCH NO.:

EXHIBIT B

BASIC LEASE TERMS

A. **Term:** 10 Year lease with four options to renew of 5 years each.

B. **Rent:** Monthly rent will commence in the month immediately following the month that the first live performance is held at the property. This rent will be \$3,800 for first 24 months;

1. For months 25-36, the rent will increase to \$6,105 for each month (\$20.00 per square foot).

2. For the duration of the lease (and all extensions), the rental payment will be increased every year on January 1; the increase will correspond to the increase by the average consumer price index (CPI) for Midwest urban consumers in the previous calendar year (i.e. on January 1, 2020, the rent will increase by the average CPI for 2019).

3. Rent will be due by the first; grace period until the 5th, penalty of \$25 per day after that.

C. **Option to Purchase:** Theo Ubique may exercise an option to purchase the property at the end of the second 5-year renewal option (i.e. year 20) for the appraised value of the property. If purchase is made after 20 years of occupancy in the property and in good standing, the City will consider a ten percent (10%) reduction in purchase price. All sales of property are subject to City Council approval.

D. Other considerations:

- Theo Ubique is the sole leasee of the property and will serve as manager of this City facility. All sub-leases greater than one performance or for periods longer than 60 days, must be agreed to by the City Manager and/or City Council if applicable. Theo Ubique may keep all rent obtained from leasing the space(s) for periods of time as allowed under this agreement. Additional approvals from the City Manager and/or City Council may incur additional costs to be paid to the City.

- All food served on the premises must be prepared by a food establishment licensed and inspected by the City of Evanston.

- Theo Ubique may lease portions of the space to other parties (performance space, rehearsal, special meetings, etc.) but may only do so for periods of time not longer than 60 days in total or for intervals greater than two months (e.g. a monthly rental of the shop space for two days each month for a period of 6 months). Such parties must furnish insurance, indemnification, etc.

- If the City determines it is in the best interest to sell the property at any point during the lease period, then Theo Ubique has a first right of refusal to purchase the property. A negotiated purchase price for the property would be based on the total appraised value of the property at the time of sale procured by both parties. If sale is made after 20 years of occupancy in the property and Theo Ubique is in good standing, the City will consider a ten percent (10%) reduction in purchase price. All sales of property are subject to City Council approval.

- Theo Ubique will be responsible for all maintenance of the property, snow removal, etc.; all major repairs/changes to building components must be done in

coordination with the City's Facilities Division. City will inspect property annually in coordination with Theo Ubique to ensure property is being maintained in good working order.

- Theo Ubique will be responsible for all utilities.
- It is anticipated that this property will be tax-exempt due to the 501c3 status of Theo Ubique; in the event Cook County does not award tax-exempt status to this property, Theo Ubique will be responsible for taxes for the property from the date of the issuance of the Final Certificate of Occupancy

EXHIBIT C
RENOVATION COST ESTIMATES

**Howard Street Theater
City of Evanston**

Opinion of Probably Cost - Concept Phase

Ross Barney Architects, Inc
9/23/16

costs assume an early 2017 Construction Start

SYSTEM DESCRIPTION	SUBTOTALS	TOTAL
01 GENERAL CONDITIONS General Conditions	\$150,000	\$150,000
02 EXISTING CONDITIONS Demolition	\$41,570	\$41,570
03 CONCRETE Cast In Place Concrete	\$16,750	\$16,750
04 MASONRY Clean and Repair Masonry	\$45,000	\$45,000
05 METALS Metal Panel System	\$15,000	\$15,000
06 WOOD & PLASTICS Millwork and Raised Wood Floor	\$24,664	\$24,664
07 THERMAL & MOSITURE PROTECTION Roof Repair Flashing and Sheet Metal	\$2,600 \$3,600	\$6,200
08 DOORS & WINDOWS Doors and Frames Aluminum Framed Entrances and Storefronts	\$19,400 \$21,250	\$40,650
09 FINISHES Acoustical Tile Ceilings Non-Structural Metal Framing Tiling Resilient Base and Accessories Tile Carpeting Interior Painting	\$3,204 \$8,650 \$12,000 \$3,000 \$1,500 \$14,100	\$40,454
10 SPECIALTIES Signage Toilet Accessories	\$10,450 \$6,860	\$17,310
11 EQUIPMENT	Included in Owner Supplied Equipment (below)	
12 FURNISHINGS Shades	\$4,000	\$4,000
13 SPECIAL CONSTRUCTION Sound Isolation and Acoustical Insulation	\$15,000	\$15,000

14	CONVEYING SYSTEM	n/a	\$0
22	PLUMBING		\$34,802
	Plumbing - New Work	\$31,652	
	Plumbing - Demolition	\$3,150	
23	HVAC		\$195,000
	HVAC - New Work	\$175,000	
	HVAC - Demo	\$20,000	
26	ELECTRICAL		\$311,500
	Electrical - New Work	\$141,750	
	Electrical - Demolition	\$16,000	
	Theater Electrical (includes stage lighting and installation)	\$153,750	
32	SITE WORK		\$16,200
	Landscape	n/a	
	Sitework -concrete repair and replacement	\$16,200	
33	ALLOWANCES		\$30,000
	Abatement Allowance	\$30,000	

TOTAL **\$1,004,100**

Design Contingency @ 15% \$150,615

Bld Contingency @ 5% \$50,205

Total Contingency \$200,820

TOTAL CONSTRUCTION **\$1,204,920**

Owner's Construction Contingency @10% \$120,492

Owner Supplied Items (not part of GC Contract)

Theater Equipment (rigging, curtains, tracks, platforms) \$65,000

Furniture (not including theater seating) Allowance \$5,000

Furniture - Theater Seating and Tables Allowance \$35,000

Kitchen Equipment Allowance \$25,000

AV System Allowance \$60,000

Total Owner Supplied Items \$190,000

GRAND TOTAL **\$1,515,412**

Owner Soft Costs low high

Design Fees & Reimbursables \$130,730 \$160,060

LEED Design Fees n/a n/a

LEED Certification n/a n/a

Surveying & Soil Borings n/a n/a

Material Testing & Inspections \$2,000 \$7,000

Phase 1 Environmental Assessment \$3,000 \$5,000

Evaluation and Testing of Existing Building \$16,000 \$22,500

Telephone/ Data Equipments \$5,000 \$25,000

Security System n/a n/a

Permit Fee \$17,572 \$21,086

Total Estimated Owner Soft Costs low high
\$174,302 \$240,646

Total Opinion of Probable Project Cost **\$1,689,714 - \$1,756,058**

EXHIBIT D
Project Milestones For Theo Ubique Funding Commitments

Estimated Date	Milestone	Amount Due	Total Remaining
January 1, 2017	Execution of this MOU	\$450	\$204,000
March 1, 2017	Execution of lease	\$4,000	\$200,000
July 1, 2017	Delivery of construction drawings	\$50,000	\$150,000
January 1, 2018	Issuance of first building permit for construction	\$50,000	\$100,000
June 20, 2018	Completion of construction/issuance of temporary certificate of occupancy	\$50,000	\$50,000
December 1, 2018	Occupation of the building	\$50,000	\$0

THIS FIRST AMENDMENT TO LEASE AGREEMENT ("Lease Amendment"), is made and entered into as of 13th day of December, 2017, by and between the City of Evanston, an Illinois municipal corporation (the "Landlord"), and Theo Ubique Theatre, an Illinois not-for-profit corporation ("Tenant").

RECITALS

A. The Landlord and Tenant entered into a lease agreement dated April 12, 2017 for a 10-year lease agreement for a community theater located at 721 Howard Street, Evanston, Illinois (the "Lease Agreement"); and

B. The Lease Agreement addresses cost allocation between the Landlord and the Tenant with respect to the construction, tenant improvements, fixtures and equipment. The Parties seek to further clarify the cost distribution to remove ambiguity for fixtures and equipment; and

C. The Landlord and Tenant also desire to clarify the maintenance obligations relative to HVAC unit, plumbing, and sewer lines.

NOW THEREFORE, in consideration of the premises set forth above, and the mutual agreements hereinafter set forth below, it is hereby agreed by and between the parties hereto as follows:

1. INCORPORATION OF RECITALS

The representations set forth in the foregoing recitals are material to this Lease Amendment and are hereby incorporated into and made a part of this Lease Amendment as though they were fully set forth in this Article 1.

2. MODIFICATIONS TO THE AGREEMENT

A. **Parking for Tenant:** Paragraph 1 "Property", subparagraph (b) "Parking" shall be redacted and replaced with the following language:

(b) Parking. This Lease does not include the exclusive use of any on-street parking. Landlord provides a total of five (5) parking spaces under this Lease Agreement for employee parking and loading space. Two (2) parking spaces are provided at the back of the Building (721 Howard) off of the alley for Tenant's exclusive use for employee parking and loading space; one space will be ADA compliant and one parking space will be of standard size. The three (3) remaining spaces provided to Tenant under the Lease are provided at the back of another building owned by Landlord located at 727-729 Howard Street. Landlord will strip and provide 3 standard parking spaces at 727-729 Howard. Tenant is responsible for enforcing the exclusive use of the Parking spaces described herein and contacting a tow company, if appropriate. The term for the Parking matches the Term for the Lease, 10 years for the initial term. If Landlord rents the building at 727-729 Howard Street, the Parties must find alternative parking spaces to replace the three spaces prior to the new tenant occupancy.

B. Fixtures and Equipment: Paragraph 5 "FIXTURES AND EQUIPMENT" shall be redacted and replaced with the following language:

5. FIXTURES AND EQUIPMENT

Tenant is responsible for purchasing all trade fixtures and equipment, including but not limited to: portable lights, theater seats, bar stools, dishwasher, refrigerator, oven, and sound equipment and speakers. Landlord will install fixtures which are permanently affixed to the structure, which include the overhead lighting grid and permanent sign on the exterior and show boxes that advertise the show. All trade fixtures and equipment installed by Tenant in or on the Premises must remain the property of Tenant and Tenant may remove the same or any part thereof at any time prior to or at the expiration or earlier termination of this Lease. Tenant must repair at its own expense any damage to the Premises caused by the removal of said fixtures or equipment by Tenant. This provision must expressly survive the termination or expiration of this Lease.

C. Maintenance Responsibilities: Paragraph 7 "MAINTENANCE", sections (a) and (b) shall be redacted and replaced with the following language:

(a) **Maintenance, Repair and Replacement Responsibilities of Landlord:** Landlord is responsible for all structural and load bearing columns, roof, delivering a working HVAC system and will pay for major repairs to the HVAC system, interior sprinkler and fire safety system within the Building, windows and all soffits, and all structural elements of the Building. Landlord will not be responsible for major repairs that arise out of Tenant's poor maintenance of the HVAC, interior sprinkler and fire safety systems. The Parties will conduct annual inspections to ensure the property is maintained in good working order.

(b) **Maintenance and Repair Responsibilities of Tenant:** Tenant is responsible for all maintenance and repair responsibilities that are not outlined in Paragraph 7(a) above, including but not limited to: exterior lighting, signage, bathroom fixtures and associated plumbing and sewer pipes, kitchen fixtures and associated plumbing, bar equipment, lighting equipment and electrical systems, security systems, telecommunications systems and other non-structural elements. Tenant must maintain, at Tenant's expense, the HVAC system as required by HVAC system manufacturer to maintain system performance and warranty requirements (at Tenant's expense). Tenant is vested with control over the HVAC system on a daily basis and will not contact the City of Evanston Facilities team for maintenance, minor repairs or emergency service. Tenant is also responsible for ensuring the interior sprinkler and fire safety system is in good working order, with annual inspections required and ensure that all repair work needed is performed. Copies of testing and inspection paperwork should be distributed to Landlord's Facilities Management Manager for proof of compliance.

IN WITNESS WHEREOF, this Lease Amendment approved and executed by the parties as of the date and year first above set forth above.

TENANT: Theo Ubique, an Illinois not-for-profit corporation By: <u><i>Lorraine Dostal</i></u> Print Name: <u>LORRAINE DOSTAL</u> Its: <u>SECRETARY OF THE BOARD</u>	LANDLORD: City of Evanston, an Illinois municipal corporation By: <u><i>Wally Bobkiewicz</i></u> Print Name: <u>Wally Bobkiewicz</u> Its: <u>City Manager</u>
--	--

Approved as to form:
W. Grant Farrar
Corporation Counsel
By: *Michelle Marone*

Handwritten text, possibly a signature or name, located in the upper left quadrant of the page.

LEASE

between

Theo Ubique Theatre

an Illinois not-for-profit corporation

as Tenant

and

CITY OF EVANSTON

An Illinois municipal corporation,

as Landlord

721 Howard Street

EVANSTON, ILLINOIS 60202

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LEASE

THIS LEASE AGREEMENT is made by and between **CITY OF EVANSTON** ("Landlord"), an Illinois municipal corporation and **THEO UBIQUE**, an Illinois not-for-profit corporation. ("Tenant"). The parties entered into a memorandum of understanding ("MOU") dated January 5, 2017 which outlined the terms for a lease agreement and fundraising obligations. This Lease is the fully negotiated agreement between the parties and must be the governing document following execution.

WITNESSETH:

1. PROPERTY

(a) Property. Landlord is the fee simple owner of certain real property at 721-723 Howard Street, Evanston, Illinois 60202, legally described in **Exhibit "A"** attached hereto and incorporated herein (the "**Property**"). The Property has a total of approximately 5,001 square feet of land, improved with a 3,545 square foot one-story building ("**Building**"). Landlord does hereby lease the Premises to Tenant, for Tenant's exclusive use and control, together with all appurtenances thereto, pursuant to the terms and conditions of this Lease. During this Lease Term, the Property and Building will be collectively referred to as "**Premises**".

(b) Parking. This Lease does not include the exclusive use of any on-street parking. There are 5 (five) parking spaces in the back of the Building off of the alley for Tenant's exclusive use for employee parking and loading space. Tenant is responsible for enforcing the exclusive use of the Parking spaces and contacting a tow company, if appropriate.

2. TERM

(a) Primary Term. Subject to the provisions of this Lease, the "**Primary Term**" must be for 10 years (120 months) and must commence on the ____ day of _____ 2018 ("**Commencement Date**") and must end at 11:59 p.m. on the ____ day of _____ 2028, except as otherwise terminated as provided herein. The Term will commence on issuance of Temporary Certificate of Occupancy and Tenant is permitted to occupy the Premises following construction. Therefore, the Term dates will be filled in at a later date.

(b) Extended Lease Terms. Provided Tenant is not otherwise in default beyond any applicable cure period, replaced or otherwise amended such that Tenant is still permitted to conduct the Permitted Use from the Premises, Tenant is granted four (4) options (individually, a "**Lease Extension Option**"), for successive periods of five (5) years each (each an "**Extension Term**") upon the same terms, covenants and conditions as herein provided. Each Lease Extension Option must be exercised by Tenant delivering to Landlord written notice of such election, not less than one hundred twenty (120) days prior to the expiration of the then current term. The exercise by Tenant of any one Lease Extension Option must not be deemed to impose upon Tenant any duty or obligation to renew for any further period of time, and that the exercise of any Lease Extension Option must be effective only upon the giving of notice of extension in accordance with the foregoing provisions. The Primary Term together with any Extension Term(s) is referred to herein collectively as the "**Term**".

(c) Option to Purchase.

(i) Option to Purchase. Tenant initially is a Tenant of the Property which is owned by Landlord. As such, Tenant's monthly payments are rental payments and will not be applied to the Purchase Price if Tenant exercises the option to purchase described herein. Tenant has an option to purchase the Building and the Property at end of the twentieth (20th) year of the Lease, so long as the Tenant is in compliance with the terms of this Agreement at the end of the Primary Term and at any time during any Extension Terms (the "Option to Purchase"). Tenant must submit written notification to Landlord that it intends to exercise the Option to Purchase within one year prior to the end of the Extension Terms (beginning of 19th year). The provisions of this Lease relating to waiver of claims arising under Environmental Laws (§27(d)) shall be a condition of purchase and shall survive closing.

(ii) Purchase Price. The purchase price of the Building will be a negotiated price between the Parties, with each Party relying on its own research and valuations, including appraisal(s) of the Building and Property. If the Parties cannot agree upon a purchase price, then: (a) each Party shall select its own appraiser; (b) the Parties' appraisers shall select a third appraiser; (c) each of the three appraisers shall render an appraisal of the fair market value of the combined Building and Property; and (d) the purchase price will be the middle appraised fair market value minus 10%, to account for the value that Tenant invested in the Property after 20 years of tenancy and the tenant must not be in default of any major Lease terms. A closing will occur upon the Parties executing a purchase and sale contract ("Building and Property Purchase Agreement") and the subsequent payment of the Purchase Price at a Closing. Tenant will not be given credit towards the purchase price for the rental payments made to Landlord.

(iii) Delinquencies. Should the Tenant have incurred delinquencies in paying rent with Landlord, the Tenant must pay-off those delinquencies prior to any offer to exercise its Option to Purchase.

(iv) No Obligation to Purchase. Tenant is under no obligation to purchase the Building and has the right to continue under the terms of this Agreement as Tenant/renter for the balance of the Term. However, if the Tenant fails to exercise the option at the conclusion of the Primary Term or any Extension Term, the Option to Purchase must expire.

(v) Sale to Third Parties. If Landlord sells the Property to a third party which has no legal affiliation to the Tenant, as a condition of sale, the new purchaser agrees to be bound by the terms of this Agreement and must have no right to evict Tenant, to vary the terms of this Agreement or to terminate this Lease under any terms other than those contained herein. The third party must stand in the shoes of Landlord and must honor all obligations of Landlord and all rights of Tenant as provided for herein.

(c) Should Tenant not exercise its Option to Purchase, then Tenant may remove from the Property any non-fixed improvements materials, equipment, mechanics, appliances, and machinery related to the operation of theatre, but must not include the removal of a HVAC unit. Prior to the removal, the Landlord must review the list of items subject to the removal to ensure that the list does not include any items which are affixed to the Property.

3. RENT

(a) Fixed Minimum Rent. Commencing 30 days after the first date of Tenant's first production at the Premises ("Rent Commencement Date"), and subject to the terms of this Lease, Tenant agrees to pay to Landlord for lease of the Premises: (i) Fixed Minimum Rent (herein so called) described below; and (ii) all other charges due from Tenant to Landlord hereunder as "**Additional Rent**" (herein so called).

(i) Initial Fixed Minimum Rent. The term "Lease Year," as hereinafter used, refers to each successive twelve-month period beginning with the Rent Commencement Date. For Lease Years One, Two, and Three, Tenant must pay to Landlord the sum of Forty-Two Thousand (\$42,000) per year in monthly installments of Three Thousand Five Hundred no/100 Dollars (\$3,500). For Lease Years Four and Five, Tenant must pay to Landlord the sum of Fifty-Four Thousand (\$54,000) in monthly installments of Four Thousand Five Hundred and no/100 Dollars (\$4,500). For every subsequent Lease Year, the annual rent shall be increased in an amount equal to the Consumer Price Index for that Lease Year. The rent specified in this paragraph 3(a)(i) as adjusted pursuant to paragraph 3(a)(ii) below must be deemed "**Fixed Minimum Rent**" for purposes of this Lease.

(ii) Fixed Minimum Rent Adjustments. The Fixed Minimum Rent set forth in Section 3(a)(i) above must be adjusted at the beginning of each year during the Primary Term and during the Extension Term years, if applicable, in an amount equal to the Consumer Price Index for that year. In no event must adjustments be made based on Tenant's improvement of the Property.

(iii) Late Fee and Interest. In the event any sums required hereunder to be paid are not received by Landlord on or before the date the same are due, then, Tenant also owes Landlord a late fee of \$25 per day. In addition, interest must accrue on all past due sums at an annual rate equal to the lesser of six percent (6.0%) per month and the maximum legal rate. Such interest must also be deemed Additional Rent.

(b) Time and Place of Payment. Tenant must pay to Landlord Fixed Minimum Rent in advance, in equal monthly installments, and without prior notice, setoff (unless otherwise expressly permitted herein) or demand, except as otherwise specifically provided herein, on or before the fifth (5th) day of each calendar month during the Term hereof to:

City of Evanston
Attn: Finance Division
2100 Ridge Avenue, Room 4500
Evanston, IL 60201

4. CONSTRUCTION

(a) Landlord Improvements: Landlord shall construct all renovations as depicted in the site plan attached as Exhibit B (the "Project"). The parties agree that certain improvements to Property are necessary to bring the property to a "Vanilla Box" standard for a theatre, including updating the masonry, electrical system, HVAC system, and plumbing.

(i) The Parties estimate the total cost of landlord improvements at \$1,756,058 (One Million Seven Hundred Fifty-Six Thousand Fifty-Eight and no/100 Dollars) ("Project Cost"). Tenant's portion of the Project Cost is \$204,000 as more fully detailed in Section 12(b) below. The Project Budget is attached as Exhibit C.

(ii) Subject to the availability of funding, Landlord expects to commence construction in January 2018 and deliver the Property for Tenant to occupy on December 1, 2018. The build-out will include construction of the following major uses that include theatre, prep kitchen, and basement space as follows:

- 3,663 square feet of main stage theatre space, including dressing room area, restrooms, warming kitchen, and bar area (at-grade);
- 750 square feet of basement space;

(iii) The Parties hereby acknowledge the construction of the Project improvements by the City and selects the City, and its contractors and subcontractors, to construct or cause the construction of the Howard Street Theatre in accordance with the Floor Plan and this Lease. The Project improvements shall be performed in accordance with all applicable laws, ordinances, rules and regulations.

(iv) The Project improvements will be performed with a contract between the City and the City's contractors; Theo Ubique will not be a party to the construction contract(s). Theo Ubique acknowledges and agrees that City's plans for Project improvements to the Property, as set forth in the Concept Floor Plan have been submitted to and approved by Theo Ubique. Theo Ubique may further review and suggest reasonable modifications to the Site Plan and provide comment and direction subject to the funding contemplated in this agreement. The Project improvements includes updates to the electrical, plumbing, HVAC, roof, and foundation to meet current applicable Code standards and must be in working order prior to Tenant's occupancy. Landlord will notify Tenant of any remaining work to upgrade these systems to Code standards.

(v) Promptly after substantial completion of the Project, the City will apply for and receive a Temporary Certificate of Occupancy from the City Building & Inspection Services Division. After the Temporary Certificate of Occupancy is issued Theo Ubique may occupy the Property to commence the uses contemplated herein.

(vi) The Parties will cooperate to select certain improvements and fixtures such as stage lighting, sound equipment, and theatre seats that will serve the needs of the performance space. The City will not pay for any improvements over the Project Cost. Tenant is responsible for any improvement cost beyond the budgeted Project Cost. Tenant is also responsible for any remaining furniture, equipment and fixtures, including but not limited to tables, chairs, desks, computers, and shelves.

(vii) Landlord will use best efforts to obtain Contractor and Sub-Contractor Warranties resulting from the construction and remodeling of the Landlord Improvements. Further, the Landlord will pursue, at its discretion, all remedies for any construction or material defects in the Landlord Improvements.

(viii) Tenant acknowledges that, except for the representations contained in this Lease, in the other Project Documents and in any other documents executed contemporaneously with this Lease; no representations, statements or warranties, express or implied, have been made by, or on behalf of the Landlord to Tenant with respect to the Premises or the transaction contemplated by this Lease.

(c) Tenant Fundraising Obligation: Tenant must remit a total of \$204,450 (Two Hundred Four Thousand Four Hundred Fifty and no/100 Dollars) to Landlord for a portion of the Renovation Cost. If Tenant is unable to raise \$204,450 by December 1, 2018, the Landlord may, at its discretion, void this Lease. Tenant agrees to provide monthly fundraising reports to the City on its progress until such time that they have meet the fundraising obligation.

(i) In the event the expenditures identified in this Lease are less than \$204,450, as identified in this Lease; Theo Ubique and the City will work to identify additional opportunities and uses for funding, so that all \$204,450 committed for this project is utilized.

(ii) In the event the expenditures identified in this Lease are more than \$204,450, as identified in this agreement, Theo Ubique and the City will work to identify additional funding opportunities for the necessary items.

(iii) If Theo Ubique does not raise funds provided herein, Theo Ubique must furnish 75% of funding within 60 days of milestone date achievement. Additional 25% will be due and charged 10% penalty fee (e.g. if milestone was \$50,000 and only \$25,000 was raised and provided to the City within 60 days of milestone, the remaining \$25,000 will also have to include \$2,500, or 10% penalty, due to the City).

The Tenant will issue the funds in installments according to the following calendar:

Estimated Date	Milestone	Amount Due	Total Remaining
January 1, 2017	Execution of MOU	\$450	\$204,000
May 1, 2017	Execution of lease	\$4,000	\$200,000
July 1, 2017	Delivery of construction drawings	\$50,000	\$150,000
January 1, 2018	Issuance of first building permit for construction	\$50,000	\$100,000
June 20, 2018	Completion of construction/issuance of temporary certificate of occupancy	\$50,000	\$50,000
December 1, 2018	Occupation of the building	\$50,000	\$0

5. FIXTURES AND EQUIPMENT

All trade fixtures and equipment installed by Tenant in or on the Premises (including theatre equipment, furniture, kitchen equipment, satellite communication dish and equipment, registers, other equipment, shelving and signs) must remain the property of Tenant and Tenant may remove the same or any part thereof at any time prior to or at the expiration or earlier termination of this Lease. Tenant must repair at its own expense any damage to the Premises caused by the removal of said fixtures or equipment by Tenant. This provision must expressly survive the termination or

expiration of this Lease.

6. USE OF PREMISES

- (a) Permitted Use. Tenant must have the right, subject to applicable Federal, State and local laws, including Environmental Laws (as hereafter defined) and the terms of this Lease, to use the Premises for the following purpose(s): to run a theatre with live performances and dinner service, rehearsals, workshops, office use, and uses incidental thereto, and no part of the Property will be used for any other purpose without the prior written consent of the City (herein collectively "Permitted Use").
- (b) Liquor License. Tenant will apply for and maintain a valid liquor license with the State and City of Evanston. This Lease does not in any way bind the Liquor Control Review Board and cannot be construed that Tenant's future application is granted.
- (c) Tenant Exclusive Use of Premises. Landlord covenants and agrees that it has no rights to use, modify, alter or lease any portion of the Building or Property other than as expressly provided in this Lease.
- (d) Hours of Operation. TBD.

7. MAINTENANCE

- (a) Maintenance, Repair and Replacement Responsibilities of Landlord: Landlord is responsible for all structural and load bearing columns, roof, the HVAC system for the Building, interior sprinkler and fire safety system within the Building, the roof, windows and all soffits, and all structural elements of the Building. Landlord will conduct annual inspections to ensure the property is maintained in good working order.
- (b) Maintenance and Repair Responsibilities of Tenant: Tenant is responsible for all maintenance and repair responsibilities that are not outlined in Paragraph 7(a) above, including but not limited to: exterior lighting, signage, bathroom fixtures, kitchen fixtures, bar equipment, lighting equipment and systems, security systems, telecommunications systems and other non-structural elements.
- (c) All refuse associated with Tenant's use must be placed in appropriate containers for disposal. Tenant cannot dispose of construction building materials in the standard refuse containers and must arrange for special pick-ups and containers for said materials. A refuse container for regular refuse will be located at the Property in reasonable proximity to the Building. Tenant will contract to have trash hauled from such container with reasonable frequency.
- (d) Tenant is responsible for snow, ice removal and leaf removal and general upkeep of the exterior of the Building along the sidewalk and other carriage walks to and from the Building. The snow must be moved to a suitable area on the Premises to allow for use of the sidewalk.
- (f) The Tenant will at all times maintain all of the Property in a clean, neat and orderly condition.

The Tenant will not use the Property in a manner that will violate or make void or inoperative any policy of insurance held by the Landlord.

(f) Tenant must yield the Premises back to Landlord, upon the termination of this Lease, whether such termination must occur by expiration of the Term, or in any other manner whatsoever, in the same condition of cleanliness and repair as at the date of the execution hereof, loss by casualty and reasonable wear and tear accepted. Tenant must make all necessary repairs and replace broken fixtures with material of the same size and quality as that broken. If, however, the Premises must not thus be kept in good repair and in a clean condition by Tenant, as aforesaid, Landlord may enter the same, or by Landlord's agents, servants or employees, without such entering causing or constituting a termination of this Lease or an interference with the possession of the Premises by Tenant, and Landlord may replace the same in the same condition of repair and cleanliness as existed at the date of execution hereof, and Tenant agrees to pay Landlord, in addition to the rent hereby reserved, the expenses of Landlord in thus replacing the Premises in that condition. Tenant must not cause or permit any waste, misuse or neglect of the water, or of the water, gas or electric fixtures.

(g) Tenant will keep all leasehold improvements in compliance with all laws and regulations during the entire Term of this Lease, except for repairs required of the Landlord to be made and damage occasioned by fire, wind or other causes as provided for in this Lease.

8. PAYMENT OF TAXES

(a) Definition. For purposes hereof, "Taxes" must mean real property taxes and "Assessments" must mean assessments, general and special, foreseen and unforeseen, for public improvements levied or assessed against the Premises and the improvements thereon for that portion of the Term.

(b) Payment. Landlord represents and warrants to Tenant that the Premises is currently not exempt from Taxes and Assessments. Landlord will endeavor to file for a tax-exemption application with the Cook County Assessor ("Assessor"). Any tax payments during the Term will be paid by Landlord, provided that Tenant retains its 501(c)(3) not-for-profit status. If Tenant changes its incorporation to a for-profit corporation or the Tenant fails to retain its 501(c)(3) not-for-profit status, Tenant is responsible for paying taxes associated with the commercial use at a later date.

9. DAMAGE AND DESTRUCTION

(a) Casualty. If the Premises must be damaged by fire or other casualty by an Act of God ("Casualty"), Landlord must, within one hundred eighty (180) days after such damage occurs (subject to being able to obtain all necessary permits and approvals, including, without limitation, permits and approvals required from any agency or body administering environmental laws, rules or regulations, and taking into account the time necessary to effectuate a satisfactory settlement with any insurance company) repair such damage at Landlord's expense and this Lease must not terminate. If the foregoing damage is due to the negligence or willful misconduct of Tenant, then Landlord must look first to the insurance carried by Tenant to pay for such damage. Notwithstanding (i) any other provisions of the Lease to the contrary, and (ii) any legal interpretation that all improvements become part of the realty upon being attached to the Premises, following a Casualty, the Landlord must be responsible only for restoring the Premises to building

standard levels of improvement at the time of execution of this Lease and must not include the tenant improvements completed and installed following execution of this Lease, and the tenant must be responsible for insuring and replacing the above building standard tenant improvements or betterments that made the Premises "customized" for Tenant's use. Customized improvements include, but not limited to: any and all theatre equipment and fixtures, alarm censored doors, wood flooring, and custom cabinetry. Except as otherwise provided herein, if the entire Premises are rendered untenable by reason of any such damage, or if Tenant cannot utilize Property and Building for its intended use by reason of any damage of any size or scope whatsoever, then all Fixed Minimum Rent and Additional Rent must abate for the period from the date of the damage to the date the damage is repaired, and if only a part of the Premises are so rendered untenable but the damage does not prevent Tenant from utilizing the Property for its Permitted Use, the Fixed Minimum Rent and Additional Rent must abate for the same period in the proportion that the area of the untenable part bears to the total area of the Premises; provided, however, that if, prior to the date when all of the damage has been repaired, any part of the Premises so damaged are rendered tenantable and must be used or occupied by or through Tenant, then the amount by which the Fixed Minimum Rent and Additional Rent abates must be apportioned for the period from the date of such use or occupancy to the date when all the damage has been repaired.

(b) Repair to Leasehold Improvements. Landlord must have no obligation to repair damage to or to replace any leasehold improvements, Tenant's personal property or any other property located in the Premises, and Tenant must within thirty (30) days after the Premises is sufficiently repaired so as to permit the commencement of work by Tenant, commence to repair, reconstruct and restore or replace the Premises (including fixtures, furnishings and equipment) and prosecute the same diligently to completion. Notwithstanding the foregoing, Tenant's Fixed Minimum Rent and Additional Rent must continue to be abated as provided in Section 9(a) above, until the Property is once again suitable for its Permitted Use.

(c) Termination Right. Notwithstanding any provision contained herein to the contrary, Tenant must have the option and right to terminate this Lease if, (a) the Premises must be so damaged by Casualty that it cannot be fully repaired within one hundred eighty (180) days after the date of damage; (b) during the last eighteen (18) months of the Term of this Lease, the Premises is damaged by a Casualty in amount exceeding thirty-three and one-third percent (33.33%) of the square footage of the Premises or a lesser amount (no matter how small) that leaves Tenant unable to utilize the Premises for their Permitted Use, provided that, in such event, such termination of this Lease must be effected by written notice within ninety (90) days of the happening of the Casualty causing such damage. This provision must expressly survive the termination or expiration of this Lease.

10. INSURANCE

(a) Tenant Insurance Obligations: Tenant agrees to maintain a policy or policies of commercial general liability insurance written by an insurance carrier rated at least Class A or better in Bests Key Rating Guide of Property-Casualty Insurance Companies and licensed to do business in the state in which the Premises is located which must insure against liability for injury to and/or death of and/or damage to personal property and the Premises of any person or persons, with policy limits of not less than \$1,000,000.00 combined single limit for injury to or death of any number of persons or for damage to property of others not arising out of any one occurrence. Tenant's policy must cover the Premises, its personal property and the business operated by Tenant and must name Landlord as an additional insured.

(b) Landlord Insurance Obligations: Landlord is self-insured up to \$1.25 Million and agrees to maintain an excess policy or policies of commercial general liability insurance over the self-insured limit written by an insurance carrier with a rating at least Class A or better in the Bests Key Rating Guide and licensed to do business in the state in which the Premises is located which must insure against liability for injury to and/or death of and/or damage to the Premises, with policy limits of not less than \$3,000,000.00 combined single limit. Landlord's policy must name Tenant as an additional insured. Subject to the terms of Paragraph 9(a), Landlord must maintain fire and casualty insurance covering the entire Premises and any alterations, improvements, additions or changes made by Landlord thereto in an amount not less than their full replacement cost from time to time during the Term, providing protection against any peril included within the classification of "all risks".

(c) Within thirty (30) days after written request, each of the parties agrees to deliver to the other a certificate of insurance as evidence that the policies of insurance required by this Section 10 have been issued and are in effect.

(d) Waiver of Subrogation. Neither Landlord nor Tenant must be liable to the other or to any insurance company (by way of subrogation or otherwise) insuring the other party for any loss or damage to any building, structure or other tangible property, or any resulting loss of income for property or general liability losses, even though such loss or damage might have been occasioned by the acts or omissions of such party, its agents, contractors or employees. Landlord or Tenant must look exclusively to the proceeds of insurance carried by it or for its benefit in the event of any damage or destruction to its property located on the Premises. Notwithstanding anything to the contrary contained herein, Landlord and Tenant hereby release and waive any and all rights of recovery, claim, action or cause of action, against the other, or its respective directors, shareholders, officers, agents, invitees and employees, for any loss or damage that may occur to the property or the equipment, fixtures and improvements comprising any part of the Premises, by reason of fire, the elements, or any other cause which could be insured against under the terms of an "all risk" fire insurance policy, in the state where the Premises is located, regardless of cause or origin, including negligence of the parties hereto, their agents, officers, invitees and employees. Subject to the provisions of the Lease, no insurer of a party hereunder must ever hold or be entitled to any claim, demand or cause of action against Tenant by virtue of a claim of loss paid under any such insurance policies, whether such insurer's claim be in the nature of subrogation or otherwise. The waivers provided pursuant to this paragraph must not operate to the extent that they would void coverage under the provisions of any policy of insurance.

11. INDEMNIFICATION

(a) Indemnification of Landlord. Except as otherwise provided in this Lease, and except to the extent caused by the willful misconduct of Landlord, or its agents, employees or contractors, or by the breach of this Lease by Landlord, Tenant must protect, defend, indemnify and save Landlord and its officers, directors, agents, attorneys, and employees harmless from and against any and all obligations, liabilities, costs, damages, claims and expenses of whatever nature arising from (i) any matter, condition or thing that occurs in the Premises, which is not the result of Landlord's negligence or willful misconduct or an Act of God or an act of a third party, (ii) any negligence or willful misconduct of Tenant, or its agents, employees or contractors, or its sub-lessee; or (iii)

Landlord's breach occasioned wholly or in part by any act, omission of Tenant, its agents, employees, contractors or servants. The provisions of this Section must survive the expiration or earlier termination of this Lease only with respect to any damage, injury or death occurring before such expiration or earlier termination.

(b) Indemnification of Tenant. Except as otherwise provided in this Lease, and except to the extent caused by the negligence of Tenant, or its agents, employees or contractors, or by the breach of this Lease by Tenant, Landlord must protect, defend, indemnify and save Tenant and its officers, or employees from and against any and all obligations, liabilities, costs, damages, claims and expenses of whatever nature arising from any act, omission or negligence of Landlord, its agents, employees, contractors or servants; The provisions of this Section must survive the expiration or earlier termination of this Lease only with respect to any damage, injury or death occurring before such expiration or earlier termination. The provisions of this Section do not extend to any sublessee of Tenant.

12. Intentionally Omitted.

13. UTILITIES

Tenant must pay during the Term hereof directly to the appropriate utility company or governmental agency all electric, water, gas, telephone and other public utility charges in connection with its occupancy and use of the Premises, including all costs of operating and maintaining all equipment therein, all business licenses and similar permit fees but excluding any installation costs, tap fees and/or connection fees or charges, with no right of reimbursement from the Landlord. All utilities must be paid pursuant to separate meters measuring Tenant's consumption of utilities from the Premises, which meter fee must be Landlord's obligation at its sole cost and expense. Landlord must not be liable to Tenant for damages or otherwise (i) if any utilities must become unavailable from any public utility company, public authority or any other person or entity supplying or distributing such utility, or (ii) for any interruption in any utility service (including, but without limitation, any heating, ventilation or air conditioning) caused by the making of any necessary repairs or improvements or by any cause beyond Landlord's reasonable control, and the same must not constitute a default, termination or an eviction. Tenant assures Landlord that it must arrange for an adequate supply of electricity to the Premises and it must pay for any increased voltage and any additional wiring required addressing the increased capacity.

14. COVENANTS AGAINST LIENS

Tenant covenants and agrees that it must not, during the Term hereof, suffer or permit any lien to be attached to or upon the Property or the Premises by reason of any act or omission on the part of Tenant or its agents, contractors or employees. In the event that any such lien does so attach, and (i) is not released within thirty (30) days after notice to Tenant thereof, or (ii) if Tenant has not bonded such lien within said thirty (30) day period, Landlord, in its sole discretion, may pay and discharge the same and relieve the Premises or the Property therefrom, and Tenant agrees to repay and reimburse Landlord upon demand for the amount so paid by Landlord and for other reasonable costs incurred by Landlord in discharging and relieving said lien. The Tenant will hold the Landlord harmless from all claims, liens, claims of lien, demands, charges, encumbrances or litigation arising out of any work or activity of Tenant on the Premises. Tenant will, within sixty (60) days after filing of any lien, fully pay and satisfy the lien and reimburse Landlord for all resulting loss and expense,

including a reasonable attorney's fees. Provided, however, in the event that Tenant contests any lien so filed in good faith and pursues an active defense of said lien, Tenant must not be in default of this paragraph. However, in the event of any final judgment against Tenant regarding such lien, Tenant agrees to pay such judgment and satisfy such lien within 60 days of the entry of any such judgment.

15. ASSIGNMENT AND SUBLETTING

(a) Assignment. Tenant must not have the right to assign this Lease, transfer and grant concessions or licenses ("Transfer") in all or any part of the Premises without the Landlord's written consent and City Council approval by Ordinance. No Transfer must relieve Tenant from any of its obligations as Tenant hereunder. Every such assignment or sublease must recite that it is and must be subject and subordinate to the provisions of this Lease, and the termination or cancellation of this Lease must constitute a termination and cancellation of every such assignment or sublease. Notwithstanding the foregoing, Landlord agrees that no merger, consolidation, corporate reorganization, or sale or transfer of Tenant's assets or stock (specifically including any inter-family or inter-company transfers), redemption or issuance of additional stock of any class, or assignment or sublease to any person or entity which controls, is controlled by or is under common control with Tenant, must be deemed a Transfer hereunder.

(b) Sublet Premises. Subleases of the Premises are permitted. The maximum time period for a sublease is 60 days total and the 60 day rental can be broken up over several months. If Tenant seeks to sublease the Premises for a period longer than 60 days, it must receive prior written consent from the Landlord. The sublease can be for rental of performance space, rehearsal, or special meetings. The rent received from the sublease can be retained by the Tenant. Tenant must utilize the Premises for the Permitted Use contained in this Lease for more than 50% of the performances that occur at the Premises each year. Meaning, the Tenant remains the primary user of the Premises. Tenant remains the responsible party for the Lease obligations contained herein, the sublessee must furnish proof of insurance and add the City of Evanston as an additional insured to its policy prior to use of the Premises, and sign a waiver and release on the City's form.

16. NOTICES

Any notices required to be given hereunder, or which either party hereto may desire to give to the other, must be in writing. Such notice may be given by reputable overnight delivery service (with proof of receipt available), personal delivery or mailing the same by United States mail, registered or certified, return receipt requested, postage prepaid, at the following addresses identified for Landlord and Tenant, or to such other address as the respective parties may from time to time designate by notice given in the manner provided in this Section.

If to the Landlord:

City of Evanston
Attn: City Manager
2100 Ridge Avenue
Evanston, IL 60201

with a copy to:

City of Evanston
Attn: Corporation Counsel
2100 Ridge Avenue
Evanston, IL 60201

If to Tenant:

Theo Ubique Theatre
Attn: Fred J. Anzevino
1434 W. Jarvis, #21F
Chicago, IL 60626

For purposes of this Lease, a notice must be deemed given upon the date of actual receipt thereof or the date of proof of rejection thereof if delivered by hand or overnight courier service.

17. RIGHT TO GO UPON PREMISES

Landlord hereby reserves the right for itself or its duly authorized agents and representatives at all reasonable times during business hours of Tenant upon at least forty-eight (48) hours prior notice to Tenant and accompanied by a representative of Tenant (which may be the store manager or assistant manager) to enter upon the Premises for the purpose of inspecting the same and of showing the same to any prospective purchaser or encumbrance or tenant, and for the purpose of making any repairs which Landlord is required hereunder to make on the Property, but any such repairs must be made with all due dispatch during normal construction trade working hours, and in such manner as to minimize the inconvenience to Tenant in the conduct of its business, it being agreed that in the event of a necessity of emergency repairs to be made by Landlord, Landlord may enter upon the Premises forthwith to effect such repairs. Notwithstanding the foregoing, in the event that due to an entry by or on behalf of Landlord into the Premises, Tenant's use is materially interfered with and Tenant, from the standpoint of prudent business management, cannot open and operate the Premises for business for two (2) consecutive days, all Fixed Minimum Rent and other charges payable by Tenant hereunder must equitably abate commencing after such second (2nd) day, and continuing until such repairs are completed, unless such entry is required as a result of Tenant's negligence or intentional misconduct.

18. DEFAULT

(a) **Tenant Default.**

(i) **Events of Default.** Including, but not limited to, the following events must be deemed to be an "event of default" hereunder by Tenant subject to Tenant's right to cure:

a. Tenant must fail to pay any item of Fixed Minimum Rent per Section 3 at the time and place when and where due and does not cure such failure within five (5) business days after receipt of notice from Landlord of such failure;

b. Tenant must fail to comply with any other term, provision, covenant or warranty made under this Lease or if any of Tenant's representations and warranties made under this Lease are determined to be untrue, either when made or at any time during the Term, by Tenant, and Tenant must not cure such failure within thirty (30) days after Landlord's written notice thereof to Tenant. In the event Tenant cannot comply with such term, provision, or warranty, within said thirty (30) day period, Tenant must not be in default if Tenant is diligently and continuously making an effort to comply with such term, provision, covenant or warranty and Tenant completes the cure of the default; or

c. Tenant must make a general assignment the benefit of creditors, or must admit in

writing its inability to pay its debts as they become due or must file a petition in bankruptcy.

(ii) Remedies. Upon the occurrence of an event of default, Landlord may, so long as such default continues, as permitted by law and subject to Landlord's obligation to use good faith efforts to mitigate damages, either:

a. terminate this Lease by written notice to Tenant, which written notice must specify a date for such termination at least fifteen (15) days after the date of such written termination notice and such termination must be effective as provided in such written notice unless Tenant must cure such default within such notice period, or not terminate this Lease as a result of the default of Tenant. If Tenant must fail to surrender the Premises upon such termination, Landlord may thereupon, reenter the Premises, or any part thereof, and expel or remove therefrom Tenant and any other persons occupying the same, using such means provided by law;

b. without terminating this Lease, Landlord may evict Tenant (by any means provided by law) and let or relet the Premises or any or all parts thereof for the whole or any part of the remainder of the Term hereof, or for a period of time in excess of the remainder of the Term hereof, and out of any rent so collected or received, Landlord must first pay to itself the expense of the cost of retaking and repossessing the Premises and the expense of removing all persons and property therefrom, and must, second, pay to itself any costs or expenses sustained in securing any new tenant or tenants (provided that such amount must not include any amounts incurred to restore the Premises to more than the condition originally delivered to Tenant), and must third, pay to itself any balance remaining, and apply the whole thereof or so much thereof as may be required toward payment of the liability of Tenant to Landlord then or thereafter unpaid by Tenant; or

c. pursue such other remedies as are available at law or in equity.

(b) Landlord Default. Should Landlord default in the performance of any covenant, provision, warranty, condition or agreement herein, or if any of Landlord's representations and warranties made under this Lease are determined to be untrue, either when made or at any time during the Term, and such default in the case of any failure by Landlord to pay any sum required to be paid to Tenant hereunder, continues for ten (10) business days after notice thereof from Tenant, or in case of any non-monetary default, continues for thirty (30) days after receipt by Landlord of written notice thereof from Tenant (except as otherwise provided herein), or if the default of Landlord is of a type which is not reasonably possible to cure within thirty (30) days, if Landlord has not commenced to cure said default within said thirty (30) day period and does not thereafter diligently prosecute the curing of said default to completion (except as otherwise provided herein), Tenant in addition to any and all other remedies which it may have at law and/or in equity including the right to seek injunctive relief without posting a bond or the obligation to prove irreparable harm, may pay or perform any obligations of Landlord hereunder and deduct the cost thereof from each installment of annual Fixed Minimum Rent payable pursuant to the terms of this Lease; provided, however, in no event must the amount of any such deduction exceed ten percent (10%) of the Fixed Minimum Rent payable on a monthly basis; provided, further, Tenant must not have the right to terminate this Lease except as expressly permitted herein.

19. SIGNS

Tenant may apply for signage (temporary and permanent signage) for the exterior and interior of the Premises, at its own expense, in order to conduct the business of Tenant. Tenant acknowledges that there are limitations from the City of Evanston Municipal Code of 2012, as amended, and the Code governs the application process and the details regarding size, type, and number of signs and Tenant agrees to be bound by such ordinances. Landlord cannot make representations in a lease agreement that Tenant must be entitled additional signage, a certain number of signs and/or dimensions of proposed signage, because the Tenant must make an application to the Sign Review Board, as provided by Code, but Landlord will not withhold, condition or delay its consent to a sign over the new entrance to the Premises which complies with applicable laws.

20. REPRESENTATIONS AND WARRANTIES

- (a) Landlord represents, warrants and covenants to Tenant that, to Landlord's knowledge, the following is true as of the Effective Date:
- (i) all of the Premises is zoned and fit for commercial purposes, and the Permitted Use is permitted under the applicable zoning designation, and that the Premises and Property are presently properly subdivided in conformity with all applicable laws and suitable for the Permitted Use;
 - (ii) Landlord is the fee simple owner of the Premises;
 - (iii) the Premises is subject to no restrictions or continuing regulations of any kind or nature whatsoever incompatible with the Permitted Use and that there are no restrictions in any agreement by which Landlord is bound (including, but not limited to, Landlord's insurance policies) which would adversely affect Tenant's right to use the Premises for the Permitted Use during the Term;
 - (iv) Landlord shall deliver to Tenant on occupancy the Premises in good working order and condition, with roof, parapet walls and foundation watertight, and all utility systems, plumbing, drains and HVAC in functional condition;
 - (v) there are no exceptions to title with respect to and/or encumbrances on the Premises which would interfere with Tenants proposed use of the Premises;
 - (vi) Landlord has no notice of any proposed Assessments other than as reflected on the current tax bill;
 - (vii) Landlord has no knowledge of any condition that would preclude Tenant from obtaining all Tenant's permits and licenses necessary for Tenant to open for business and operate for the Permitted Use;
 - (ix) Landlord covenants that it is duly constituted under the laws of the state of Illinois as a municipal corporation, and the City employee who is acting as its signatory in this Lease is duly authorized and empowered to act for and on behalf of the municipal corporation; and

- (x) there are no judicial, quasi-judicial, administrative or other orders, injunctions, moratoria or pending proceedings against Landlord or the Property which preclude or interfere with, or would preclude or interfere with, the construction contemplated herein or the occupancy and use of the Premises by Tenant for the purposes herein contemplated.
- (xi) no third party has the right to object to Tenant's tenancy hereunder, prohibit the selling of any products sold by Tenant or the uses allowed herein or the right to consent to any feature of the Premises or Tenant's signage.
- (xii) there are no mortgages, prime leases, deeds to secure debt, deeds of trust, or other instruments in the nature thereof, affecting Landlord or its interest in the Premises.

(b) Tenant represents, warrants and covenants to Landlord that, to Tenant's knowledge, the following is true as of the Effective Date:

(i) Tenant is a duly authorized and registered not-for-profit corporation with the State of Illinois and has the authority to execute this Agreement. Tenant must keep this tax exempt status during the term of the Lease.

(ii) Tenant will apply and obtain all necessary governmental approvals for its Permitted Use.

(iii) Execution and performance of this Lease will not (a) violate any judgment or order of Court applicable to or affecting Tenant; (b) breach the provisions of, or constitute a default under, any contract, agreement, instrument or obligation to which Tenant is a party or by which Tenant is bound, or (c) violate or conflict with any law or governmental regulation or permit applicable to Tenant.

(c) All representations and warranties, covenants and indemnities contained in this Lease must survive the expiration or earlier termination of this Lease.

21. HOLDING OVER; END OF TERM

(a) If Tenant must hold possession of the Premises after the expiration or termination of this Lease, at Landlord's option (i) Tenant must be deemed to be occupying the Premises as a tenant from month-to-month at one hundred fifty percent (150%) of the Fixed Minimum Rent in effect upon the expiration or termination of the immediately preceding term or (ii) Landlord may exercise any other remedies it has under this Lease or at law or in equity including an action for wrongfully holding over.

(b) Upon the expiration or sooner termination of this Lease, Tenant must surrender the Premises to Landlord in as good order, condition and repair as when received by Tenant; ordinary wear and tear, casualty and condemnation excepted. This provision must expressly survive the termination or expiration of this Lease.

(c) Any property, equipment, or product remaining in the Premises upon expiration of this Lease must be considered abandoned and property of the Landlord.

22. EXPENSES OF ENFORCEMENT

The Parties must bear its own costs, charges, expenses and attorney's fees, and any other fees incurred in the event of a dispute between the Parties.

23. SUCCESSORS IN INTEREST

All of the covenants, agreements, obligations, conditions and provisions of this Lease must inure to the benefit of and must bind the successors and permitted assigns of the respective parties hereto.

24. REMEDIES ARE CUMULATIVE

Remedies conferred by this Lease upon the respective parties are not intended to be exclusive, but are cumulative and in addition to remedies otherwise afforded by the law.

25. QUIET POSSESSION

Upon payment by the Tenant of the minimum, percentage and additional rent and all other sums due hereunder and upon the observance and performance of all covenants, terms and conditions on Tenant's part to be observed and performed, Tenant must peaceably and quietly hold and enjoy the Premises for the Term of this Lease without hindrance or interruption by Landlord or any other person or persons lawfully or equitably claiming by, through or under the Landlord, subject nevertheless, to the terms and conditions of this Lease.

26. ALTERATION

(a) Changes Required by Law. Any structural changes, alterations or additions in or to the Premises which may be necessary or required by reason of any law, rule, regulation or order promulgated by competent governmental authority must be made at the sole cost and expense of Landlord, including but not limited to asbestos removal and disposal and interior and exterior compliance with the Americans with Disabilities Act (ADA) etc. Notwithstanding the foregoing, if any such changes, alterations or additions are required as a result of improvements made by Tenant during the Term hereof or due to Tenant's use of the Premises, such changes, alterations or additions must be made at the sole cost and expense of Tenant. Tenant may contest the validity of any such law, rule, regulation or order, but must indemnify and save Landlord harmless against the consequences of continued violation thereof by Tenant pending such contest.

(b) Alterations During Term. Tenant is permitted to perform interior, nonstructural alterations to the Premises and to revise the interior layout of the Premises; provided that Tenant must obtain Landlord's written consent to any other alterations or construction which affects the structural nature of the Premises, which consent must not be unreasonably withheld, conditioned or delayed.

27. HAZARDOUS SUBSTANCES

(a) Tenant agrees that, except as herein set forth, it must not generate, use, store, handle or dispose of on or transport over the Premises any Hazardous Substances (defined below) in violation of any Environmental Laws (defined below), except as such incidental amounts of Hazardous Substances as may be required for Tenant to conduct the Permitted Use, but in no instance shall Tenant dispose of Hazardous Substances on the Premises in violation of Environmental Laws.

(b) If any time during the Term, Hazardous Substances are found in the Premises or on adjacent property and such Hazardous Substances are not the result of Tenant's use of or work on the Premises, then, in such event, Tenant must have the immediate right to terminate this Lease upon written notice to Landlord. Under no circumstances must Tenant be responsible for remediation or cleanup of any Hazardous Substances on the Premises or adjacent property that were not caused by Tenant, or Tenant's subcontractors, agents or employees. Furthermore, with regard to any Hazardous Substances caused by Tenant or its agents, contractors or employees, Tenant must remove same, in compliance with applicable Environmental Laws, at Tenant's sole cost and expense. Tenant must defend, indemnify, and hold Landlord harmless from and against any and all costs, damages, expenses and/or liabilities (including reasonable attorneys' fees) which Landlord may suffer as a result of any written demand (whether or not a suit), claim, suit or action regarding any such Hazardous Substances (whether alleged or real) present due to Tenant and/or regarding the removal and clean-up of same or resulting from the presence of such Hazardous Substances. The representation, warranty and indemnity of Tenant described in this subsection shall survive the termination or expiration of this Lease or purchase of the Property as provided herein. Other than Hazardous Substances caused by Tenant or its agents, contractors or employees, Tenant shall have no duty whatsoever to remove any Hazardous Substances from the Property.

(c) In the event that during the Term of this Lease, Tenant is prevented from performing Tenant's Work and/or Tenant must be unable to operate for a period of thirty (30) days or more for the Permitted Use at the Premises and ceases operating at the Premises as a result of remediation of Hazardous Substances not caused by Tenant or its agents, contractors or employees, and Tenant does not terminate the Lease as provided for in Section 27(b) above, then Fixed Minimum Rent, Additional Rent and all other charges due hereunder must equitably abate until such time as Tenant is able to resume the performance of Tenant's Work and/or the operation of its business in the Premises.

(d) Tenant, for itself and its successors in interest, waives and releases Landlord from any and all past and present claims and causes of action arising from or relating to the presence or alleged presence of Hazardous Substances in, on, under, about or emanating from the Property, including without limitation any claims for cost recovery, contribution, natural resources damages, property damage, consequential damages, personal or bodily injury (including death) or otherwise, under or on account of any violation, or arising under, Environmental Law.

(e) The term "**Hazardous Substance**" includes, without limitation, any material or substance (regardless of whether discarded, recyclable or recoverable) to which liability or standards of conduct are imposed pursuant to Environmental Laws, including, but not limited to (i) any defined, characteristic or listed "hazardous waste", "extremely hazardous waste", "restrictive hazardous waste", "hazardous substance", "hazardous material", "regulated substance", "pollutant", "contaminant" or waste, (ii) petroleum (including crude oil or any fraction thereof, natural gas, liquefied natural gas, synthetic gas or mixtures of natural gas and synthetic gas), (iii) asbestos and any asbestos containing materials, (iv) substances known to cause cancer and/or reproductive toxicity, (v) polychlorinated biphenyls (PCBs) and (vi) radioactive material. The term "**Environmental Law**" means any federal, state or local law, statute, ordinance, rule, regulation, order, consent, decree, judgment or common-law doctrine, interpretation thereof, and provisions and conditions of permits, licenses, plans, approvals and other operating authorizations whether currently in force or hereafter enacted relating to health, industrial hygiene or the environmental conditions on, under or about the Premises or the Property, as such laws are amended and the regulations and administrative codes

applicable thereto, including, by way of example and without limitation, the following: the Illinois Environmental Protection Act; Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"); the Resource Conservation and Recovery Act ("RCRA"); the Clean Air Act; the Clean Water Act; the Safe Water Drinking Act ("SDWA"); the Toxic Substances Control Act; and all state and local counterparts thereto; and any common or civil law obligations including, without limitation, nuisance or trespass. It is the intent of the parties hereto to construe the terms "Hazardous Substance" and "Environmental Law" in their broadest sense.

28. GENERAL CONDITIONS

(a) Time is of the essence of this Lease. Any deadlines in this Lease which cannot be met because of delays caused by governmental regulations, inability to procure labor or materials, strikes, acts of God, or other causes (other than financial), beyond the control of Landlord or Tenant ("Force Majeure") must be extended by the amount of time caused by such delays; provided, however, the payment of rent must not be excused. Notwithstanding anything herein to the contrary, the failure by Landlord to construct the Premises according to building code and/or to receive timely inspections by the necessary authorities due solely to the negligence, misconduct or financial inability of Landlord or Landlord's contractors, employees or representatives must not constitute Force Majeure. In order for Landlord to claim the occurrence of Force Majeure, Landlord must have notified Tenant in writing of such occurrence within twenty (20) business days after the initial occurrence.

(b) No waiver of any breach of the covenants, agreements, obligations and conditions of this Lease to be kept or performed by either party hereto must be construed to be a waiver of any succeeding breach of the same or any other covenant, agreement, obligation, condition or provision hereof.

(c) Tenant must not be responsible for the payment of any commissions in relation to the leasing transaction represented by this Lease. Landlord and Tenant each covenant that they have not dealt with any real estate broker or finder with respect to this Lease (herein collectively "Brokers"). Each party must hold the other party harmless from all damages, claims, liabilities or expenses, including reasonable and actual attorneys' fees (through all levels of proceedings), resulting from any claims that may be asserted against the other party by any real estate broker or finder with whom the indemnifying party either has or is purported to have dealt, except for the Brokers.

(d) The use herein of any gender or number must not be deemed to make inapplicable the provision should the gender or number be inappropriate to the party referenced. All section headings, titles or captions contained in this Lease are for convenience only and must not be deemed part of this Lease and must not in any way limit or amplify the terms and provisions of this Lease.

(e) Landlord and Tenant have negotiated this Lease, have had the opportunity to be advised respecting the provisions contained herein and have had the right to approve each and every provision hereof; therefore, this Lease must not be construed against either Landlord or Tenant as a result of the preparation of this Lease by or on behalf of either party.

(f) If any clause, sentence or other portion of this Lease must become invalid or unenforceable, the remaining portions thereof must remain in full force and effect.

- (g) Wherever in this Lease Landlord or Tenant is required to give consent, such consent must not be unreasonably withheld, conditioned or delayed except to the extent otherwise expressly provided herein.
- (h) If the time for performance of any obligation or taking any action under this Lease expires on a Saturday, Sunday or legal holiday, the time for such performance or taking such action must be extended to the next succeeding day which is not a Saturday, Sunday or legal holiday. If the day on which rent or any other payment due hereunder is payable falls on a Saturday, Sunday or on a legal holiday, it must be payable on the next succeeding day which is not a Saturday, Sunday or legal holiday.
- (i) Landlord hereby agrees that it must maintain all confidentiality with regard to entering into this Lease, the opening for business by Tenant in the Premises and any financial information contained hereunder or obtained from Tenant during the Term of this Lease, other than disclosures to necessary third parties and Landlord must not release any material whatsoever to the press or any news media without the prior written approval of Tenant, which approval may be withheld in Tenant's sole discretion.
- (j) Each covenant hereunder of Landlord, whether affirmative or negative in nature, is intended to and must bind the Landlord and each successive owner of the Premises and their respective heirs, successors and assigns.
- (k) There must be no personal liability on Landlord, its elected officials, officers, employees, agents, or any successor in interest with respect to any provisions of this Lease, or amendments, modifications or renewals hereof. Tenant must look solely to the then owner's interest in the Premises (including but not limited to any insurance proceeds, rents, or judgments) for the satisfaction of any remedies of Tenant in the event of a breach by Landlord of any of its obligations hereunder.
- (l) Landlord hereunder must have the right to assign, sell or transfer Landlord's interest in this Lease or the Premises with consent of Tenant, which must not be unreasonably withheld. In the event of any such transfer, the transferor must be automatically relieved of any and all obligations on the part of Landlord accruing from and after the date of such transfer.
- (m) Tenant acknowledges that it will seek to hire qualified Evanston residents for employment in the Tenant's business located at the Premises.
- (n) The parties agree the this Lease must be governed by and interpreted in accordance with the laws of the State of Illinois and that venue for any disputes must be in the Circuit Court of Cook County, Illinois.
- (o) This Lease must become effective on the day that this Lease must be executed by the last of the parties hereto to execute this Lease (herein "**Effective Date**").
- (p) There are no oral agreements between the parties hereto affecting this Lease, and this Lease supersedes and cancels any and all previous negotiations, arrangements, letters of intent, lease proposals, brochures, agreements, representations, promises, warranties and understandings between the parties hereto or displayed by Landlord to Tenant with respect to the subject matter thereof, and none thereof must be used to interpret or construe this Lease. This Lease cannot be changed or

terminated except by a written instrument subsequently executed by the parties hereto.

IN WITNESS WHEREOF, the respective parties hereto have executed this Lease by officers or agents thereunto duly authorized. The Effective date is the date executed by the City.

Landlord:

CITY OF EVANSTON,
an Illinois municipal corporation

By: Wally Bobkiewicz
Name: Wally Bobkiewicz

Title: City Manager

Dated: 4-12, 2017

Tenant:

THEO UBIQUE
an Illinois not-for-profit corporation

By: Farrel H. Wilson
Name: Farrel H. Wilson

Its: President

ATTEST: Jamie J. L. [Signature]
THEO UBIQUE / SECRETARY

EXHIBIT A

LEGAL DESCRIPTION

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

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

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

EXHIBIT B

SITE PLAN

EXHIBIT C
PROJECT BUDGET

LEASE

between

THE SWEET LIFE OF CORALIE, LLC

an Illinois limited liability company, d/b/a Cafe Coralie

as Tenant

and

CITY OF EVANSTON

An Illinois municipal corporation,

as Landlord

633 Howard Street

EVANSTON, ILLINOIS 60202

LEASE

THIS LEASE AGREEMENT is made this ___ day of September, 2017, by and between CITY OF EVANSTON ("Landlord"), an Illinois municipal corporation and THE SWEET LIFE OF CORALIE, LLC, an Illinois limited liability company, d/b/a "Cafe Coralie". ("Tenant").

WITNESSETH:

1. PROPERTY

- (a) Property. Landlord is the fee simple owner of certain real property at 633 Howard Street, Evanston, Illinois 60202, legally described in **Exhibit A** attached hereto and incorporated herein (the "**Property**"). The Property has a total of approximately 3,206 square feet of land, improved with a 2,649 square foot one-story building ("**Building**"). Landlord does hereby lease the Premises to Tenant, for Tenant's exclusive use and control, together with all appurtenances thereto, pursuant to the terms and conditions of this Lease. During this Lease Term, the Property and Building will be collectively referred to as "**Premises**".
- (b) Parking. This Lease does not include the exclusive use of any on-street parking. There are 3 parking spaces in the back of the Building off of the alley for Tenant's exclusive use for employee parking and loading space. Tenant is responsible for enforcing the exclusive use of the Parking spaces and contacting a tow company, if appropriate.

2. TERM

- (a) Primary Term. Subject to the provisions of this Lease, the "**Primary Term**" must be for 10 years (120 months) and must commence on October 1, 2017 and expire on September 30, 2027.
- (b) Extended Lease Terms. Provided Tenant is not otherwise in default beyond any applicable cure period, replaced or otherwise amended such that Tenant is still permitted to conduct the Permitted Use from the Premises, Tenant is granted two (2) options (individually, a "**Lease Extension Option**"), for successive periods of five (5) years each (each an "**Extension Term**") upon the same terms, covenants and conditions as herein provided. Each Lease Extension Option must be exercised by Tenant delivering to Landlord written notice of such election, not less than one hundred twenty (120) days prior to the expiration of the then current term. The exercise by Tenant of any one Lease Extension Option must not be deemed to impose upon Tenant any duty or obligation to renew for any further period of time, and that the exercise of any Lease Extension Option must be effective only upon the giving of notice of extension in accordance with the foregoing provisions. The Primary Term together with any Extension Term(s) is referred to herein collectively as the "**Term**".
- (c) Sale to Third Parties. If Landlord sells the Property to a third party which has no legal affiliation to the Tenant, as a condition of sale, the new purchaser agrees to be bound by the terms of this Agreement and must have no right to evict Tenant, to vary the terms of this Agreement or to terminate this Lease under any terms other than those contained herein. The third party must stand

in the shoes of Landlord and must honor all obligations of Landlord and all rights of Tenant as provided for herein.

3. RENT

(a) Fixed Rent. The tenant's first rent payment is due twelve (12) months after the Lease Commencement Date, October 1, 2018, and every month thereafter due on or before the first of the month ("Rent Commencement Date"), and subject to the terms of this Lease, Tenant agrees to pay to Landlord for lease of the Premises the Rent described below: The Rent for the first year payable is Three Thousand Dollars (\$3,000) per month, \$36,000 per year. For every subsequent Lease Year, the annual rent shall be increased in an amount equal to the Consumer Price Index for that Lease Year and will adjusted to cover increased property taxes assessed against the property by the Cook County Assessor.

(b) Late Fee and Interest. In the event any sums required hereunder to be paid are not received by Landlord on or before the date the same are due, then, Tenant also owes Landlord a late fee of \$25 per day. In addition, interest must accrue on all past due sums at an annual rate equal to the lesser of six percent (6.0%) per month and the maximum legal rate. Such interest must also be deemed Additional Rent.

(c) Time and Place of Payment. Tenant must pay to Landlord Fixed Minimum Rent in advance, in equal monthly installments, and without prior notice, setoff (unless otherwise expressly permitted herein) or demand, except as otherwise specifically provided herein, on or before the fifth (5th) day of each calendar month during the Term hereof to:

City of Evanston
Attn: Finance Division
2100 Ridge Avenue, Room 4500
Evanston, IL 60201

4. TENANT IMPROVEMENT:

(a) Tenant accepts the Premises in an "As-Is" Condition. The Tenant shall construct all renovations pursuant to build out plans agreed to by Landlord and Tenant. Once the build out plans are agreed upon, they will be attached as Exhibit A to this lease and incorporated herein. The parties agree that certain improvements to Premises are necessary to bring the Premises to a "Vanilla Box" standard, including updating the electrical system, HVAC system, and plumbing. Attached as **Exhibit B** is the **Site Plan** of the Interior Build Out for the Premises.

(b) The Parties anticipate that the total build out renovation expenses to total \$[INSERT BUDGET FIGURE] ([INSERT and no/100 Dollars). Landlord will pay for a portion of the Tenant Improvements, which account for the vanilla box improvements (the "Tenant Improvements"). Attached as **Exhibit C** is the **Project Budget**.

(c) Landlord will pay a portion of the tenant improvements to achieve the Vanilla Box, the total reimbursement to Tenant over the initial Lease Term in amount not to exceed Fifty Thousand (\$50,000.00) (the "**Tenant Improvement Allowance**"). Tenant will process the invoices from the contractor and the subcontractors and submit for payment to the Landlord. The Landlord will

review the invoices and submit payment directly to the contractors after receipt of a lien waiver. Landlord is also issuing a loan to Tenant to fund additional improvements and equipment purchases for Tenant's business in the principal amount of \$50,000 (the "Loan"). The terms of the Loan are set forth in a separate Loan Agreement and Promissory Note.

(d) Improvement Allowance Payment Requirements: Disbursement payments shall NOT be paid out until:

- City Council has approved the Agreement and the Agreement is executed; and
- Project work is complete and Temporary Certificate of Occupancy is issued to the Tenant by the Building & Inspection Services Division of the City of Evanston; and
- Invoices from the contractor are received and reviewed by City staff; and
- Contractor issues final lien waivers; and
- The Chief Financial Officer or his designee will not issue the full disbursement to the Tenant if there is any violation of any law, ordinance, code, regulation, or Agreement term; and
- Lastly, Borrower must be current with all City of Evanston accounts prior to any reimbursement.

(e) If Tenant defaults on the terms and conditions of this Agreement or terminates this Agreement for any reason other than the Landlord's willful misconduct which caused the Tenant's departure, the Tenant Improvement Allowance must be reimbursed in full. Furthermore, the Vanilla Box improvements are the property of the City of Evanston with no right of reimbursement to the Tenant for the Tenant Improvements which were paid for by the City of Evanston.

5. FIXTURES AND EQUIPMENT

All trade fixtures and equipment installed by Tenant in or on the Premises (including kitchen equipment, tables and chairs, registers, other equipment, shelving and signs) will remain the property of Tenant and Tenant may remove the same or any part thereof at any time prior to or at the expiration or earlier termination of this Lease. Tenant must repair at its own expense any damage to the Premises caused by the removal of said fixtures or equipment by Tenant. This provision must expressly survive the termination or expiration of this Lease.

6. USE OF PREMISES

- (a) Permitted Use. Tenant must have the right, subject to applicable Federal, State and local laws, including Environmental Laws (as hereafter defined) and the terms of this Lease, to use the Premises for the following purpose(s): to operate a 60-80 seat café, central production kitchen to bake pastries for wholesale, demonstration kitchen for classes, office use and uses incidental thereto to operation of a café, and no part of the Property will be used for any other purpose without the prior written consent of the City (herein collectively "**Permitted Use**").
- (b) Tenant Exclusive Use of Premises. Landlord covenants and agrees that it has no rights to use, modify, alter or lease any portion of the Building or Property other than as expressly provided in this Lease.

7. MAINTENANCE

- (a) Maintenance, Repair and Replacement Responsibilities of Landlord: Landlord is responsible for all structural and load bearing columns, roof, the HVAC system for the Building, interior sprinkler and fire safety system within the Building, the roof, windows and all soffits, and all structural elements of the Building.
- (b) Maintenance and Repair Responsibilities of Tenant: Tenant is responsible for all maintenance and repair responsibilities that are not outlined in Paragraph 7(a) above, including but not limited to: exterior lighting, signage, bathroom fixtures, kitchen fixtures, cafe equipment, lighting equipment and systems, security systems, telecommunications systems and other non-structural elements.
- (c) All refuse associated with Tenant's use must be placed in appropriate containers for disposal. Tenant cannot dispose of construction building materials in the standard refuse containers and must arrange for special pick-ups and containers for said materials. A refuse container for regular refuse will be located at the Property in reasonable proximity to the Building. Tenant will contract to have trash hauled from such container with reasonable frequency.
- (d) Tenant is responsible for snow, ice removal and leaf removal and general upkeep of the exterior of the Building along the sidewalk and other carriage walks to and from the Building. The snow must be moved to a suitable area on the Premises to allow for use of the sidewalk. .
- (e) The Tenant will at all times maintain all of the Property in a clean, neat and orderly condition. The Tenant will not use the Property in a manner that will violate or make void or inoperative any policy of insurance held by the Landlord.
- (f) Tenant must yield the Premises back to Landlord, upon the termination of this Lease, whether such termination must occur by expiration of the Term, or in any other manner whatsoever, in the same condition of cleanliness and repair as at the date of the execution hereof, less by casualty and reasonable wear and tear accepted. Tenant must make all necessary repairs and replace broken fixtures with material of the same size and quality as that broken. If, however, the Premises must not thus be kept in good repair and in a clean condition by Tenant, as aforesaid, Landlord may enter the same, or by Landlord's agents, servants or employees, without such entering causing or constituting a termination of this Lease or an interference with the possession of the Premises by Tenant, and Landlord may replace the same in the same condition of repair and cleanliness as existed at the date of execution hereof, and Tenant agrees to pay Landlord, in addition to the rent hereby reserved, the expenses of Landlord in thus replacing the Premises in that condition. Tenant must not cause or permit any waste, misuse or neglect of the water, or of the water, gas or electric fixtures.
- (g) Tenant will keep all leasehold improvements in compliance with all laws and regulations during the entire Term of this Lease, except for repairs required of the Landlord to be made and damage occasioned by fire, wind or other causes as provided for in this Lease.

8. PAYMENT OF TAXES

- (a) Definition. For purposes hereof, "Taxes" must mean real property taxes and "Assessments" must

mean assessments, general and special, foreseen and unforeseen, for public improvements levied or assessed against the Premises and the improvements thereon for that portion of the Term.

- (b) Payment. Landlord represents and warrants to Tenant that the Premises is currently exempt from Taxes and Assessments. Cook County Assessor will commence assessing property taxes against the City of Evanston for the commercial use described herein. The Landlord will pay the property taxes on behalf of the tenant because the Rent paid by the Tenant each month includes funds to pay for said tax payments. The Property will be reassessed every three years and any change in the property taxes assessed will also change the Rent outlined in Section 3.

9. DAMAGE AND DESTRUCTION

- (a) Casualty. If the Premises must be damaged by fire or other casualty by an Act of God ("Casualty"), Landlord must, within one hundred eighty (180) days after such damage occurs (subject to being able to obtain all necessary permits and approvals, including, without limitation, permits and approvals required from any agency or body administering environmental laws, rules or regulations, and taking into account the time necessary to effectuate a satisfactory settlement with any insurance company) repair such damage at Landlord's expense and this Lease must not terminate. If the foregoing damage is due to the negligence or willful misconduct of Tenant, then Landlord must look first to the insurance carried by Tenant to pay for such damage. Notwithstanding (i) any other provisions of the Lease to the contrary, and (ii) any legal interpretation that all improvements become part of the realty upon being attached to the Premises, following a Casualty, the Landlord must be responsible only for restoring the Premises to building standard levels of improvement at the time of execution of this Lease and must not include the tenant improvements completed and installed following execution of this Lease, and the tenant must be responsible for insuring and replacing the above building standard tenant improvements or betterments that made the Premises "customized" for Tenant's use. Customized improvements include, but not limited to: any and all theatre equipment and fixtures, alarm censored doors, wood flooring, and custom cabinetry. Except as otherwise provided herein, if the entire Premises are rendered untenable by reason of any such damage, or if Tenant cannot utilize Property and Building for its intended use by reason of any damage of any size or scope whatsoever, then all Fixed Minimum Rent and Additional Rent must abate for the period from the date of the damage to the date the damage is repaired, and if only a part of the Premises are so rendered untenable but the damage does not prevent Tenant from utilizing the Property for its Permitted Use, the Fixed Minimum Rent and Additional Rent must abate for the same period in the proportion that the area of the untenable part bears to the total area of the Premises; provided, however, that if, prior to the date when all of the damage has been repaired, any part of the Premises so damaged are rendered tenantable and must be used or occupied by or through Tenant, then the amount by which the Fixed Minimum Rent and Additional Rent abates must be apportioned for the period from the date of such use or occupancy to the date when all the damage has been repaired.
- (b) Repair to Leasehold Improvements. Landlord must have no obligation to repair damage to or to replace any leasehold improvements, Tenant's personal property or any other property located in the Premises, and Tenant must within sixty (60) days after the Premises is sufficiently repaired so

as to permit the commencement of work by Tenant, commence to repair, reconstruct and restore or replace the Premises (including fixtures, furnishings and equipment) and prosecute the same diligently to completion. Notwithstanding the foregoing, Tenant's Fixed Minimum Rent and Additional Rent must continue to be abated as provided in Section 9(a) above, until the Property is once again suitable for its Permitted Use.

(c) Termination Right. Notwithstanding any provision contained herein to the contrary, Tenant must have the option and right to terminate this Lease if, (a) the Premises must be so damaged by Casualty that it cannot be fully repaired within one hundred eighty (180) days after the date of damage; (b) during the last eighteen (18) months of the Term of this Lease, the Premises is damaged by a Casualty in amount exceeding thirty-three and one-third percent (33.33%) of the square footage of the Premises or a lesser amount (no matter how small) that leaves Tenant unable to utilize the Premises for their Permitted Use, provided that, in such event, such termination of this Lease must be effected by written notice within ninety (90) days of the happening of the Casualty causing such damage. This provision must expressly survive the termination or expiration of this Lease.

10. INSURANCE

(a) Tenant Insurance Obligations: Tenant agrees to maintain a policy or policies of commercial general liability insurance written by an insurance carrier rated at least Class A or better in Bests Key Rating Guide of Property-Casualty Insurance Companies and licensed to do business in the state in which the Premises is located which must insure against liability for injury to and/or death of and/or damage to personal property and the Premises of any person or persons, with policy limits of not less than \$1,000,000.00 combined single limit for injury to or death of any number of persons or for damage to property of others not arising out of any one occurrence. Tenant's policy must cover the Premises, it's personal property and the business operated by Tenant and must name the City of Evanston as an additional insured.

(b) Landlord Insurance Obligations: Landlord is self-insured up to \$1.25 Million and agrees to maintain an excess policy or policies of commercial general liability insurance over the self-insured limit written by an insurance carrier with a rating at least Class A or better in the Bests Key Rating Guide and licensed to do business in the state in which the Premises is located which must insure against liability for injury to and/or death of and/or damage to the Premises , with policy limits of not less than \$3,000,000.00 combined single limit. Landlord's policy must name Tenant as an additional insured. Subject to the terms of Paragraph 9(a), Landlord must maintain fire and casualty insurance covering the entire Premises and any alterations, improvements, additions or changes made by Landlord thereto in an amount not less than their full replacement cost from time to time during the Term, providing protection against any peril included within the classification of "all risks".

(c) Within thirty (30) days after written request, each of the parties agrees to deliver to the other a certificate of insurance as evidence that the policies of insurance required by this Section 10 have been issued and are in effect.

(d) Waiver of Subrogation. Neither Landlord nor Tenant must be liable to the other or to any insurance company (by way of subrogation or otherwise) insuring the other party for any loss or

damage to any building, structure or other tangible property, or any resulting loss of income for property or general liability losses, even though such loss or damage might have been occasioned by the acts or omissions of such party, its agents, contractors or employees. Landlord or Tenant must look exclusively to the proceeds of insurance carried by it or for its benefit in the event of any damage or destruction to its property located on the Premises. Notwithstanding anything to the contrary contained herein, Landlord and Tenant hereby release and waive any and all rights of recovery, claim, action or cause of action, against the other, or its respective directors, shareholders, officers, agents, invitees and employees, for any loss or damage that may occur to the property or the equipment, fixtures and improvements comprising any part of the Premises, by reason of fire, the elements, or any other cause which could be insured against under the terms of an "all risk" fire insurance policy, in the state where the Premises is located, regardless of cause or origin, including negligence of the parties hereto, their agents, officers, invitees and employees. Subject to the provisions of the Lease, no insurer of a party hereunder must ever hold or be entitled to any claim, demand or cause of action against Tenant by virtue of a claim of loss paid under any such insurance policies, whether such insurer's claim be in the nature of subrogation or otherwise. The waivers provided pursuant to this paragraph must not operate to the extent that they would void coverage under the provisions of any policy of insurance.

11. INDEMNIFICATION

- (a) **Indemnification of Landlord.** Except as otherwise provided in this Lease, and except to the extent caused by the negligence of Landlord, or its agents, employees or contractors, or by the breach of this Lease by Landlord, Tenant must protect, defend, indemnify and save Landlord and its officers, directors, agents, attorneys, and employees harmless from and against any and all obligations, liabilities, costs, damages, claims, attorneys fees and expenses of whatever nature arising from (i) any matter, condition or thing that occurs in the Premises, which is not the result of Landlord's negligence or willful misconduct or an Act of God or an act of a third party, (ii) any negligence or willful misconduct of Tenant, or its agents, employees or contractors, or its sub-lessee; or (iii) Landlord's breach occasioned wholly or in part by any act, omission of Tenant, its agents, employees, contractors or servants. The provisions of this Section must survive the expiration or earlier termination of this Lease only with respect to any damage, injury or death occurring before such expiration or earlier termination.
- (b) **Indemnification of Tenant.** Except as otherwise provided in this Lease, and except to the extent caused by the negligence of Tenant, or its agents, employees or contractors, or by the breach of this Lease by Tenant, Landlord must protect, defend, indemnify and save Tenant and its officers, or employees from and against any and all obligations, liabilities, costs, damages, claims and expenses of whatever nature arising from any act, omission or negligence of Landlord, its agents, employees, contractors or servants; The provisions of this Section must survive the expiration or earlier termination of this Lease only with respect to any damage, injury or death occurring before such expiration or earlier termination. The provisions of this Section do not extend to any sublessee of Tenant.

12. Intentionally Omitted.

13. UTILITIES

Tenant must pay during the Term hereof directly to the appropriate utility company or governmental agency all electric, water, gas, telephone and other public utility charges in connection with its occupancy and use of the Premises, including all costs of operating and maintaining all equipment therein, all business licenses and similar permit fees but excluding any installation costs, tap fees and/or connection fees or charges, with no right of reimbursement from the Landlord. All utilities must be paid pursuant to separate meters measuring Tenant's consumption of utilities from the Premises, which meter fee must be Landlord's obligation at its sole cost and expense. Landlord must not be liable to Tenant for damages or otherwise (i) if any utilities must become unavailable from any public utility company, public authority or any other person or entity supplying or distributing such utility, or (ii) for any interruption in any utility service (including, but without limitation, any heating, ventilation or air conditioning) caused by the making of any necessary repairs or improvements or by any cause beyond Landlord's reasonable control, and the same must not constitute a default, termination or an eviction. Tenant assures Landlord that it must arrange for an adequate supply of electricity to the Premises and it must pay for any increased voltage and any additional wiring required addressing the increased capacity. Tenant will not be responsible for the water bill until the temporary certificate of occupancy is issued.

14. COVENANTS AGAINST LIENS

Tenant covenants and agrees that it must not, during the Term hereof, suffer or permit any lien to be attached to or upon the Property or the Premises by reason of any act or omission on the part of Tenant or its agents, contractors or employees. In the event that any such lien does so attach, and (i) is not released within thirty (30) days after notice to Tenant thereof, or (ii) if Tenant has not bonded such lien within said thirty (30) day period, Landlord, in its sole discretion, may pay and discharge the same and relieve the Premises or the Property therefrom, and Tenant agrees to repay and reimburse Landlord upon demand for the amount so paid by Landlord and for other reasonable costs incurred by Landlord in discharging and relieving said lien. The Tenant will hold the Landlord harmless from all claims, liens, claims of lien, demands, charges, encumbrances or litigation arising out of any work or activity of Tenant on the Premises. Tenant will, within sixty (60) days after filing of any lien, fully pay and satisfy the lien and reimburse Landlord for all resulting loss and expense, including a reasonable attorney's fees. Provided, however, in the event that Tenant contests any lien so filed in good faith and pursues an active defense of said lien, Tenant must not be in default of this paragraph. However, in the event of any final judgment against Tenant regarding such lien, Tenant agrees to pay such judgment and satisfy such lien within 60 days of the entry of any such judgment.

15. ASSIGNMENT AND SUBLETTING

(a) Assignment. Tenant must not have the right to assign this Lease, transfer and grant concessions or licenses ("**Transfer**") in all or any part of the Premises without the Landlord's written consent and City Council approval by Ordinance. No Transfer must relieve Tenant from any of its obligations as Tenant hereunder. Every such assignment or sublease must recite that it is and must be subject and subordinate to the provisions of this Lease, and the termination or cancellation of this Lease must constitute a termination and cancellation of every such assignment or sublease. Notwithstanding the foregoing, Landlord agrees that no merger, consolidation, corporate reorganization, or sale or transfer of Tenant's assets or stock (specifically including any inter-family

or inter-company transfers), redemption or issuance of additional stock of any class, or assignment or sublease to any person or entity which controls, is controlled by or is under common control with Tenant, must be deemed a Transfer hereunder.

16. NOTICES

Any notices required to be given hereunder, or which either party hereto may desire to give to the other, must be in writing. Such notice may be given by reputable overnight delivery service (with proof of receipt available), personal delivery or mailing the same by United States mail, registered or certified, return receipt requested, postage prepaid, at the following addresses identified for Landlord and Tenant, or to such other address as the respective parties may from time to time designate by notice given in the manner provided in this Section.

If to the Landlord:

City of Evanston
Attn: City Manager
2100 Ridge Avenue
Evanston, IL 60201

with a copy to:

City of Evanston
Attn: Corporation Counsel
2100 Ridge Avenue
Evanston, IL 60201

If to Tenant:

Pascal Berthoumieux
600 Davis Street
Evanston, IL 60201

with a copy to:

Mark A. LaRose
LaRose and Boscoe, Ltd.
200 N. LaSalle St. #2810
Chicago, IL 60601

For purposes of this Lease, a notice must be deemed given upon the date of actual receipt thereof or the date of proof of rejection thereof if delivered by hand or overnight courier service.

17. RIGHT TO GO UPON PREMISES

Landlord hereby reserves the right for itself or its duly authorized agents and representatives at all reasonable times during business hours of Tenant upon at least forty-eight (48) hours prior notice to Tenant and accompanied by a representative of Tenant (which may be the store manager or assistant manager) to enter upon the Premises for the purpose of inspecting the same and of showing the same to any prospective purchaser or encumbrance or tenant, and for the purpose of making any repairs which Landlord is required hereunder to make on the Property, but any such repairs must be made with all due dispatch during normal construction trade working hours, and in such manner as to minimize the inconvenience to Tenant in the conduct of its business, it being agreed that in the event of a necessity of emergency repairs to be made by Landlord, Landlord may enter upon the Premises forthwith to effect such repairs. Notwithstanding the foregoing, in the event that due to an entry by or on behalf of Landlord into the Premises, Tenant's use is materially interfered with and Tenant, from the standpoint of prudent business management, cannot open and operate the Premises for business for two (2) consecutive days, all Fixed Minimum Rent and other charges payable by Tenant hereunder must equitably abate commencing after such second (2nd) day, and

continuing until such repairs are completed, unless such entry is required as a result of Tenant's negligence or intentional misconduct.

18. DEFAULT

(a) Tenant Default.

(i) Events of Default. Including, but not limited to, the following events must be deemed to be an "event of default" hereunder by Tenant subject to Tenant's right to cure:

a. Tenant must fail to pay any item of Fixed Minimum Rent per Section 3 at the time and place when and where due and does not cure such failure within fifteen (15) business days after receipt of notice from Landlord of such failure;

b. Tenant must fail to comply with any other term, provision, covenant or warranty made under this Lease or if any of Tenant's representations and warranties made under this Lease are determined to be untrue, either when made or at any time during the Term, by Tenant, and Tenant must not cure such failure within thirty (30) days after Landlord's written notice thereof to Tenant. In the event Tenant cannot comply with such term, provision, or warranty, within said thirty (30) day period, Tenant must not be in default if Tenant is diligently and continuously making an effort to comply with such term, provision, covenant or warranty and Tenant completes the cure of the default; or

c. Tenant must make a general assignment the benefit of creditors, or must admit in writing its inability to pay its debts as they become due or must file a petition in bankruptcy.

(ii) Remedies. Upon the occurrence of an event of default, Landlord may, so long as such default continues, as permitted by law and subject to Landlord's obligation to use good faith efforts to mitigate damages, either:

terminate this Lease by written notice to Tenant, which written notice must specify a date for such termination at least fifteen (15) days after the date of such written termination notice and such termination must be effective as provided in such written notice unless Tenant must cure such default within such notice period, or not terminate this Lease as a result of the default of Tenant. If Tenant must fail to surrender the Premises upon such termination, Landlord may thereupon, reenter the Premises, or any part thereof, and expel or remove therefrom Tenant and any other persons occupying the same, using such means provided by law;

without terminating this Lease, Landlord may evict Tenant (by any means provided by law) and let or relet the Premises or any or all parts thereof for the whole or any part of the remainder of the Term hereof, or for a period of time in excess of the remainder of the Term hereof, and out of any rent so collected or received, Landlord must first pay to itself the expense of the cost of retaking and repossessing the Premises and the expense of removing all persons and property therefrom, and must, second, pay to itself any costs or expenses sustained in securing any new tenant or tenants (provided that such amount must not include any amounts incurred to restore the Premises to more than the condition originally delivered to Tenant), and must third, pay to itself any balance

remaining, and apply the whole thereof or so much thereof as may be required toward payment of the liability of Tenant to Landlord then or thereafter unpaid by Tenant; or

pursue such other remedies as are available at law or in equity.

(b) Landlord Default. Should Landlord default in the performance of any covenant, provision, warranty, condition or agreement herein, or if any of Landlord's representations and warranties made under this Lease are determined to be untrue, either when made or at any time during the Term, and such default in the case of any failure by Landlord to pay any sum required to be paid to Tenant hereunder, continues for ten (10) business days after notice thereof from Tenant, or in case of any non-monetary default, continues for thirty (30) days after receipt by Landlord of written notice thereof from Tenant (except as otherwise provided herein), or if the default of Landlord is of a type which is not reasonably possible to cure within thirty (30) days, if Landlord has not commenced to cure said default within said thirty (30) day period and does not thereafter diligently prosecute the curing of said default to completion (except as otherwise provided herein), Tenant in addition to any and all other remedies which it may have at law and/or in equity including the right to seek injunctive relief without posting a bond or the obligation to prove irreparable harm, may pay or perform any obligations of Landlord hereunder and deduct the cost thereof from each installment of annual Fixed Minimum Rent payable pursuant to the terms of this Lease; provided, however, in no event must the amount of any such deduction exceed ten percent (10%) of the Fixed Minimum Rent payable on a monthly basis; provided, further, Tenant must not have the right to terminate this Lease except as expressly permitted herein.

19. SIGNS

Tenant may apply for signage (temporary and permanent signage) for the exterior and interior of the Premises, at its own expense, in order to conduct the business of Tenant. Tenant acknowledges that there are limitations from the City of Evanston Municipal Code of 2012, as amended, and the Code governs the application process and the details regarding size, type, and number of signs and Tenant agrees to be bound by such ordinances. Landlord cannot make representations in a lease agreement that Tenant must be entitled additional signage, a certain number of signs and/or dimensions of proposed signage, because the Tenant must make an application to the Sign Review Board, as provided by Code, but Landlord will not withhold, condition or delay its consent to a sign over the new entrance to the Premises which complies with applicable laws.

20. REPRESENTATIONS AND WARRANTIES

(a) Landlord represents, warrants and covenants to Tenant that, to Landlord's knowledge, the following is true as of the Effective Date:

(i) all of the Premises is zoned and fit for commercial purposes, and the Permitted Use is permitted under the applicable zoning designation, and that the Premises and Property are presently properly subdivided in conformity with all applicable laws and suitable for the Permitted Use;

(ii) Landlord is the fee simple owner of the Premises;

- (iii) the Premises is subject to no restrictions or continuing regulations of any kind or nature whatsoever incompatible with the Permitted Use and that there are no restrictions in any agreement by which Landlord is bound (including, but not limited to, Landlord's insurance policies) which would adversely affect Tenant's right to use the Premises for the Permitted Use during the Term;
 - (iv) Landlord shall deliver to Tenant on occupancy the Premises in good working order and condition, with roof, parapet walls and foundation watertight, and all utility systems, plumbing, drains and HVAC in functional condition;
 - (v) there are no exceptions to title with respect to and/or encumbrances on the Premises which would interfere with Tenants proposed use of the Premises;
 - (vi) Landlord has no notice of any proposed Assessments other than as reflected on the current tax bill;
 - (vii) Landlord has no knowledge of any condition that would preclude Tenant from obtaining all Tenant's permits and licenses necessary for Tenant to open for business and operate for the Permitted Use;
 - (ix) Landlord covenants that it is duly constituted under the laws of the state of Illinois as a municipal corporation, and the City employee who is acting as its signatory in this Lease is duly authorized and empowered to act for and on behalf of the municipal corporation; and
 - (x) there are no judicial, quasi-judicial, administrative or other orders, injunctions, moratoria or pending proceedings against Landlord or the Property which preclude or interfere with, or would preclude or interfere with, the construction contemplated herein or the occupancy and use of the Premises by Tenant for the purposes herein contemplated.
 - (xi) no third party has the right to object to Tenant's tenancy hereunder, prohibit the selling of any products sold by Tenant or the uses allowed herein or the right to consent to any feature of the Premises or Tenant's signage.
 - (xii) there are no mortgages, prime leases, deeds to secure debt, deeds of trust, or other instruments in the nature thereof, affecting Landlord or its interest in the Premises.
- (b) Tenant represents, warrants and covenants to Landlord that, to Tenant's knowledge, the following is true as of the Effective Date:
- (i) Tenant is a duly authorized and registered not-for-profit corporation with the State of Illinois and has the authority to execute this Agreement. Tenant must keep this tax exempt status during the term of the Lease.
 - (ii) Tenant will apply and obtain all necessary governmental approvals for its Permitted Use.

(iii) Execution and performance of this Lease will not (a) violate any judgment or order of Court applicable to or affecting Tenant; (b) breach the provisions of, or constitute a default under, any contract, agreement, instrument or obligation to which Tenant is a party or by which Tenant is bound, or (c) violate or conflict with any law or governmental regulation or permit applicable to Tenant.

- (c) All representations and warranties, covenants and indemnities contained in this Lease must survive the expiration or earlier termination of this Lease.

21. HOLDING OVER; END OF TERM

- (a) If Tenant must hold possession of the Premises after the expiration or termination of this Lease, at Landlord's option (i) Tenant must be deemed to be occupying the Premises as a tenant from month-to-month at one hundred fifty percent (150%) of the Fixed Minimum Rent in effect upon the expiration or termination of the immediately preceding term or (ii) Landlord may exercise any other remedies it has under this Lease or at law or in equity including an action for wrongfully holding over.
- (b) Upon the expiration or sooner termination of this Lease, Tenant must surrender the Premises to Landlord in as good order, condition and repair as when received by Tenant; ordinary wear and tear, casualty and condemnation excepted. This provision must expressly survive the termination or expiration of this Lease.
- (c) Any property, equipment, or product remaining in the Premises upon expiration of this Lease must be considered abandoned and property of the Landlord.

22. EXPENSES OF ENFORCEMENT

The Parties must bear its own costs, charges, expenses and attorney's fees, and any other fees incurred in the event of a dispute between the Parties.

23. SUCCESSORS IN INTEREST

All of the covenants, agreements, obligations, conditions and provisions of this Lease must inure to the benefit of and must bind the successors and permitted assigns of the respective parties hereto.

24. REMEDIES ARE CUMULATIVE

Remedies conferred by this Lease upon the respective parties are not intended to be exclusive, but are cumulative and in addition to remedies otherwise afforded by the law.

25. QUIET POSSESSION

Upon payment by the Tenant of the minimum, percentage and additional rent and all other sums due hereunder and upon the observance and performance of all covenants, terms and conditions on

Tenant's part to be observed and performed, Tenant must peaceably and quietly hold and enjoy the Premises for the Term of this Lease without hindrance or interruption by Landlord or any other person or persons lawfully or equitably claiming by, through or under the Landlord, subject nevertheless, to the terms and conditions of this Lease.

26. ALTERATION

(a) Changes Required by Law. Any structural changes, alterations or additions in or to the Premises which may be necessary or required by reason of any law, rule, regulation or order promulgated by competent governmental authority must be made at the sole cost and expense of Landlord, including but not limited to asbestos removal and disposal and interior and exterior compliance with the Americans with Disabilities Act (ADA) etc. Notwithstanding the foregoing, if any such changes, alterations or additions are required as a result of improvements made by Tenant during the Term hereof or due to Tenant's use of the Premises, such changes, alterations or additions must be made at the sole cost and expense of Tenant. Tenant may contest the validity of any such law, rule, regulation or order, but must indemnify and save Landlord harmless against the consequences of continued violation thereof by Tenant pending such contest.

(b) Alterations During Term. Tenant is permitted to perform interior, nonstructural alterations to the Premises and to revise the interior layout of the Premises. Tenant must obtain Landlord's written consent to any other alterations or construction which affects the structural nature of the Premises, which consent must not be unreasonably withheld, conditioned or delayed.

27. HAZARDOUS SUBSTANCES

(a) Tenant agrees that, except as herein set forth, it must not generate, use, store, handle or dispose of on or transport over the Premises any Hazardous Substances (defined below) in violation of any Environmental Laws (defined below), except as such incidental amounts of Hazardous Substances as may be required for Tenant to conduct the Permitted Use, but in no instance shall Tenant dispose of Hazardous Substances on the Premises in violation of Environmental Laws.

(b) If any time during the Term, Hazardous Substances are found in the Premises or on adjacent property and such Hazardous Substances are not the result of Tenant's use of or work on the Premises, then, in such event, Tenant must have the immediate right to terminate this Lease upon written notice to Landlord. Under no circumstances must Tenant be responsible for remediation or cleanup of any Hazardous Substances on the Premises or adjacent property that were not caused by Tenant, or Tenant's subcontractors, agents or employees. Furthermore, with regard to any Hazardous Substances caused by Tenant or its agents, contractors or employees, Tenant must remove same, in compliance with applicable Environmental Laws, at Tenant's sole cost and expense. Tenant must defend, indemnify, and hold Landlord harmless from and against any and all costs, damages, expenses and/or liabilities (including reasonable attorneys' fees) which Landlord may suffer as a result of any written demand (whether or not a suit), claim, suit or action regarding any such Hazardous Substances (whether alleged or real) present due to Tenant and/or regarding the removal and clean-up of same or resulting from the presence of such Hazardous Substances. The representation, warranty and indemnity of Tenant described in this subsection shall survive the termination or expiration of this Lease or purchase of the Property as provided herein. Other than

Hazardous Substances caused by Tenant or its agents, contractors or employees, Tenant shall have no duty whatsoever to remove any Hazardous Substances from the Property.

- (c) In the event that during the Term of this Lease, Tenant is prevented from performing Tenant's Work and/or Tenant must be unable to operate for a period of thirty (30) days or more for the Permitted Use at the Premises and ceases operating at the Premises as a result of remediation of Hazardous Substances not caused by Tenant or its agents, contractors or employees, and Tenant does not terminate the Lease as provided for in Section 27(b) above, then Fixed Minimum Rent, Additional Rent and all other charges due hereunder must equitably abate until such time as Tenant is able to resume the performance of Tenant's Work and/or the operation of its business in the Premises.
- (d) Tenant, for itself and its successors in interest, waives and releases Landlord from any and all past and present claims and causes of action arising from or relating to the presence or alleged presence of Hazardous Substances in, on, under, about or emanating from the Property, including without limitation any claims for cost recovery, contribution, natural resources damages, property damage, consequential damages, personal or bodily injury (including death) or otherwise, under or on account of any violation, or arising under, Environmental Law.
- (e) The term "**Hazardous Substance**" includes, without limitation, any material or substance (regardless of whether discarded, recyclable or recoverable) to which liability or standards of conduct are imposed pursuant to Environmental Laws, including, but not limited to (i) any defined, characteristic or listed "hazardous waste", "extremely hazardous waste", "restrictive hazardous waste", "hazardous substance", "hazardous material", "regulated substance", "pollutant", "contaminant" or waste, (ii) petroleum (including crude oil or any fraction thereof, natural gas, liquefied natural gas, synthetic gas or mixtures of natural gas and synthetic gas), (iii) asbestos and any asbestos containing materials, (iv) substances known to cause cancer and/or reproductive toxicity, (v) polychlorinated biphenyls (PCBs) and (vi) radioactive material. The term "**Environmental Law**" means any federal, state or local law, statute, ordinance, rule, regulation, order, consent, decree, judgment or common-law doctrine, interpretation thereof, and provisions and conditions of permits, licenses, plans, approvals and other operating authorizations whether currently in force or hereafter enacted relating to health, industrial hygiene or the environmental conditions on, under or about the Premises or the Property, as such laws are amended and the regulations and administrative codes applicable thereto, including, by way of example and without limitation, the following: the Illinois Environmental Protection Act; Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"); the Resource Conservation and Recovery Act ("RCRA"); the Clean Air Act; the Clean Water Act; the Safe Water Drinking Act ("SDWA"); the Toxic Substances Control Act; and all state and local counterparts thereto; and any common or civil law obligations including, without limitation, nuisance or trespass. It is the intent of the parties hereto to construe the terms "Hazardous Substance" and "Environmental Law" in their broadest sense.

28. GENERAL CONDITIONS

- (a) Time is of the essence of this Lease. Any deadlines in this Lease which cannot be met because of delays caused by governmental regulations, inability to procure labor or materials, strikes, acts of God, or other causes (other than financial), beyond the control of Landlord or Tenant ("**Force**

Majeure") must be extended by the amount of time caused by such delays; provided, however, the payment of rent must not be excused. Notwithstanding anything herein to the contrary, the failure by Landlord to construct the Premises according to building code and/or to receive timely inspections by the necessary authorities due solely to the negligence, misconduct or financial inability of Landlord or Landlord's contractors, employees or representatives must not constitute Force Majeure. In order for Landlord to claim the occurrence of Force Majeure, Landlord must have notified Tenant in writing of such occurrence within twenty (20) business days after the initial occurrence.

- (b) No waiver of any breach of the covenants, agreements, obligations and conditions of this Lease to be kept or performed by either party hereto must be construed to be a waiver of any succeeding breach of the same or any other covenant, agreement, obligation, condition or provision hereof.
- (c) Tenant must not be responsible for the payment of any commissions in relation to the leasing transaction represented by this Lease. Landlord and Tenant each covenant that they have not dealt with any real estate broker or finder with respect to this Lease (herein collectively "**Brokers**"). Each party must hold the other party harmless from all damages, claims, liabilities or expenses, including reasonable and actual attorneys' fees (through all levels of proceedings), resulting from any claims that may be asserted against the other party by any real estate broker or finder with whom the indemnifying party either has or is purported to have dealt, except for the Brokers.
- (d) The use herein of any gender or number must not be deemed to make inapplicable the provision should the gender or number be inappropriate to the party referenced. All section headings, titles or captions contained in this Lease are for convenience only and must not be deemed part of this Lease and must not in any way limit or amplify the terms and provisions of this Lease.
- (e) Landlord and Tenant have negotiated this Lease, have had the opportunity to be advised respecting the provisions contained herein and have had the right to approve each and every provision hereof; therefore, this Lease must not be construed against either Landlord or Tenant as a result of the preparation of this Lease by or on behalf of either party.
- (f) If any clause, sentence or other portion of this Lease must become invalid or unenforceable, the remaining portions thereof must remain in full force and effect.
- (g) Wherever in this Lease Landlord or Tenant is required to give consent, such consent must not be unreasonably withheld, conditioned or delayed except to the extent otherwise expressly provided herein.
- (h) If the time for performance of any obligation or taking any action under this Lease expires on a Saturday, Sunday or legal holiday, the time for such performance or taking such action must be extended to the next succeeding day which is not a Saturday, Sunday or legal holiday. If the day on which rent or any other payment due hereunder is payable falls on a Saturday, Sunday or on a legal holiday, it must be payable on the next succeeding day which is not a Saturday, Sunday or legal holiday.
- (i) Each covenant hereunder of Landlord, whether affirmative or negative in nature, is intended to and

must bind the Landlord and each successive owner of the Premises and their respective heirs, successors and assigns.

- (j) There must be no personal liability on Landlord, its elected officials, officers, employees, agents, or any successor in interest with respect to any provisions of this Lease, or amendments, modifications or renewals hereof. Tenant must look solely to the then owner's interest in the Premises (including but not limited to any insurance proceeds, rents, or judgments) for the satisfaction of any remedies of Tenant in the event of a breach by Landlord of any of its obligations hereunder.
 - (l) Landlord hereunder must have the right to assign, sell or transfer Landlord's interest in this Lease or the Premises with consent of Tenant, which must not be unreasonably withheld. In the event of any such transfer, the transferor must be automatically relieved of any and all obligations on the part of Landlord accruing from and after the date of such transfer.
 - (m) Tenant acknowledges that it will seek to hire qualified Evanston residents for employment in the Tenant's business located at the Premises.
 - (n) The parties agree the this Lease must be governed by and interpreted in accordance with the laws of the State of Illinois and that venue for any disputes must be in the Circuit Court of Cook County, Illinois.
 - (o) There are no oral agreements between the parties hereto affecting this Lease, and this Lease supersedes and cancels any and all previous negotiations, arrangements, letters of intent, lease proposals, brochures, agreements, representations, promises, warranties and understandings between the parties hereto or displayed by Landlord to Tenant with respect to the subject matter thereof, and none thereof must be used to interpret or construe this Lease. This Lease cannot be changed or terminated except by a written instrument subsequently executed by the parties hereto.
- IN WITNESS WHEREOF, the respective parties hereto have executed this Lease by officers or agents thereunto duly authorized. The Effective date is the date executed by the City.

City of Evanston

Sign: Wally Bobkiewicz

Its: City Manager

Print Name: Wally Bobkiewicz

The Sweet Life of Coffee LLC

Sign: [Signature]

Its: PRESIDENT

Print Name: PASCH BERTHOUMAY

By: _____
Approved as to form:
W. Grant Farrar
Corporation Counsel

Approved as to form:
W. Grant Farrar
Corporation Counsel
By: Michelle M...

EXHIBIT A

LEGAL DESCRIPTION

LOT 5 (EXCEPT THE EAST .062 FEET THEREOF) IN BLOCK 1 IN NILES HOWARD TERMINAL ADDITION, A SUBDIVISION OF THE SOUTH 6.25 CHAINS (412.50 FEET) OF THAT PART OF THE NORTHEAST $\frac{1}{4}$ OF SECTION 30, TOWNSHIP 41 NORTH, RANGE 14, LYING WEST OF THE RIGHT OF WAY OF THE CHICAGO AND NORTH WESTERN RAILROAD, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

P.I.N.: 11-30-209-023-0000

Commonly known: 633 Howard Street, Evanston, IL 60202.

EXHIBIT B
SITE PLAN

49817532v4

EXHIBIT C
PROJECT BUDGET

49817532v4

PROMISSORY NOTE

Name and Address of Borrower:

The Sweet Life of Coralie LLC d/b/a "Cafe Coralie"
600 Davis Street
Evanston, IL 60201

Commencement Date: October 1, 2017

1. BORROWER'S PROMISE TO PAY

FOR VALUE RECEIVED, the undersigned, THE SWEET LIFE OF CORALIE, LLC (referred to hereafter as the "Borrower"), promise to pay to the order of the City of Evanston, an Illinois home rule municipal corporation, with its principal office located at 2100 Ridge Avenue, Evanston, Illinois (the "Lender"), in the manner provided in this Note, the principal sum of \$50,000.00 (Fifty Thousand and 00/100 Dollars) (the "Loan").

The Loan is secured by a Uniform Commercial Code financing statement (the "UCC Financing Statement") which includes the Borrower's equipment and fixtures to be located at 633 Howard Street, Evanston, Illinois (the "Property") for the operation of the business (the "Security"), together with interest computed on the basis of a 365 day year, from the date of disbursement on the balance of principal remaining from time to time unpaid at an annual rate equal to three percent (3.00%). Any principal amount not paid when due (at maturity, by acceleration, or otherwise) will bear interest thereafter until paid at a rate, which will be eighteen percent (18%). The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note will be called "Note Holder".

2. LOAN TERM, FORGIVENESS AND REPAYMENT

The term of the Loan is ten (10) years, commencing on October 1, 2017 – September 30, 2027 (the "Loan Term"). The Loan will start to bear interest on the Commencement Date. The loan payments will be five hundred twenty-eight and 85/100 Dollars (\$528.85) each month. The Loan schedule is attached as Exhibit 1.

The interest rate is three percent (3.0%) per annum and computed on the basis of a 365 day year. Borrower agrees to commence payments of the Loan on October 1, 2018. Loan payments will be due on or before the first day of the month. If the Borrower's Loan payment is five days after the first of the month or more, there shall be assessed a late fee of \$50. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note will be called "Note Holder".

3. DISBURSEMENTS AND BORROWER RESPONSIBILITIES

A. Funding Sources: The Loan is conditioned on the completion and satisfaction of each part of Section 3 below. The Loan is funded through two different sources:

- i. \$25,000 from the Community Development Block Grant fund is provided as a loan to the for-profit entity. The specific requirements for the borrower with respect to these funds are outlined in Section 3(F) below. The CDBG funds will be used for eligible expenses including equipment purchases as defined by the Department of Housing and Urban Development guidelines.
- ii. \$25,000 from the City of Evanston Economic Development Fund is provided as a loan to the Borrower.

B. Project Completion:

- i. Borrower must renovate the Subject Property, for the intended use of the Subject Property in substantial conformance with the plans submitted to the building permit division and included in the lease agreement with the City of Evanston.
- ii. Borrower shall provide documentation that bids for the Project were sought from no less than three contractors, of which one must be an Evanston-based contractor. If an Evanston based contractor is not available to seek bids based on the scope and scale of the Project work, this requirement will be waived upon confirmation from City staff that bid solicitation to Evanston based businesses was pursued by Borrower.
- iii. Borrower acknowledges and agrees that it cannot commence construction work for the Project unless and until the City Council approves the Loan and this Agreement is executed by both parties.

C. Borrower Responsibilities:

- i. The Borrower shall be responsible for hiring a licensed contractor to complete the Project. The Director or his designee may require submission of proof of the State License issued to the selected contractor.
- ii. The Borrower shall be responsible for contacting the appropriate City departments to arrange for obtaining all necessary approvals and/or permits required for construction and completion of the Project.
- iii. The Borrower shall be fully responsible for managing, monitoring, and scheduling the construction of the Project and ensuring its compliance with all applicable federal, State, and local laws and regulations, and ensuring that all equipment purchases and expenditures of operating capital are documented according to CDBG requirements.

- iv. The Borrower shall be fully responsible for ensuring that all invoices from the contractors, suppliers, vendors and/or other third parties are distributed to the City.
- v. Borrower shall during the Term and for a period of 4 years following the expiration of the Term, keep and make available for the inspection, examination and audit by City or City's authorized employees, agents or representatives, at all reasonable time, all records respecting the services and expenses incurred by Borrower, including without limitation, all book, accounts, memoranda, receipts, ledgers, canceled checks, and any other documents indicating, documenting, verifying or substantiating the cost and appropriateness of any and all expenses. If any invoice submitted by Borrower is found to have been overstated, Borrower shall provide City an immediate refund of the overpayment together with interest at the highest rate permitted by applicable law, and shall reimburse all of City's expenses for and in connection with the audit respecting such invoice.

D. Evanston business:

- i. Borrower shall remain an Evanston based business for the entire Term. Meaning, Borrower cannot remove its operations from the Subject Property during the Term of this Agreement. In the event that Borrower ceases to operate at 633 Howard Street, Evanston, Illinois during the Loan Term, any principal and interest not previously paid will be repaid within 30 days of vacating the property.
- ii. If Sweet Vendome is sold, (except in circumstances of an illness of principal necessitating retirement) for any reason to any entity other than one controlled by the current managers of the LLC, or files for bankruptcy protection, the Borrower shall be in Default and any principal and interest not previously forgiven will be repaid on the balance remaining from Exhibit A depending on the date that the business is sold. The remaining balance, not previously forgiven, shall be paid to the City within thirty (30) days.
- iii. Borrower will coordinate with the City's Youth and Young Adult Program Manager and other workforce development professionals to employ Evanston residents with skills and abilities to work at the Subject Property either in full-time or part-time positions.

4. **BORROWER REPRESENTATIONS.** The Borrower represents and warrants that it is duly organized and existing under the laws of State of Illinois and is in good standing as necessary in the State of Illinois. The Borrower represents it has the power to enter into this Agreement and other Loan Documents required under this agreement. That by proper action in accordance with its organizational documents has been duly authorized to execute and deliver this Agreement and all documents required under its terms. The

Borrower covenants that this Agreement does not contravene any law or contractual restriction binding or affecting the Borrower, and that the Agreement will be legal, valid, and binding obligations of the Borrower, and further that as of the date of this agreement the Borrower represents that no event or change of condition has occurred which is a material (as defined by the Securities and Exchange Commission) which would affect the ability of the Borrower to perform its obligations hereunder on a timely basis.

A. As of the date of this Agreement there is no suit, action, or proceeding pending or threatened as to which outcome would be materially adverse effect on the Borrower.

B. The Borrower and all entities affiliated with the Borrower have filed all tax returns required to be filed by them and paid all taxes required as show on those returns.

C. The Borrower represents that it has a DUNS (Data Universal Numbering System) number, in order facilitate disbursement of loan funds properly under federal guidelines.

D. Borrower must remain in good standing with the Illinois Secretary of State.

E. Job Creation: Borrower must create at least one new full-time equivalent (FTE) position (40 hours per week) that may be filled by low/moderate income persons, defined as requiring no more than a high school diploma unless on the job training is provided. The person(s) hired shall have a family income at time of hire that does not exceed 80% of the area median income established by HUD and in effect at the time of hire. Evanston residents shall be prioritized for hire. If Borrower hires more than one new FTE, the City will include this information in its report to HUD for use of CDBG funds. Borrower shall provide, on City-generated forms, the following information regarding new job(s) created pursuant to the Project:

- Number of full- and part-time jobs
- Race/ethnicity of new job hires
- Family income at time of hire
- Weekly hours for part-time positions
- Number of jobs with employer-sponsored health care benefits
- Number of people filling jobs who were unemployed when hired
- Job category per HUD definitions

F. Terms of Disbursement: The City will disburse up to a total of \$50,000. If the invoices do not exceed \$50,000, the City will only disburse up to the total amount of the invoices. The total loan amortization schedule will be adjusted accordingly if the disbursement is less than \$50,000.

i. Disbursements of CDBG funds provided (\$25,000 total). The City will issue the loan disbursements with the following requirements:

- Borrower is limited to a total of 3 draws: \$10,000 first draw, \$10,000 second draw and \$5,000 final draw.
- Borrower's proof of disbursement of funds for CDBG eligible uses for each draw must be submitted before the subsequent draw and must include: (a) copies of itemized invoices from vendor(s) for equipment or operating expenses including inventory; and (b) proof of cost reasonableness for equipment selected, including copies of multiple quotes from at least 3 vendors or copies of internet searches for the same model/year of the equipment selected for the business in accordance with the Omni Circular procurement requirements for small purchase procedures (200.320(b)) or sole source purchases (200.320(f)); and inventory and other operating expenses must be documented by invoices or proof of payment; and
- Borrower must follow the CDBG Regulations fully outlined below in Section 5.

ii. Disbursements of Economic Development Funds (\$25,000):

- The Borrower must provide the invoices as soon as available to the City prior to disbursement and provide the City at least 15 days to disburse the payment.
- The City will disburse the funds in no less than \$5,000 draws and limited to 4 draws total.
- The disbursement requests must include: (a) copies of itemized invoices from vendors; and (b) proof of quotes from at least 3 vendors.

5. CDBG FUNDS.

A. General Requirements for CDBG funds: CDBG Funds. The funds for the Loan are provided through the City's Community Development Block Grant entitlement funds ("CDBG funds"). The Loan funds are allocated for economic development activities, particularly in the City's Neighborhood Revitalization Strategy Area and Howard Street retail/commercial corridor following the priorities in the City's 2015 – 2019 Consolidated Plan to achieve the community development goals of that plan. CDBG funds will be used to purchase equipment for the restaurant or initial operating expenses, which are eligible expenses under CDBG regulations. Funds may not be used for any construction labor or materials, which would trigger compliance with Davis-Bacon prevailing wages and a higher level of review under the National Environmental Review Act.

The CDBG Regulations require that funds utilized for economic development purposes meet the requirements outlined in 24 CFR 570 (CDBG - Economic Development) as follows:

- i. The project costs are reasonable;
- ii. That all sources of the project financing are committed;
- iii. That to the extent practicable, CDBG funds are not substituted for non-Federal financial support;
- iv. That the project is financially feasible;
- v. That to the extent practicable, the return on the owner's equity investment will not be unreasonably high;
- vi. That to the extent practicable, CDBG funds are distributed on a pro-rata basis with other financing.

B. Omni Circular procurement: Borrower acknowledges that it will follow the guidelines contained in the Omni Circular 200.33 for equipment purchases which states that "§200.33 Equipment. Equipment means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or \$5,000.

C. Equipment Inventory: During the term of the Loan, Borrower must maintain an inventory of equipment purchased with CDBG funds that includes the name, model number, serial number, and year manufactured.

D. Job Creation: The Borrower is required to hire at least two new employees with a low/moderate income level or full-time equivalent (FTE). The first FTE meets a CDBG national objective and the second FTE created meets economic development goals for the City of Evanston. Preference for applicants must be given to Evanston residents in hiring. The Borrower must retain an employee who was low/moderate income at the time of hire for at least five years.

6. SECURITY FOR NOTE: UCC FINANCING STATEMENT

The indebtedness evidenced by this Note (including all principal, interest, charges, fees, and expenses) is secured by the aforementioned Security, dated of even date herewith encumbering the fixtures and personal property of the Borrower. The Note, Security Agreement, and UCC Financing Statement shall be collectively referred to as the "Loan

Documents" and the terms of which are hereby incorporated by this reference. The Lender will file the UCC Financing Statement with the Secretary of State following the execution of this Note, which shall remain a valid lien on the Equipment and Fixtures until the Loan is paid off in full and until the end of the Loan Term. The Note, Security Agreement, Project Agreement, and UCC Financing Statement shall be collectively referred to as the "Loan Documents" and the terms of which are hereby incorporated by this reference.

7. DEFAULT AND REMEDIES

A. The occurrence of any one or more of the following events ("Event of Default") with respect to Borrower shall constitute a default hereunder ("Default"):

- i. If all or any part of the Fixtures, Equipment and inventory or any interest in it is sold or transferred (or if a legal or beneficial interest in Borrower's interest in the Fixtures and Equipment is sold or transferred) without Lender's prior written consent.
- ii. If a default or event of default occurs and is continuing under any representation or covenant under the Loan Documents.
- iii. If a default or event of default occurs and is continuing under any other mortgage or loan agreement encumbering the Fixtures and Equipment.
- iv. Borrower or any beneficiary thereof shall (i) file a petition for liquidation, reorganization, or adjustment of debt under Title 11 of the United States Code or any similar law, state or federal, whether now or hereafter existing, or (ii) file any answer admitting insolvency or inability to pay debts, or (iii) fail to obtain a vacation or stay of involuntary proceedings within ten days, as hereinafter provided.
- v. Borrower or any beneficiary thereof shall make an assignment for the benefit of creditors of this Note, or shall admit in writing of its inability to pay its debts generally as they become due, or shall consent to the appointment of a receiver or trustee or liquidator of all or any major part of the Fixtures and Equipment.

B. The Borrower also promises that, if the Event of Default specified above, 4(A)(1), shall occur (after applicable notice and the Occupancy Cure Period detailed above) before the expiration of the Loan Term, the Borrower agrees to repay to the order of the Lender or its designee an amount equal to the original principal amount of the Loan and it is immediately due and payable. Provided however, if an Event of Default is solely with respect any other Event of Default specified above in 4(A), the Borrower shall have sixty (60) days after the date on which the notice is delivered to Borrower to cure such breach, provided, however, that if the curing of such non-monetary breach cannot be accomplished with due diligence within said period of sixty (60) days then Borrower shall have such additional reasonable period of time to cure such breach as may be

necessary, provided Borrower shall have commenced to cure such breach within said period, such cure shall have been diligently prosecuted by Borrower thereafter to completion ("Other Default Cure Period"). The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the nonexistence of a default or any other defense of Borrower to acceleration and foreclosure. If the Borrower does not cure the Default within the specified Other Default Cure Period within the notice, then this Note is due and payable only with respect to the remaining balance of the Loan at the time of Default.

C. If the Borrower Defaults hereunder and fails to cure the Default, during the 10-year loan Term, the Loan shall be immediately due and owing and the balance of the Loan shall be immediately repaid to Lender in full, subject to the availability of net proceeds from sale of the Fixtures and Equipment. Lender can auction the Fixtures and Equipment and use the proceeds and apply it to the loan balance.

D. If any payments of interest or the unpaid principal balance due under this Note or any escrow fund payments for taxes or insurance required under the Security Agreement become overdue for a period in excess of ten days, the Borrower shall pay to Lender a late charge of \$50 per day. If any attorney is engaged by Lender, including in-house staff (a) to collect the indebtedness evidenced hereby or due under the Loan Documents, whether or not legal proceedings are thereafter instituted by Lender; (b) to represent Lender in any bankruptcy, reorganization, receivership, or other proceedings affecting creditors' rights and involving a claim under this Note; (c) to protect the lien of any of the Loan Documents; (d) to represent Lender in any other proceedings whatsoever in connection with this Note or any of the Loan Documents or the real estate described therein; or (e) as a result of the Borrower's Default and collection efforts, the Borrower shall pay to Lender all reasonable attorneys' fees and expenses incurred or determined to be due in connection therewith, in addition to all other amounts due hereunder.

E. Lender's remedies under this Note, and all of the other Loan Documents shall be cumulative and concurrent and may be pursued singly, successively, or together against the Borrower and any other Obligor (as defined below), the Property, and any other security described in the Loan Documents or any portion or combination of such real estate and other security, and Lender may resort to every other right or remedy available at law or in equity without first exhausting the rights and remedies contained herein, all in Lender's sole discretion. Failure of Lender, for a period of time or on more than one occasion to exercise its option to accelerate the maturity date shall not constitute a waiver of the right to exercise that option at any time during the continued existence of the Default or in the event of any subsequent Default. Lender shall not by any other omission or act be deemed to waive any of its rights or remedies hereunder unless such waiver is in writing and signed by Lender, and then only to the extent

specifically set forth therein. A waiver in connection with one event shall not be construed as continuing or as a bar to or waiver of any right or remedy in connection with a subsequent event.

8. PAYMENT OF NOTE HOLDER'S COSTS AND EXPENSES

If the Lender is required to initiate legal process as the result of the Borrower's Default as described above, the Lender will have the right to be paid back for all of its costs and expenses incurred as a result of such Default, to the extent not prohibited by applicable law. Those costs and expenses include but are not limited to, reasonable attorneys' fees, court costs, and related litigation expenses.

9. BORROWER'S WAIVERS

To the extent permitted by law, the Borrower waives all rights to require the Lender to do certain things. These things are: (A) to demand payment of amounts due (known as "presentment"); (B) to give notice that amounts due have not been paid (known as "notice to dishonor"); (C) to obtain an official certification of nonpayment (known as "protest"). If more than one person signs this Note, each person is fully and personally obligated to keep all of the promises made in this Notes, including the promise to pay the full amount owed. Any person, who takes over these obligations, is also obligated to keep all promises made in this Note. The Lender may enforce its rights under this Note against each person individually or against all of us together.

10. GIVING OF NOTICES

Any notices that must be given to the Borrower under this Note will be given by delivering or by mailing by certified mail addressed to the Borrower at the address of the Property set forth above.

Any notice that must be given to the Lender under this Note will be given by delivering it or mailing it by certified mail to the Lender at the following address:

City of Evanston
Attn: Economic Development Division
2100 Ridge Avenue, Room 3103
Evanston, Illinois 60201

with a copy to:
City of Evanston
Attn: Corporation Counsel
2100 Ridge Avenue, Room 4400

Evanston, Illinois 60201

11. RESPONSIBILITY OF PERSONS UNDER THIS NOTE

If more than one person signs this Note, each person is fully and personally obligated to keep all of the promises made in this Note. The Lender may enforce its rights under this Note against the signatories either individually or together. This means that both signatories, either individually or together, may be required to pay all of the amounts owed under this Note. Any person who takes over the rights or obligations of the Borrower, with the written permission of the Lender, will have all of the Borrower's rights and must keep all of the Borrower's promises made in this Note. Notwithstanding anything in the Security Agreement to the contrary, the Loan is a recourse obligation of the Borrower.

12. GOVERNING LAW AND VENUE

This Promissory Note shall be governed by the laws of the State of Illinois. Venue will be in Cook County, Illinois.

13. MISCELLANEOUS

The headings of sections and paragraphs in this Note are for convenience only and shall not be construed in any way to limit or define the content, scope, or intent of the provisions hereof. As used in this Note, the singular shall include the plural, and masculine, feminine, and neuter pronouns shall be fully interchangeable, where the context so requires. If any provision of this Note, or any paragraph, sentence, clause, phrase, or word, or the application thereof, in any circumstances, is adjudicated to be invalid, the validity of the remainder of this Note shall be construed as if such invalid part were never included herein. Time is of the essence of this Note.

Upon any endorsement, assignment, or other transfer of this Note by Lender or by operation of law, the term "Lender," as used herein, shall mean such endorsee, assignee, or other transferee or successor to Lender then becoming the holder of this Note.

This Note and all provisions hereof shall be binding on all persons claiming under or through the Undersigned. The terms "Undersigned" and "Borrower," as used herein, shall include the respective beneficiaries, successors, assigns, legal and personal representatives, executors, administrators, devisees, legatees, and heirs of the Undersigned and Borrower and shall be binding upon the same

In the event the Undersigned is an Illinois land trust, then this Note is executed by the Trustee, not personally but as Trustee as aforesaid in the exercise of the power and authority conferred on and vested in it as the Trustee, and is payable only out of the property specifically described in the Loan Documents securing the payment hereof, by the enforcement of the provisions contained therein. No personal liability shall be asserted or be enforceable against the Trustee because or in respect of this Note or the making, issue, or transfer thereof, all such liability, if any, being expressly waived by each taker and holder hereof, and each original and successive holder of this Note accepts the Note on the express condition that no duty shall rest on the Trustee to sequester the rents, issues, and profits arising from the property described in the Loan Documents, or the proceeds arising from the sale or other disposition thereof, but that in case of Default in the payment of this Note or of any installment hereof, the sole remedies of the holder hereof shall be by foreclosure of the UCC Financing Statement, realization on the other security given under the other Loan Documents to secure indebtedness evidenced by this Note, in accordance with the terms and provisions set forth herein, or any combination of the above.

LENDER:

By: Wally Bobkiewicz

Its: City Manager, Wally Bobkiewicz

Approved as to form:
W. Grant Farrar
Corporation Counsel

By: Michelle Maroney

BORROWER:

By: Pascal Berthoumioux

Its: President

Print Name: Pascal Berthoumioux

EXHIBIT 1

LOAN PAYMENT SCHEDULE

Patisserie Coralie - Amortization Schedule
633 Howard

Loan Amount \$ 50,000
Interest Rate 3.00
of Months 108 (120 month loan, first 12 months no payment or interest)
Monthly Payment (\$528.85)

Payment #	Date	Start Balance	Interest	Payment	End Balance
1	10/1/2017	50,000.00	-	-	50,000.00
2	11/1/2017	50,000.00	-	-	50,000.00
3	12/1/2017	50,000.00	-	-	50,000.00
4	1/1/2018	50,000.00	-	-	50,000.00
5	2/1/2018	50,000.00	-	-	50,000.00
6	3/1/2018	50,000.00	-	-	50,000.00
7	4/1/2018	50,000.00	-	-	50,000.00
8	5/1/2018	50,000.00	-	-	50,000.00
9	6/1/2018	50,000.00	-	-	50,000.00
10	7/1/2018	50,000.00	-	-	50,000.00
11	8/1/2018	50,000.00	-	-	50,000.00
12	9/1/2018	50,000.00	-	-	50,000.00
13	10/1/2018	50,000.00	125.00	(528.85)	49,596.15
14	11/1/2018	49,596.15	123.99	(528.85)	49,191.30
15	12/1/2018	49,191.30	122.98	(528.85)	48,785.43
16	1/1/2019	48,785.43	121.96	(528.85)	48,378.54
17	2/1/2019	48,378.54	120.95	(528.85)	47,970.64
18	3/1/2019	47,970.64	119.93	(528.85)	47,561.72
19	4/1/2019	47,561.72	118.90	(528.85)	47,151.78
20	5/1/2019	47,151.78	117.88	(528.85)	46,740.81
21	6/1/2019	46,740.81	116.85	(528.85)	46,328.82
22	7/1/2019	46,328.82	115.82	(528.85)	45,915.79
23	8/1/2019	45,915.79	114.79	(528.85)	45,501.74
24	9/1/2019	45,501.74	113.75	(528.85)	45,086.64
25	10/1/2019	45,086.64	112.72	(528.85)	44,670.51
26	11/1/2019	44,670.51	111.68	(528.85)	44,253.34
27	12/1/2019	44,253.34	110.63	(528.85)	43,835.13
28	1/1/2020	43,835.13	109.59	(528.85)	43,415.87
29	2/1/2020	43,415.87	108.54	(528.85)	42,995.56
30	3/1/2020	42,995.56	107.49	(528.85)	42,574.20
31	4/1/2020	42,574.20	106.44	(528.85)	42,151.79
32	5/1/2020	42,151.79	105.38	(528.85)	41,728.32
33	6/1/2020	41,728.32	104.32	(528.85)	41,303.80
34	7/1/2020	41,303.80	103.26	(528.85)	40,878.21
35	8/1/2020	40,878.21	102.20	(528.85)	40,451.56
36	9/1/2020	40,451.56	101.13	(528.85)	40,023.84
37	10/1/2020	40,023.84	100.06	(528.85)	39,595.05
38	11/1/2020	39,595.05	98.99	(528.85)	39,165.19
39	12/1/2020	39,165.19	97.91	(528.85)	38,734.26
40	1/1/2021	38,734.26	96.84	(528.85)	38,302.25
41	2/1/2021	38,302.25	95.76	(528.85)	37,869.16
42	3/1/2021	37,869.16	94.67	(528.85)	37,434.98
43	4/1/2021	37,434.98	93.59	(528.85)	36,999.72
44	5/1/2021	36,999.72	92.50	(528.85)	36,563.38
45	6/1/2021	36,563.38	91.41	(528.85)	36,125.94
46	7/1/2021	36,125.94	90.31	(528.85)	35,687.41
47	8/1/2021	35,687.41	89.22	(528.85)	35,247.78
48	9/1/2021	35,247.78	88.12	(528.85)	34,807.05
49	10/1/2021	34,807.05	87.02	(528.85)	34,365.22
50	11/1/2021	34,365.22	85.91	(528.85)	33,922.29
51	12/1/2021	33,922.29	84.81	(528.85)	33,478.24
52	1/1/2022	33,478.24	83.70	(528.85)	33,033.09
53	2/1/2022	33,033.09	82.58	(528.85)	32,586.83
54	3/1/2022	32,586.83	81.47	(528.85)	32,139.45
55	4/1/2022	32,139.45	80.35	(528.85)	31,690.95
56	5/1/2022	31,690.95	79.23	(528.85)	31,241.33
57	6/1/2022	31,241.33	78.10	(528.85)	30,790.59
58	7/1/2022	30,790.59	76.98	(528.85)	30,338.72
59	8/1/2022	30,338.72	75.85	(528.85)	29,885.72
60	9/1/2022	29,885.72	74.71	(528.85)	29,431.58
61	10/1/2022	29,431.58	73.58	(528.85)	28,976.32
62	11/1/2022	28,976.32	72.44	(528.85)	28,519.91
63	12/1/2022	28,519.91	71.30	(528.85)	28,062.36
64	1/1/2023	28,062.36	70.16	(528.85)	27,603.67

Patisserie Coralle - Amortization Schedule
633 Howard

Loan Amount \$ 50,000
Interest Rate 3.00
of Months 108 (120 month loan, first 12 months no payment or interest)
Monthly Payment (\$528.85)

Payment #	Date	Start Balance	Interest	Payment	End Balance
65	2/1/2023	27,603.67	69.01	(528.85)	27,143.83
66	3/1/2023	27,143.83	67.86	(528.85)	26,682.85
67	4/1/2023	26,682.85	66.71	(528.85)	26,220.71
68	5/1/2023	26,220.71	65.55	(528.85)	25,757.41
69	6/1/2023	25,757.41	64.39	(528.85)	25,292.96
70	7/1/2023	25,292.96	63.23	(528.85)	24,827.34
71	8/1/2023	24,827.34	62.07	(528.85)	24,360.56
72	9/1/2023	24,360.56	60.90	(528.85)	23,892.62
73	10/1/2023	23,892.62	59.73	(528.85)	23,423.50
74	11/1/2023	23,423.50	58.56	(528.85)	22,953.21
75	12/1/2023	22,953.21	57.38	(528.85)	22,481.75
76	1/1/2024	22,481.75	56.20	(528.85)	22,009.11
77	2/1/2024	22,009.11	55.02	(528.85)	21,535.28
78	3/1/2024	21,535.28	53.84	(528.85)	21,060.27
79	4/1/2024	21,060.27	52.65	(528.85)	20,584.08
80	5/1/2024	20,584.08	51.46	(528.85)	20,106.69
81	6/1/2024	20,106.69	50.27	(528.85)	19,628.11
82	7/1/2024	19,628.11	49.07	(528.85)	19,148.33
83	8/1/2024	19,148.33	47.87	(528.85)	18,667.36
84	9/1/2024	18,667.36	46.67	(528.85)	18,185.18
85	10/1/2024	18,185.18	45.46	(528.85)	17,701.80
86	11/1/2024	17,701.80	44.25	(528.85)	17,217.20
87	12/1/2024	17,217.20	43.04	(528.85)	16,731.40
88	1/1/2025	16,731.40	41.83	(528.85)	16,244.38
89	2/1/2025	16,244.38	40.61	(528.85)	15,756.14
90	3/1/2025	15,756.14	39.39	(528.85)	15,266.69
91	4/1/2025	15,266.69	38.17	(528.85)	14,776.01
92	5/1/2025	14,776.01	36.94	(528.85)	14,284.10
93	6/1/2025	14,284.10	35.71	(528.85)	13,790.96
94	7/1/2025	13,790.96	34.48	(528.85)	13,296.59
95	8/1/2025	13,296.59	33.24	(528.85)	12,800.99
96	9/1/2025	12,800.99	32.00	(528.85)	12,304.14
97	10/1/2025	12,304.14	30.76	(528.85)	11,806.06
98	11/1/2025	11,806.06	29.52	(528.85)	11,306.73
99	12/1/2025	11,306.73	28.27	(528.85)	10,806.15
100	1/1/2026	10,806.15	27.02	(528.85)	10,304.31
101	2/1/2026	10,304.31	25.76	(528.85)	9,801.23
102	3/1/2026	9,801.23	24.50	(528.85)	9,296.88
103	4/1/2026	9,296.88	23.24	(528.85)	8,791.28
104	5/1/2026	8,791.28	21.98	(528.85)	8,284.41
105	6/1/2026	8,284.41	20.71	(528.85)	7,776.27
106	7/1/2026	7,776.27	19.44	(528.85)	7,266.87
107	8/1/2026	7,266.87	18.17	(528.85)	6,756.19
108	9/1/2026	6,756.19	16.89	(528.85)	6,244.23
109	10/1/2026	6,244.23	15.61	(528.85)	5,730.99
110	11/1/2026	5,730.99	14.33	(528.85)	5,216.48
111	12/1/2026	5,216.48	13.04	(528.85)	4,700.67
112	1/1/2027	4,700.67	11.75	(528.85)	4,183.57
113	2/1/2027	4,183.57	10.46	(528.85)	3,665.19
114	3/1/2027	3,665.19	9.16	(528.85)	3,145.50
115	4/1/2027	3,145.50	7.86	(528.85)	2,624.52
116	5/1/2027	2,624.52	6.56	(528.85)	2,102.23
117	6/1/2027	2,102.23	5.26	(528.85)	1,578.64
118	7/1/2027	1,578.64	3.95	(528.85)	1,053.74
119	8/1/2027	1,053.74	2.63	(528.85)	527.53
120	9/1/2027	527.53	1.32	(528.85)	(0.00)

GUARANTY

Borrower: The Sweet Life of Coralie, LLC

Lender: City of Evanston, an Illinois home
rule municipal corporation

Guarantors: Pascal Berthoumieux,
individual
(address)

Principal Amount: \$50,000.00

Loan Term: 10 years (120 months)

CONTINUING GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of the Indebtedness of Borrower to Lender, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection, so Lender can enforce this Guaranty against Guarantor even when Lender has not exhausted Lender's remedies against anyone else obligated to pay the Indebtedness or against any collateral securing the Indebtedness, this Guaranty or any other guaranty of the indebtedness. Guarantor will make any payments to Lender or its order, on demand, in legal tender of the United States of America, in same-day funds, without set-off or deduction, or counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents. Under this Guaranty, Guarantor's liability is limited to Borrower's obligations under the Note.

INDEBTEDNESS. The word "Indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times, accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law, attorneys' fees, arising from Borrower's obligations under the Note.

CONTINUING GUARANTY. THIS IS A "CONTINUING GUARANTY" UNDER WHICH GUARANTOR AGREES TO GUARANTEE THE FULL AND PUNCTUAL PAYMENT.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all the Indebtedness incurred or contracted before receipt by Lender of any notice of revocation shall have been fully and finally paid and satisfied and, all of Guarantor's other obligations under this Guaranty shall have been performed in full. If Guarantor elects to revoke this, Guaranty, Guarantor may only do so in writing. Guarantor's written notice of revocation must be mailed to Lender; by certified mail, at Lender's address listed above or such other place as Lender may designate in writing. Written revocation of this Guaranty will apply only to new Indebtedness created after actual receipt by Lender of Guarantor's written

revocation. For this purpose and without limitation, the term "new Indebtedness" does not include the Indebtedness which at the time of notice of revocation is contingent, unliquidated, undetermined or not due and which later becomes absolute, liquidated, determined or due. For this purpose and without limitation" new indebtedness" does not include all or part of the Indebtedness that is: incurred by Borrower prior to revocation; Incurred under a commitment that became binding before revocation; any renewals, extensions, substitutions, and modifications of the indebtedness. This Guaranty shall bind Guarantor's estate as to the Indebtedness created both before and after Guarantor's death or incapacity, regardless of Lender's actual notice of Guarantor's death, Subject to the foregoing, Guarantor's, executor or administrator or other legal representative may terminate this Guaranty in the same manner in which Guarantor might have terminated it and with the same effect. Release of any, other guarantor or termination of any other guaranty of the Indebtedness shall not affect the ability of Guarantor under this guaranty. A revocation Lender receives from anyone or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty.

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, either before or after any revocation hereof upon written notice to Guarantor by Lender, without lessening Guarantor's liability under this Guaranty, from time to time: (A) prior to revocation as set forth above, to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower; (B) Intentionally Deleted; (C) to take and hold security for the payment of this Guaranty or the Indebtedness, and exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any such security, with or without the substitution of new collateral; (D) to release, substitute, agree not to sue, or deal with anyone or more of Borrower's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the Indebtedness; (F) to apply such security and direct the order or manner of sale thereof, including without limitation, any non-judicial sale permitted by the terms of the controlling security agreement or deed of trust, as Lender in its discretion may determine; (G) to sell, transfer, assign or grant participations, in all or any part-of the Indebtedness: and (H) to assign or transfer this Guaranty in whole or in part.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (B) Intentionally Deleted; (C) Guarantor has full power, right and authority to enter into this Guaranty; (D) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor;" (E) Intentionally Deleted; (F) upon Lender's request, Guarantor will provide

to Lender financial and credit information in form acceptable to Lender, and all such financial information which currently has been, and all future financial information which will be provided Lender is and will be true and correct in all material respects and fairly present, Guarantor's financial condition as of the dates the financial information is provided; and (G) no material adverse change has occurred in Guarantor's financial condition since the date of the most recent financial statements provided to Lender and no event has occurred which may materially adversely affect Guarantor's financial condition.

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waives any right to require Lender (A) to continue lending money or to extend other credit to Borrower; (B) to resort for payment or to proceed directly or at once against any person, including Borrower or any other guarantor; (C) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (D) Intentionally Deleted; (E) to pursue any other remedy within Lender's power, or (F) to commit any act or omission of any kind, or at any time, with respect to any matter whatsoever.

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law of public policy, such waiver shall be effective only to the extent permitted by law or public policy.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Guaranty:

Amendments. This Guaranty together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by both parties.

Attorneys' Fees; Expenses. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement.

Caption Headings. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty.

Governing law. This Guaranty will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Illinois without regard to its conflicts of law provisions.

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor" respectively shall mean all and anyone or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them, if a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If anyone or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

Notices. Any notice required to be given under this Guaranty shall be given in writing, and, except for revocation notices by Guarantor, shall be effective when actually delivered, when actually received by tele-facsimile (unless, otherwise required by law) when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Guaranty. All revocation notices by Guarantor shall be in writing and shall be effective upon delivery to Lender as provided in the section of this Guaranty entitled "DURATION OF GUARANTY." Any party may change its address for notices under this Guaranty by giving formal written notice to the

other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any Instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

Waive Jury. Lender and Guarantor hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Guarantor against the other.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means The Sweet Life of Coralie, LLC. and includes all co-signers and co-makers signing the Note and all their successors and assigns.

GAAP. The word "GAAP" means generally accepted accounting principles.

to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

Waive Jury. Lender and Guarantor hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Guarantor against the other.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means Sweet Vendome, Inc. and includes all co-signers and co-makers signing the Note and all their successors and assigns.

GAAP. The word "GAAP" means generally accepted accounting principles.

Guarantor. The word "Guarantor" means everyone signing this Guaranty Pascal Berthoumieux, and in each case, any signer's successors and assigns.

Guaranty. The word "Guaranty" means this guaranty from Guarantor to Lender.

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

Lender. The word "Lender" means City of Evanston, its successors and assigns.

Note. The word "Note" means and includes without limitation all of Borrower's promissory notes and/or credit agreements evidencing Borrower's loan obligations in favor of Lender, together with all renewals of, extensions of, modifications of, substitutions for promissory notes or credit agreements.

Bernoumieux, and in each case, any signer's successors and assigns.

Guaranty. The word "Guaranty" means this guaranty from Guarantor to Lender.

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

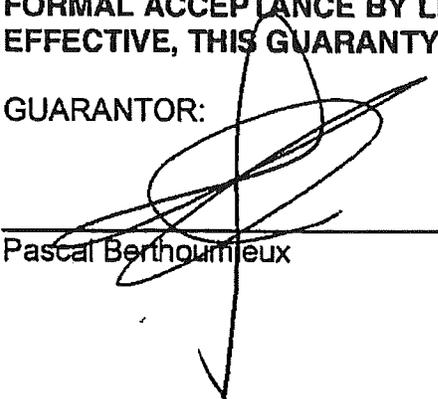
Lender. The word "Lender" means City of Evanston, its successors and assigns.

Note. The word "Note" means and includes without limitation all of Borrower's promissory notes and/or credit agreements evidencing Borrower's loan obligations in favor of Lender, together with all renewals of, extensions of, modifications of, substitutions for promissory notes or credit agreements.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS, IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO UNDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY", NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE, THIS GUARANTY IS DATED 09/25/17, 2017.

GUARANTOR:


Pascal Bernoumieux

SECURITY AGREEMENT

This Security Agreement dated 09/25, 2017 by and between the Sweet ^{Life} ~~Vendome, Inc.~~ ^{LLC}, an Illinois corporation hereinafter referred to collectively as the "Debtor" for value received, hereby grants to the City of Evanston, Illinois, an Illinois home rule municipality, with its principal address at 2100 Ridge Avenue, Evanston, Illinois 60201, hereinafter referred to as the "Secured Party," a security interest in the collateral listed in the attached **EXHIBIT A**, hereinafter referred to as the "Collateral" and incorporated by reference.

This security interest is given for the purpose of securing payment of any and all indebtedness of the Debtor to the Secured Party in connection with the loan made to the Debtor and evidenced by promissory note dated ~~July~~ ^{October} 1, 2017, together with all costs and expenses in connection therewith including but not limited to expenses of retaking, preserving, repairing, maintaining, preparing for sale, and selling said collateral as well as reasonable attorney's fees, court costs, and other legal expenses. In the event that Debtor defaults in the payment of said indebtedness, or becomes insolvent, or fails to keep said collateral free of all other liens, or if for any reason the secured party feels insecure, Secured Party has the option of declaring the entire indebtedness immediately due and payable, and shall have all of the rights and remedies of a secured party under the Illinois Uniform Commercial Code as the same may be amended from time to time. The requirement of the reasonable notice of any sale hereunder shall be met if such notice is mailed, postage prepaid, to the address of the Debtor shown at the beginning of this agreement at least 5 days before the time of sale or disposition.

Secured Party and Debtor have caused this Agreement to be executed and delivered as of the date set forth opposite their name.

City of Evanston, Illinois

The Sweet Life of Coralie, LLC

By: Wally Bobkiewicz
City Manager, Wally Bobkiewicz

By: [Signature]
President

Approved as to form:
W. Grant Farrar
Corporation Counsel

Print Name: WALLY BOBKIEWICZ

By: Michelle Maroney

EXHIBIT A

COLLATERAL EQUIPMENT LIST

[TO BE AMENDED AFTER BORROWER ORDERS EQUIPMENT]

TIF FORGIVABLE CONSTRUCTION LOAN AND DEVELOPMENT AGREEMENT

This TIF Forgivable Construction Loan and Development Agreement (the "Agreement"), is entered into by and between THE CITY OF EVANSTON, an Illinois municipal corporation ("City" or "Lender") and EVANSTON GATEWAY, LLC, an Illinois limited liability company ("Developer" or "Borrower") and effective as of the last date executed on the signature page.

RECITALS

WHEREAS, it has been determined by Lender that a unique economic development opportunity exists which warrants funding to Borrower from the Howard Ridge Tax Increment Financing District in the City of Evanston, IL ("**Howard Ridge TIF**"); and

WHEREAS, the Borrower requested funding through the Howard Ridge TIF to cover costs of a proposed development to be located at 100 and 128-132 Chicago Avenue, Evanston, IL 60202 ("**Subject Property**") in order to meet the construction costs and certain other costs for the planned development at the Subject Property, which will consist of a new five-story mixed-use building containing approximately 4,500 square feet of interior ground floor commercial space, 7,500 square feet of exterior ground floor commercial space and as many as 24 dwelling units on floors 2-5 ("**Project**"); and

WHEREAS, the City seeks to support the development of the long vacant or underutilized parcels comprising the Subject Property that serve as a gateway to the City of Evanston with TIF funds, and

WHEREAS, the Lender has authorized an expenditure of up to One Million Nine Hundred Fifty-Nine Thousand Nine Hundred Forty-Six and no/100 Dollars (**\$1,959,946.00**) for a forgivable loan to the Borrower to cover a portion of the expected project budget, under such terms and conditions as may be prescribed by the Lender below, for purposes of project financial assistance to cover some of the Project costs; and

WHEREAS, the City Council has approved Borrower for participation in this Agreement and the forgivable loan and other City assistance provided for by this Agreement, pursuant to its authority as a home rule municipality and under the Act (as hereinafter defined) and subject to the terms and conditions of the TIF 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 Borrower agree as follows:

AGREEMENT

A. 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.

1. **"Borrower"** means the company, EVANSTON GATEWAY LLC or a single-purpose entity established by Developer to develop the Project, applying for funding for redevelopment of the Subject Property and determined eligible to participate in this Agreement, or one of its affiliates or transferees as permitted in Section C(2), below.
2. **"Commencement Date"** means the date on which Lender makes the first reimbursement payment to Borrower in accordance with the schedule set forth in Section D(3).
3. **"Completion Date"** means the date that the contractor has finished the Project pursuant to the building permit issued by the City, and to the satisfaction of Borrower, as evidenced by final payment to the contractor from the owner of the Subject Property (the **"Property Owner"**) and the issuance of a certificate of substantial completion issued by the architect for the Project to the Property Owner.
4. **"Director"** means the City's Assistant City Manager and Chief Financial Officer, Martin Lyons, who is responsible for managing and administering this Agreement on behalf of the City.
5. **"Loan"** means the total amount of the funds from the Howard Ridge TIF loaned to Borrower for purposes of funding TIF Eligible Expenses for the Project, which shall not exceed One Million Nine Hundred Fifty-Nine Thousand Nine Hundred Forty-Six and no/100 Dollars (**\$1,959,946.00**), the amount approved by City Council Resolution 64-R-17.
6. **"Loan Term"** means how long the Loan exists under this Agreement, which is ten (10) years in this Agreement.
7. **"Project"** means the improvements to be completed on the Property as proposed by Borrower and defined in the Recitals hereto.
8. **"Subject Property"** means the real property at 100 and 128-132 Chicago Avenue, Evanston, IL 60202 which is under contract to be purchased by Borrower, currently a vacant parcel with a single-story automotive repair business formerly located on the site and a surface parking lot. The Property is located within the City of Evanston and is legally described on Exhibit "A", which is attached hereto and incorporated herein by reference.

9. **"TIF Guidelines"** means the statute and associated regulations found in the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4 *et seq.* All terms not defined herein shall have the meanings ascribed thereto in the TIF Guidelines.
10. **"TIF Eligible Expenses"** means Project expenses; including but not limited to redevelopment project costs, determined to be eligible for reimbursement from TIF funds by the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4 *et seq.* (the "Act"), which shall include at a minimum those expenses identified on Exhibit D hereof).
11. **"Total Allowable Expenses"** means the total actual costs incurred, and documented by Borrower and/or Property Owner and subsequently approved by the Director or his designee for the costs associated with the performance of the work required by the plans and specifications and/or architectural/design renderings for the Project or the acquisition and installation of furniture, fixtures and equipment ("FF&E") in the Project. Such allowable expenses that are reimbursed pursuant to this Agreement from funds generated by the Howard Ridge TIF must be TIF eligible activities.
12. **"Total Project Expenditure"** means the total actual Project costs incurred by and paid for by Borrower or Property Owner including the costs of construction, materials, FF&E and supplies. The Total Project Expenditure includes both the Total Allowable Expenses under TIF Guidelines and other remaining costs which are not reimbursable under this Agreement.

B. LOAN

1. **Principal Amount:** Subject to the terms and conditions of the Agreement, the Lender hereby agrees to provide Borrower the principal sum of up to One Million Nine Hundred Fifty-Nine Thousand Nine Hundred Forty-Six and no/100 Dollars (\$1,959,946.00) (the "Loan"), to be amortized and forgivable over a period of ten years (one hundred twenty (120) months) calculated on a 365-day calendar and commencing on the Commencement Date (the "**Loan Term**"), but subject to earlier forgiveness under the circumstances described in Section B(3) below. The Loan Term and reimbursement obligations shall not commence until the City's issuance of debt necessary to fund this Project has commenced. The City shall undertake and diligently pursue the issuance of such debt on a timely basis so that the proceeds of such debt shall be available to the City for reimbursement when the other conditions to reimbursement set out in Section D(1) have been satisfied.
2. **Interest Rate:** Interest will accrue from the Last Date of Reimbursement of the Loan funds at the rate of LIBOR per annum on the unpaid balance. As used herein, "LIBOR" shall mean the 30-day LIBOR rate quoted in the most recently published edition of The Wall Street Journal. If a default occurs and is not cured, repayment of principal and interest shall commence immediately in accordance with the provisions set forth below. The Loan is not transferable, other than to

(i) other members in the Property Owner, (ii) other entities controlled by David R. Brown or (iii) other entities in which David R. Brown is a manager or member.

3. **Amortization Schedule for the Loan:** The outstanding principal balance of the Loan is divided by the total number of years (10) in the Loan Term, and the resulting figure will be the "installment". The Loan will be forgiven in accordance with the schedule attached as Exhibit B (the "**Loan Forgiveness Schedule**").
4. **Guaranty:** To support repayment of the Loan, the Borrower will ensure that a guaranty is provided from Property Owner or from such other entity or person identified by Property Owner and reasonably approved by Lender for completion of construction of the Project (the "**Guaranty**"), which is attached as **Exhibit C** and incorporated herein as if fully restated.

C. CONDITIONS OF FORGIVENESS

The Loan is conditioned on the completion and satisfaction of each part of this Section C and confirmed by the Director and/or his designee. If Borrower fails to perform any condition fully set forth herein, it shall be considered an Event of Default, defined in Section L. The Conditions of Forgiveness are as follows:

1. **Project Completion:**
 - a. Borrower must file an application for a planned development or such other zoning relief necessary to allow for the Project to proceed (the "**Zoning Approvals**") and follow all of the necessary steps to have the contemplated planned development approved by the City of Evanston. This TIF Funding Agreement does not represent any authorization or approval of the development by the City of Evanston and all procedures set forth within Title 6 of the City of Evanston Code of 2012, as amended, must be followed. Borrower's obligations hereunder are contingent upon the City of Evanston's approval of the Zoning Approvals and Borrower receiving all other approvals required for the construction and operation of the Project. The City will cooperate with Borrower's application for zoning.
 - b. Borrower shall develop the Subject Property in conformance with the Zoning Approvals authorized by City Council for the construction and operation of the Project at the Subject Property.
 - c. Borrower shall provide documentation that bids for the Project were sought by the Project's general contractor from no less than three subcontractors for each trade, of which one must be an Evanston-based subcontractor. If an Evanston-based subcontractor is not available to seek bids from based on the scope, scale or special requirements of the Project work, this requirement will be waived upon confirmation from City staff that bid solicitation to Evanston-based businesses was pursued

by the general contractor. Borrower shall select a general contractor for the Project in its sole and absolute discretion.

2. Sale to a Third Party: If the Subject Property is sold at any time during the Loan Term, the remaining portion of the forgivable loan must be repaid to the City or the new owner must assume the obligations under this Agreement. The Borrower must receive the consent of the City of Evanston for such a sale during the Loan Term only, which consent shall not be unreasonably conditioned or withheld.
3. Taxable Uses Only: Borrower warrants that it will not allow the Property Owner to lease to, or otherwise allow any religious, charitable or other entity which is entitled to an exemption from real property taxes to occupy the commercial portions of the Subject Property until the Howard Ridge TIF expires.

D. TERMS OF REIMBURSEMENT

1. Reimbursement Payment Requirements: Reimbursement payments shall NOT be paid out until: (a) City Council has approved the Agreement; (b) the Agreement is executed; (c) a building permit for the Project has been issued and (d) the City's issuance of debt necessary to fund the project has occurred; provided, the City shall be obligated to issue such debt. Distribution of the Loan shall be made at 95% of the total milestone amount noted in the benchmarks below in Section D(3). The final five (5)% of the distribution shall be made upon comparison of the Borrower's pro forma total project value and final building permit value based on "as-built" review.
2. Borrower hereby agrees to comply with all terms and conditions of this Agreement and only seek reimbursement of acceptable TIF Eligible Expenses under the Act.
3. Borrower may seek, and Lender shall make payments to Borrower of, reimbursement in milestone amounts not greater than the following scheduled payouts with the total payout issued after the Final Certificate of Occupancy is issued. The milestones are shown as the total after each event listed has occurred.

Building Permit: \$391,989.20 (20%)

Foundations: \$391,989.20 (cumulative 40%)

Topping Out: \$391,989.20 (cumulative 60%)

Final Certificate of Occupancy Permit: \$783,978.40 (100% of Loan is disbursed)

4. Reimbursement requests to the Director or his designee shall contain the following:
 - a. Cover letter indicating the total cost of TIF Eligible Expenses for which Borrower is seeking reimbursement and general overview of the Project progress to date;

- b. All contractor invoices detailing the specific tasks completed in accordance with the approved Project;
 - c. Proof of payment of all invoices for all TIF Eligible Expenses for the Project covered by this Loan; and
 - d. Unconditional partial lien releases (provided, copies of owner's sworn statement and/or other evidence of expenditures provided through a construction lending escrow shall be sufficient for purposes of (b) through (d) and Paragraph 5 hereof).
5. Such reimbursement requests shall include proof of payment to all contractors, suppliers, and vendors. Borrower 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.
 6. The Director or his designee will not issue any Reimbursement to the Borrower if there is any material violation of any law, ordinance, code, regulation, or Agreement term. Lastly, Borrower must be current with all City of Evanston accounts prior to any reimbursement.
 7. The total amount of the Loan (plus all accrued interest) will be forgiven in accordance with the schedule attached as Exhibit B ("Loan Forgiveness Schedule") but subject to earlier forgiveness based on Borrower's incurring TIF-Eligible Expenses and achieving Project milestones as described in Section C(1) above. At the earlier of the end of the Loan Term and the achievement of all milestones set forth in the Loan Forgiveness Schedule and Section C(1) above, the Loan will be deemed forgiven and the balance will be zero and the Guaranty is released.

E. BORROWER'S RESPONSIBILITIES

1. The Borrower shall cause the Property Owner to obtain and submit all required certificates of insurance, as set forth herein, to the Director or his designee upon execution of this Agreement and prior to City's execution.
2. The Borrower shall be responsible for causing the Property Owner to hire a licensed general contractor to complete the Project. The Director or his designee may require submission of proof of the State License issued to the selected general contractor.
3. The Borrower is responsible for contacting the appropriate City departments to arrange for obtaining all necessary approvals and/or permits required for construction and completion of the Project.
4. The Borrower is responsible for managing, monitoring, and scheduling the construction of the Project and ensuring its compliance with all applicable federal, State, and local laws and regulations.

5. Borrower shall during the Term, and for a period of 2 years following the expiration of the Term, keep and make available for the inspection, examination and audit by City or City's authorized employees, agents or representatives, at all reasonable time, all records respecting the services and expenses incurred by Borrower or Property Owner, including without limitation, all book, accounts, memoranda, receipts, ledgers, canceled checks, and any other documents indicating, documenting, verifying or substantiating the cost and appropriateness of any and all expenses. If any invoice submitted by Borrower is found to have been overstated, Borrower shall provide City an immediate refund of the overpayment together with interest at the highest rate permitted by applicable law, and shall reimburse all of City's expenses for and in connection with the audit respecting such invoice.
6. The Borrower shall be fully responsible for ensuring that all invoices from the contractors, suppliers, vendors and/or other third parties are paid and shall only seek reimbursement after payment has been disbursed by Borrower or Property Owner to the applicable party.

F. THE CITY'S RESPONSIBILITIES

1. Within a commercially reasonable time after Borrower submits a request for a Reimbursement, the City will review the information provided by Borrower under Section D.
2. Director or his designee shall review Borrower's request and accompanying documents for a Reimbursement Payment. If Borrower meets all its terms, conditions, and obligations under this Agreement and the TIF Guidelines, the Director or his designee shall issue the Payment in installments up to the total amount of the Loan in accordance with the Local Government Prompt Payment Act, after City's receipt of the documentation submitted by Borrower in Section D(4).
3. The City will not object to Borrower or the Property Owner appealing the real estate property taxes on the Property. However, if the property taxes are appealed to a level that will result in an incremental property tax amount that would result in an inability to make debt service payments for the debt issued to fund this portion of the Project, the Borrower would be required to step into the shoes of the City and make debt service payments on the City's behalf.

G. INSURANCE

1. During the entire period in which work on the Project is performed until termination of this Agreement, the Borrower shall cause to be obtained and maintained in full force and effect during said period the following insurance policies: Comprehensive General Liability Insurance in a general aggregate amount of not less than \$1,000,000, \$1,000,000 Products and Completed Operations Aggregate, and \$1,000,000 each occurrence.

2. 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.
3. Borrower shall provide evidence of required insurance to the Director before execution of this Agreement. Borrower shall cause the Property Owner to name the City as an additional insured for the Loan Term.

H. OBLIGATION TO REFRAIN FROM DISCRIMINATION

1. Borrower 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.
2. 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.
3. That, in all solicitations or advertisements for employees placed by it or on its behalf, it will state that all applicants will be afforded equal opportunity without discrimination because of race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, or disability.

I. NO AGENCY CREATED

The Borrower and any contractor, supplier, vendor or any third party hired by Borrower to complete the Project are not agents or create any employment relationship with the City.

J. INDEMNIFICATION AND HOLD HARMLESS

Borrower shall defend, indemnify and hold harmless City and its officers, elected and appointed officials, agents, and employees from any and all liability, losses, or damages as a result of claims, demands, suits, actions, or proceedings of any kind or nature, including without limitation costs, and fees, including attorney's fees, judgments or settlements, resulting from or arising out of any negligent or willful act or omission on the part of the Borrower or the Property Owner or their respective employees and agents related to the Subject Property during the performance of this Agreement. Such indemnification shall not be limited by reason of the enumeration of any insurance coverage herein provided. This provision shall survive completion, expiration, or termination of this Agreement. Nothing contained herein shall be construed as prohibiting City, or its officers, agents, or employees, from defending through the selection and use of their own agents, attorneys, and experts, any claims, actions or suits brought against them. Borrower shall be liable for the costs, fees, and expenses incurred in the defense of any such claims, actions, or suits. Nothing herein shall be construed as a limitation or waiver of defenses available to City and employees and agents, including without limitation the Illinois Local

Governmental and Governmental Employees Tort Immunity Act, 745 ILCS 10/1-101 *et seq.* At the City Corporation Counsel's option, Borrower must defend all suits brought upon all such Losses and must pay all costs and expenses incidental to them, but the City has the right, at its option, to participate, at its own cost, in the defense of any suit, without relieving Borrower of any of its obligations under this Agreement. Any settlement of any claim or suit related to activities conducted under this Project by Borrower must be made only with the prior written consent of the City Corporation Counsel, if the settlement requires any action on the part of the City. No member, official, agent, legal counsel or employee of the City shall be personally liable to the Borrower or Property Owner, 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 Borrower or Property Owner, or successor or on any obligation under the terms of this Agreement.

K. COMPLIANCE WITH LAW

The Borrower agrees to comply, and shall cause the Property Owner 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 Subject Property, construction of the Project, ongoing operations conducted on the Property, and use of Loan funds. In addition, pursuant to the Illinois Freedom of Information Act, 5 ILCS 140/7(2), records in the possession of others whom the City has contracted with to perform a governmental function are covered by the Act and subject to disclosure within limited statutory timeframes (five (5) working days with a possible five (5) working day extension). Upon notification from the City that it has received a Freedom of Information Act request that calls for records within the Borrower's or Property Owner's control, the Borrower shall promptly provide all requested records to the City so that the City may comply with the request within the required timeframe. The City and the Borrower shall cooperate to determine what records are subject to such a request and whether or not any exemptions to the disclosure of such records, or part thereof, are applicable. The Borrower shall indemnify and defend the City from and against all claims arising from the City's exceptions to disclosing certain records which the Borrower may designate as proprietary or confidential. Compliance by the City with an opinion or a directive from the Illinois Public Access Counselor or the Attorney General under FOIA, or with a decision or order of Court with jurisdiction over the City, shall not be a violation of this Section.

L. DEFAULT; REMEDIES; DISPUTE RESOLUTION

1. Notice of Default: In the event of failure by either party hereto substantially to perform any material term or provision of this Agreement, including but not limited to conditions contained in Sections C and D, 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 Section N hereof identifying with specificity the nature of the alleged default and the manner in which said default may be satisfactorily be cured.
2. 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 a 15-day period, and shall continuously and diligently prosecute such cure, correction or remedy to completion.

3. **City Remedies not Exclusive; Repayment of Pro Rata Share of Loan:** If an Event of Default occurs, which Borrower has not cured within the timeframe set forth in subparagraph 2 above, the City, at its option, may terminate this Agreement and/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 Borrower that occurs after the City has disbursed in whole or in part the Loan funds, the "Pro Rata Repayment Amount" and interest, at the rate of LIBOR + 1% per annum shall be due and payable within 30 days of Default. The amount due and owing following an Event of Default, which is not cured by Borrower, shall be calculated according to the Date of Default and the amount outstanding from the Loan Forgiveness Schedule, outlined in Exhibit B. All payments shall be first credited to accrued interest, next to attorney's fees and costs which may be owing from time to time, and then to principal. Payments shall be made to City at the address set forth in Section N herein or at such other address as City may direct pursuant to notice delivered to Borrower in accordance with Section N.
4. **Borrower'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 Section. Accordingly, Borrower 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 Borrower and the City regarding this Agreement or any of the matters referred to herein, the parties agreeing that declaratory and injunctive relief and specific performance shall be Borrower's sole and exclusive judicial remedies.

M. TERMINATION

If Borrower shall fail to cure any Event of Default upon notice and within the time for cure provided for in Section L above, the City may, by written notice to the Borrower, terminate this Agreement. Such termination shall trigger the repayment of the "Pro Rata Repayment Amount" as defined in Section L above. Borrower may not terminate this Agreement without the express written consent of City.

N. 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:

If to the Lender:	City of Evanston 2100 Ridge Avenue Evanston, IL 60201 Attn: Wally Bobkiewicz, City Manager
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With a copy to: City of Evanston
2100 Ridge Avenue
Evanston, IL 60201
Attn: W. Grant Farrar, Corporation Counsel

If to the Borrower: Evanston Gateway, LLC
4256 N. Ravenswood Ave. #109
Chicago, IL 60613
Attn: David Brown

With a copy to: DLA Piper
444 W. Lake Street, Suite 900
Chicago, IL 60606
Attn: Paul Shadle & Katie Jahnke Dale

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.

O. 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.

P. ATTORNEY'S FEES

In the event that a party commences any action, suit, or other proceeding to remedy, prevent, or obtain relief from a breach of this Agreement by the other party, or arising out of a breach of this Agreement by the other party, each party to bear its own attorney's fees and costs.

Q. SURVIVAL OF TERMS, BINDING UPON SUCCESSORS

The covenants, terms, conditions, representations, warranties, Agreements and undertakings set forth in this Agreement (and specifically including, without limitation, those covenants, terms, conditions, representations, warranties, agreements and undertakings which survive the termination of this Agreement) shall be binding upon and inure to the benefit of the Parties hereto and their respective successors, assigns and legal representatives.

R. CONFLICT OF INTEREST

1. 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 personal interests or the interests of any corporation, partnership, or association in which he/she is, directly or indirectly, interested.

2. The Borrower 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.

S. 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.

T. AUTHORITY TO SIGN

David R. Brown hereby represents that he executes this Agreement on behalf of Borrower and has the full authority to do so and to bind Borrower to perform pursuant to the terms and conditions of this Agreement.

U. 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.

V. ENTIRE AGREEMENT AND SEVERABILITY

1. 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. The Agreement may be amended from time to time with the written consent of the Parties hereto.
2. If any provision, condition, covenant or other clause, sentence or phrase of this Agreement is held invalid by a court of competent jurisdiction, such provision shall be deemed to be excised and the invalidity thereof shall not affect any other provision, condition, covenant or other clause, sentence or phrase contained herein. Notwithstanding the foregoing, if any such invalid provision goes to the essence of this Agreement so that the purposes of the Agreement cannot be fulfilled, then this Agreement shall terminate as of the date of such judgment.

W. NO WAIVER

No failure of either the City or the Borrower 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.

X. FORCE MAJEURE

Performance by any party hereunder shall not be deemed to be in default where delays or defaults are due to war, insurrection, strikes, lockouts, riots, floods, earthquakes, fires, casualties, acts of God, acts of the public enemy, restrictive governmental laws and regulations, epidemics, quarantine restrictions, freight embargoes, lack of transportation or labor and material shortages. An extension of time for any such cause shall be for the period of the delay, which period shall commence to run from the time of the commencement of the cause, provided that written notice by the party claiming such extension is sent to the other party not more than thirty (30) days after the commencement of the cause or not more than thirty (30) days after the party claiming such extension could have first reasonably recognized the commencement of the cause, whichever is later.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first above written.

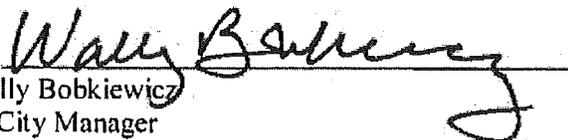
OWNER:

EVANSTON GATEWAY, LLC
an Illinois limited liability company

By: 
David R. Brown
Its Sole Member and Manager

CITY:

THE CITY OF EVANSTON, ILLINOIS

By: 
Wally Bobkiewicz
Its City Manager

Approved as to form:
W. Grant Farrar
Corporation Counsel

By: 

STATE OF IL)
COUNTY OF Cook) SS.

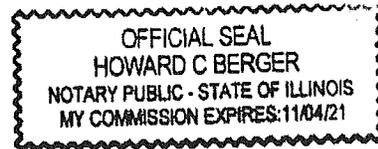
I, HOWARD C. BERGER, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that David R. Brown, in his capacity as the sole member and manager of Evanston Gateway, LLC personally known to me to be the same person whose name is subscribed to the foregoing instrument as such president, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act, and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this SEP - 1 day of 2017, 2017.

[Signature]

My Commission Expires:

11/04/21



STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, Susanne Hall, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Wally Bobkiewicz, as City Manager of the City of Evanston, Illinois, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Wally Bobkiewicz, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act, and as the free and voluntary act of said municipality, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 6 day of September, 2017.

[Signature]

My Commission Expires:

10/18/18

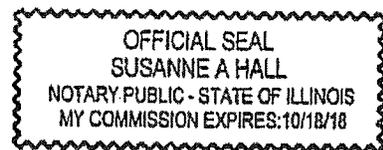


EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

100 Chicago Avenue Parcel: PART OF THE SOUTH 6.25 CHAINS OF THE NORTH EAST ¼ OF SECTION 30, TOWNSHIP 41 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE INTERSECTION OF THE NORTH LINE OF HOWARD STREET, WITH THE EAST LINE OF THE RIGHT OF WAY OF THE CHICAGO AND NORTHWESTERN RAILROAD RUNNING THENCE EAST ALONG THE NORTH LINE OF HOWARD STREET TO ITS INTERSECTION WITH THE WEST LINE OF NORTH CLARK STREET (FORMERLY CHICAGO AVENUE) THENCE NORTHERLY ALONG THE WEST LINE OF SAID CLARK STREET 100 FEET, THENCE WEST PARALLEL WITH THE NORTH LINE OF HOWARD AVENUE TO THE EAST LINE OF THE RIGHT OF WAY OF CHICAGO AND NORTHWESTERN RAILROAD, THENCE SOUTHERLY ALONG SAID RIGHT OF WAY LINE 100 FEET MORE OR LESS TO THE POINT OF BEGINNING. PARCEL 2: THE NORTH 50 FEET OF THE SOUTH 150 FEET OF THAT PART OF THE SOUTH 6.25 CHAINS, LYING WEST OF THE WEST LINE OF CHICAGO AVENUE EAST OF THE EAST LINE OF CHICAGO AND NORTHWESTERN RAILROAD AND NORTH OF THE NORTHLINE OF HOWARD STREET OF THE NORTH EAST ¼ OF SECTION 30, TOWNSHIP 41 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Real property address: 100 North Chicago Avenue, Evanston, IL 60202

PINs: 11-30-212-007-0000 and 11-30-212-008-0000

128-132 Chicago Avenue Parcels: [TO BE INSERTED]

EXHIBIT B

LOAN FORGIVENESS SCHEDULE

Principal Balance: \$1,959,496

Loan Term (Forgiveness Commences on Last Date of Reimbursement)	Total Forgiveness Amount of Principal Loan Balance <i>Plus Interest</i>
End of Year 2	20% (\$391,989)
End of Year 4	40% (\$783,978)
End of Year 6	60% (\$1,175,967)
End of Year 8	80% (\$1,567,956)
End of Year 10	100% (\$1,959,496)

EXHIBIT C

PERFORMANCE AND COMPLETION GUARANTY

Borrower: [Developer Entity]

Lender: City of Evanston

Guarantor: Evanston Gateway, LLC

Principal Amount: \$1,959,946

Loan Term: 10 years (120 months)

Project: Construction of Project at 100 and 128-132
Chicago Avenue, Evanston, Illinois, as provided in the
Agreement

Guaranty Term: 10 Years

PERFORMANCE AND COMPLETION GUARANTY. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees completion of the Project provided for by that certain TIF Forgivable Construction Loan and Development Agreement (the "Agreement") by and between Borrower and Lender dated _____, 2017 (the "Guaranteed Obligations"). This Guaranty is an absolute and unconditional guaranty of performance and not of collection. This Guaranty creates a direct and primary obligation to the Lender on the part of the Guarantor. Without limiting the generality of the foregoing, the Guarantors' obligations hereunder may be enforced with or without joinder of the Borrower and without proceeding against the Borrower, any other Guarantors or against any collateral held by the Lender

INDEBTEDNESS. The word "Indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times, accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law, attorneys' fees, arising from Borrower's obligations under the Agreement.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until end of the tenth year (120th month) of the Loan, subject to the Loan Forgiveness Schedule set forth in the Agreement. If Guarantor elects to revoke this Guaranty, Guarantor may only do so in writing. Guarantor's written notice of revocation must be mailed to Lender; by certified mail, at Lender's address provided in accordance with the Agreement. This Guaranty shall bind Guarantor's estate as to the Indebtedness created both before and after Guarantor's death or incapacity, regardless of Lender's actual notice of Guarantor's death. Subject to the foregoing, Guarantor's, executor or administrator or other legal representative may terminate this Guaranty in the same manner in which Guarantor might have terminated it and with the same effect. Release of any other guarantor or termination of any other guaranty of the Indebtedness shall not affect the ability of Guarantor under this guaranty.

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, either before or after any revocation hereof upon written notice to Guarantor by Lender, without

lessening Guarantor's liability under this Guaranty, from time to time (A) to take and hold security for the performance of this Guaranty, and exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any such security, with or without the substitution of new collateral; (B) to determine how, when and what application of payments and credits shall be made on the Indebtedness; and (C) to apply such security and direct the order or manner of sale thereof, including without limitation, any non-judicial sale permitted by the terms of the controlling security agreement or deed of trust, as Lender in its discretion may determine;

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (B) Guarantor has full power, right and authority to enter into this Guaranty; (C) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor; (D) upon Lender's request, Guarantor will provide to Lender financial and credit information in form acceptable to Lender, and all such financial information which currently has been, and all future financial information which will be provided Lender is and will be, true and correct in all material respects and fairly present Guarantor's financial condition as of the dates the financial information is provided; (E) no material adverse change has occurred in Guarantor's financial condition since the date of the most recent financial statements provided to Lender and no event has occurred which may materially adversely affect Guarantor's financial condition; and (J) Guarantor has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Guarantor agrees to keep Lender adequately informed from any relevant facts, events, or circumstances which might in any way affect Guarantor's risks under this Guaranty.

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waives any right to require Lender (A) to continue lending money or to extend other credit to Borrower; (B) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; and (C) to pursue any other remedy within Lender's power;

SUBORDINATION OF BORROWER DEBTS TO GUARANTOR. Guarantor agrees that the indebtedness, whether now existing or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower, upon an account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the indebtedness. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower; provided however, that such assignment shall be effective only for the purpose of assuring to Lender completion of the Project as provided hereunder.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Guaranty:

Amendments. This Guaranty together with the Agreement, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by both parties.

Caption Headings. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty.

Governing law. This Guaranty will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Illinois without regard to its conflicts of law provisions.

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor" respectively shall mean all and anyone or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If anyone or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

Notices. Any notice required to be given under this Guaranty shall be given in writing, and, except for revocation notices by Guarantor, shall be effective when actually delivered, when actually received by tele-facsimile (unless, otherwise required by law) when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Guaranty. All revocation notices by Guarantor shall be in writing and shall be effective upon delivery to Lender as provided in the section of this Guaranty entitled "DURATION OF GUARANTY." Any party may change its address for notices under this Guaranty by

giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address, For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any Instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means [DEVELOPER ENTITY] and its successors and assigns.

GAAP. The word "GAAP" means generally accepted accounting principles.

Guarantor. The word "Guarantor" means David Brown, and its successors and assigns.

Guaranty. The word "Guaranty" means this guaranty from Guarantor to Lender.

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

Lender. The word "Lender" means City of Evanston, and its successors and assigns.

Note. The word "Note" means and includes without limitation all of Borrower's promissory notes and/or credit agreements evidencing Borrower's loan obligations in favor of Lender, together with all renewals of, extensions of, modifications of, substitutions for promissory notes or credit agreements.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS, IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO THE LENDER UNDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY", NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE, THIS GUARANTY IS DATED _____, 2017.

GUARANTOR:

EVANSTON GATEWAY, LLC

By: _____
Its: Sole Member and Manager

EXHIBIT D
TIF ELIGIBLE COSTS

Land Acquisition	\$540,000
Pre-Development Expenses and Due Diligence	\$75,000
Environmental Remediation	\$230,000
Site Work	\$250,000
Affordable Housing (50%)	\$556,875
Professional and Legal Services	\$896,366
Other Soft Costs and Financing Costs	\$262,863
Total	\$2,811,104

AGREEMENT FOR PURCHASE AND SALE

THIS AGREEMENT FOR PURCHASE AND SALE ("Agreement") is made and entered into as of the 1st day of September, 2017 (the "Execution Date"), by and between the City of Evanston ("Seller") and Evanston Gateway, LLC, an Illinois limited liability company ("Purchaser").

WITNESSETH:

WHEREAS, Seller is the owner of that certain real property located in Cook County, Illinois, being more particularly described on Exhibit A attached hereto and being located at 100 Chicago Avenue, Evanston, Illinois (the "Property");

WHEREAS, Purchaser desires to purchase the "Subject Property" (as hereinafter defined) and Seller desires to sell the Subject Property to Purchaser for the price and pursuant to the terms, conditions and upon the representations hereinafter set forth.

NOW, THEREFORE, for and in consideration of the purchase price noted below and other good and valuable consideration, the receipt whereof is hereby acknowledged by each party hereto from the other party hereto, and a hereinafter receipted deposit and in consideration of mutual covenants and conditions and promises herein contained, the parties hereto, intending to be legally bound, do hereby agree as follows:

1. Recitals. The foregoing recitations are true and correct and are incorporated herein by reference.

2. Sale. Subject to and upon the terms and conditions hereof, Seller shall sell, transfer, assign and convey to Purchaser at the "Closing", as hereinafter defined: (i) fee simple title to the Property, together with all easements, rights-of-way and other appurtenances, inuring to the benefit of the Property and all right, title and interest, if any, of Seller in and to any land lying in the bed of any street, road, avenue, open or proposed, in front of or adjoining the Property to the centerline thereof, and all right, title and interest of Seller in and to any awards made or to be made in lieu thereof, and in and to any unpaid awards for damage to the Property by reason of change of grade of any street; (ii) any and all improvements and fixtures located upon or under the Property ("Improvements"); and (iii) any, all licenses, franchises, certificates of occupancy and other permits, rights and approvals relating to the Property, including, without limitation, relating to development, construction, operation and maintenance of the Property or the building(s), if any, located upon the Property, and all permits, licenses, studies, plans, reports and surveys Seller may have, pertaining to the Property (collectively "Intangibles"); and Purchaser shall accept such conveyance, subject to the conditions hereof and upon the representations and warranties herein made. The Property, the Improvements and Intangibles are hereinafter collectively referred to as the "Subject Property". Further, on or prior to a date which is three (3) days following the Execution Date, Seller covenants and agrees to deliver to Purchaser true and correct copies of the documents and agreements that constitute, establish or evidence the Intangibles. In addition, from and after the date hereof, Seller shall deliver such

other documentation in Seller's possession or control which may be reasonably requested by Purchaser (the "Documents") and "Seller's Title Evidence" (as hereinafter defined).

3. Purchase Price. Purchaser shall pay to Seller Two Hundred Twenty Thousand Dollars (\$240,000) for the Subject Property (the "Purchase Price"). If the Site Plan Approval process yields a reduction in the building stories from the original proposal of a 5-story development then, at Purchaser's election, the purchase price may be revisited by the parties. In the event the parties cannot reach an agreement on a reduction in purchase price, then upon written notice to the other party, either party elect to terminate this Agreement. The Seller will provide Purchaser a credit of \$110,000 at Closing for the cost of the environmental remediation on the Property to be performed by Purchaser and its contractors.

4. Payment of Purchase Price; Deposit; Due Diligence Period. The Purchase Price shall be paid as follows:

(a) Within three (3) business days following the Execution Date, Purchaser will deliver to Chicago Title and Trust Company, 5215 Old Orchard Road, Skokie, IL 60077 ("Escrow Agent") the sum of Five Thousand and No/100 Dollars (\$5,000.00) ("Deposit"), which amount shall be held by the Escrow Agent, at the expense of Purchaser, pursuant to the terms and provisions of Exhibit B, and which shall be credited toward the Purchase Price at Closing or otherwise disbursed in accordance with this Agreement. Subject to the terms and conditions of this Agreement, the Deposit shall become non-refundable following the expiration of the Approval Period (as defined below), except in the event of Seller's default under this Agreement or if this Agreement is terminated by Purchaser in accordance with the terms of this Agreement (or as otherwise set forth herein).

(b) The "Due Diligence Period" shall mean the period commencing on the Execution Date and ending on the date which is 60 days thereafter.

(c) The balance of the Purchase Price shall be payable at the Closing (as hereinafter defined), plus or minus prorations as hereinafter set forth, by wire transfer.

5. Title. Within five (5) days following the Execution Date hereof, Seller shall deliver to Purchaser a copy of any existing title insurance policy (if any) and survey for the Subject Property ("Seller's Title Evidence"). In furtherance of the foregoing, and not as a limitation thereof, the state of Seller's title and the "Survey" (as hereinafter defined) and the state of title reflected thereby shall be such that Chicago Title Insurance Company ("Title Company") will issue a commitment ("Commitment") for the issuance of a 2006 ALTA Owner's Title Insurance Policy (i.e., with extended coverage over pre-printed exceptions) without exception other than the "Permitted Exceptions" (as hereinafter defined) for the amount of the Purchase Price (and the amount of Purchaser's contemplated improvements with a "pending improvements" clause). Seller will order the Commitment within five (5) business days of the Execution Date, and will provide a copy of same to Purchaser upon receipt. If Purchaser shall have any objection(s) with respect to the status of title to the Subject Property as reflected in the Commitment and/or the Survey, Purchaser shall notify Seller of such objections ("Title Notice") on or before thirty (30) days following Purchaser's receipt of the Commitment and Survey ("Title Review Period"). Purchaser shall have until the end of the Title Review Period to obtain a new

survey of the Subject Property or an update of Seller's existing survey (if any) ("Survey"). Seller shall have the right, but not the obligation, to satisfy any objection stated in the Title Notice (except as expressly set forth in this Paragraph 5). Seller shall have thirty (30) days in which to satisfy any title objection; provided, however, Seller is not obligated to satisfy any title objection unless Seller so agrees in writing or as may be expressly required under this Paragraph 5. If, after the expiration of said thirty (30)-day period, Seller has not cured the defect(s) of which Purchaser gave notice, then Purchaser shall have the right, but not the obligation, until the end of the Due Diligence Period to attempt to cure such defect(s) in title. If, prior to the end of the Due Diligence Period, the title defect or defects cannot be corrected, then Purchaser shall have the right, but not the obligation, to terminate this Agreement and, upon termination, Purchaser's Deposit shall be returned to Purchaser, and neither party shall have any claim against the other except as herein expressly stated. As set forth herein, "Permitted Exceptions" shall mean: (i) those matters shown on the Commitment as of the end of the Due Diligence Period and not objected to by Purchaser in writing and (ii) taxes not yet due and payable. Notwithstanding anything herein to the contrary, in no event shall the term "Permitted Exceptions" be deemed to include any monetary liens, claims of liens or security interests, and any other liens arising after the date of the Commitment caused or permitted by Seller, and Seller shall remove the same at or prior to Closing.

Seller covenants to execute such reasonable affidavits and undertakings reasonably required by the Title Company to delete: (i) the Schedule B, Section I requirements in the Commitment (except liens which may arise out of mechanic liens with whom Purchaser has contracted); (ii) the standard printed exceptions in the Commitment which are customarily removable by such affidavits; and (iii) the gap exception.

6. Conditions Precedent: Approval Period. Unless waived in whole or in part in writing by the other party, this Agreement and the obligations of the parties to close the transaction hereunder are subject to and contingent upon each and all of the following (hereinafter sometimes collectively referred to as the "Conditions Precedent" and singularly as a "Condition Precedent"):

(a) *Due Diligence Period Termination Right.* Purchaser, in its sole and absolute discretion, exercisable for any reason or for no reason, shall have the right, on or prior to the expiration of the Due Diligence Period, to terminate this Agreement upon written notice to Seller, whereupon this Agreement shall promptly be deemed terminated and of no further force and effect, the Deposit, and any interest accrued thereon, shall be returned to Purchaser and upon such return Purchaser and Seller shall have no further obligations to each other, except as expressly set forth in this Agreement.

(b) *Approval Period.* Purchaser shall have the period (i) commencing on the date of expiration of the Due Diligence Period, and (ii) expiring at 5:00 p.m. Central Time on the date which is 150 days thereafter (such period, the "Approval Period"), to undertake and obtain its municipal approvals for zoning entitlements, site plan, and building permits, all necessary to development property in Evanston per City Code (collectively, "Site Plan Approval") for the development of the Subject Property. If Purchaser cannot obtain Site Plan Approval within the Approval Period, then Purchaser can terminate this Agreement, whereupon this Agreement shall be deemed terminated and of no further force and effect, the Deposit, and any interest accrued

thereon, shall promptly be returned to Purchaser and, upon such return, Purchaser and Seller shall have no further obligations to each other, except as expressly set forth in this Agreement.

(c) *Performance of Other Party; No Pending Litigation.*

(i) As a condition benefiting Seller only, at the Execution Date and at Closing, all representations and warranties of Purchaser hereunder shall be true and correct in all material respects, and all obligations of Purchaser hereunder shall have been performed in all material respects.

(ii) As a condition benefiting Purchaser only, at the Execution Date and at Closing, all representations and warranties of Seller hereunder shall be true and correct in all material respects, and all obligations of Seller hereunder shall have been performed in all material respects. In addition, as a condition benefiting Purchaser only, there shall be no pending or threatened litigation involving the Subject Property or Purchaser's contemplated development thereon.

(d) *No Material Adverse Change.* As a condition benefiting Purchaser only, except as permitted in this Agreement, there shall have been no adverse change to the title to the Subject Property from the effective date of the Commitment, excluding any mortgage or liens of Seller which Seller shall satisfy at Closing, and at Closing the Title Company shall be prepared and unconditionally committed to issue to Purchaser its owner's policy of title insurance in the amount of the Purchase Price, insuring fee title to the Property in Purchaser subject only to the Permitted Exceptions and with "extended coverage" and such other endorsements that Purchaser reasonably requires ("Title Policy").

(e) *Zoning.* As a condition benefiting Purchaser, Purchaser shall obtain Site Plan Approval by following the process set forth in the City Code, including presentation to the Plan Commission and City Council for approval. This real estate contract does not provide any future zoning approval or entitlements for the development. The development and site plan for the Subject Property shall allow for the future use of the building with ground floor retail with a job training program component and certain housing units that are affordable to households earning at or below 80% of the area median income in the residential floors above the ground floor.

Purchaser shall have the right to terminate this Agreement in the event of the failure of any Condition Precedent at or before Closing. Should this Agreement be terminated by Purchaser due to the failure of any Condition Precedent, the Deposit shall be forthwith returned to Purchaser by the holder thereof and all parties hereto shall be released and relieved from any and all further obligations hereunder or arising herefrom except as herein provided. If this Agreement is terminated by the Seller due to the failure of Condition Precedent (c)(i) or a failure to close by Purchaser in accordance with terms of this Agreement, then, provided Seller is not then in default of this Agreement, the Deposit shall be paid over to Seller and all parties hereto shall be released and relieved from any and all further obligations hereunder or arising herefrom except as herein provided.

7. Representations, Warranties and Covenants of Seller. As a material inducement to Purchaser to execute this Agreement and to close the transaction contemplated hereby and to

pay the Purchase Price therefore, Seller warrants and represents to Purchaser that as of the date hereof and as of the Closing:

(a) Seller has the legal capacity to execute and deliver this Agreement and to execute and deliver all other documents and perform all other acts as may be necessary in connection with the performance of this Agreement and the consummation of the sale of the Property.

(b) Neither the execution and the delivery of this Agreement, the assumption of the obligations set forth in this Agreement, the consummation of the transactions contemplated in this Agreement, the performance of the covenants and agreements set forth in this Agreement nor the compliance with the terms and provisions of this Agreement will conflict with, or result in a breach of any of the terms, conditions or provisions of, or constitute a default under any bond, note or other evidence of indebtedness or any contract, indenture, mortgage, deed of trust, loan agreement, loan or other agreement or instrument to which the Seller is a party, or by which the Seller or its property may be bound.

(c) No approval or consent not already obtained by any person or entity is necessary in connection with the execution and delivery of this Agreement by the Seller or the performance of the Seller's covenants and agreements under this Agreement. The Seller agrees to work in good faith to facilitate Purchaser's due diligence inspections and to assist and support Purchaser's efforts to obtain the Site Plan Approval in a timely manner. Without limitation, upon request from Purchaser, Seller shall execute such applications and other necessary documents and provide such information that may be required or reasonably requested to obtain the Site Plan Approval (including submittals to the City of Evanston and other applicable governmental agencies), provided that Seller shall not be required to incur any liability as a consequence of such applications and submittals (unless Purchaser agrees to reimburse or indemnify Seller for the same). Further, upon request from Purchaser, Seller or its designated representatives shall attend public hearings and meetings with City of Evanston staff personnel.

(d) Seller is not aware of any judicial, administrative or similar proceeding affecting the Subject Property or Seller's ability to perform its obligations under this Agreement.

(e) Seller has not made an assignment for the benefit of creditors of all or substantially all of its assets, is able to pay all or substantially all of its debts as they become due, has not been adjudicated as bankrupt or insolvent, nor has Seller filed a petition or application to any tribunal for the appointment of a trustee or receiver or any substantial part of its assets, or upon the commencement of any voluntary or involuntary bankruptcy (and, in respect of an involuntary bankruptcy, has not been discharged within sixty (60) days), reorganization or similar proceedings with such other party, or the entry of an order appointing a trustee or receiver or approving a petition in any such proceeding.

(f) Seller has good, marketable and insurable title to the Subject Property in fee simple and subject to no liens or encumbrances whatever other than (i) the Permitted Exceptions and (ii) monetary liens that will be satisfied and released by Seller at or prior to Closing.

(g) As of the Closing contemplated hereby, there shall be no unpaid bills for labor performed or materials supplied incident to the Subject Property, any of which will be paid off at Closing. A no-lien affidavit stating same will be delivered by Seller to Purchaser at Closing.

(h) To Seller's knowledge, there are no pending or contemplated condemnation or eminent domain proceedings which would affect any portion of the Subject Property.

(i) Except as set forth on Exhibit C attached hereto, Seller is not a party to and the Subject Property is not affected by any lease or other occupancy agreement, or any service, maintenance or property management agreements or any contracts or other agreements of any kind with respect to the Subject Property which is not reflected in the Permitted Exceptions; and Seller will not, without the prior written consent of Purchaser, enter into or amend any agreement, contract or lease which will be effective following the Closing. All existing agreements, contracts or leases affecting the Subject Property shall be terminated as of the Closing.

(j) To Seller's knowledge there is no pending or threatened litigation involving the Subject Property.

(k) Seller is not a "foreign person" within the meaning of Section 1445 of the Internal Revenue Code of 1986, so as to require the withholding of any portion of the Purchase Price for Federal income tax purposes, and Seller agrees to execute, at Closing, an affidavit evidencing same.

(l) The Subject Property is not the subject of a right of first refusal or option to purchase in any third party.

(m) The parties executing this Agreement are duly authorized to bind Seller without the further authorization of any person or entity.

(n) Seller shall, until Closing, maintain the Subject Property in its existing condition and carry such reasonable and customary liability insurance.

(o) Seller has not received written notice of the violation (actual or asserted) of any law, statute, code, ordinance, rule, regulation, court order or other legal requirement (collectively, "Laws") applicable to the Property, including (without limitation), any Laws pertaining to hazardous or toxic materials or conditions and any Laws pertaining to human health or welfare or the protection of the environment. To Seller's knowledge, no party has released, generated, produced, stored, treated, processed, transferred or disposed of any hazardous or toxic materials on the Subject Property.

(p) Seller has delivered to Purchaser all of the Documents in Seller's possession or control and all such Documents are, to Seller's knowledge, true, correct and complete in all material respects.

(q) The representations and warranties of the Seller set forth in this Paragraph 7 shall be made as of the date hereof and shall be true and correct as of the Closing Date with the same force and effect as if made at that time and will survive Closing for 6 months.

8. Representations and Covenants of Purchaser. The Purchaser hereby represents and warrants as to the Seller and covenants and agrees with Seller as follows:

(a) Purchaser is a limited liability company duly organized and existing under the laws of the State of Illinois, with the legal capacity to execute and deliver this Agreement and to execute and deliver all other documents and perform all other acts as may be necessary in connection with the performance of this Agreement and the consummation of the purchase of the Property.

(b) Neither the execution and the delivery of this Agreement, the assumption of the obligations set forth in this Agreement, the consummation of the transactions contemplated in this Agreement, the performance of the covenants and agreements set forth in this Agreement nor the compliance with the terms and provisions of this Agreement will conflict with, or result in a breach of any of the terms, conditions or provisions of, or constitute a default under any bond, note or other evidence of indebtedness or any contract, indenture, mortgage, deed of trust, loan agreement, loan or other agreement or instrument to which the Purchaser is a party, or by which the Purchaser or its property may be bound.

(c) No approval or consent not already obtained by any person or entity is necessary in connection with the execution and delivery of this Agreement by the Purchaser or the performance of the Purchaser's covenants and agreements under this Agreement. Without limiting Purchaser's rights under Paragraph 6, Purchaser agrees to work in good faith during the Due Diligence Period and Approval Period and attempt to obtain the Site Plan Approval in a timely manner.

(d) The Purchaser is not aware of any judicial, administrative or similar proceeding which could materially and adversely affect the Purchaser's ability to perform its obligations under this Agreement.

(e) Purchaser has not made an assignment for the benefit of creditors of all or substantially all of its assets, is able to pay all or substantially all of its debts as they become due, has not been adjudicated as bankrupt or insolvent, nor has Purchaser filed a petition or application to any tribunal for the appointment of a trustee or receiver or any substantial part of its assets, or upon the commencement of any voluntary or involuntary bankruptcy (and, in respect of an involuntary bankruptcy, has not been discharged within sixty (60) days), reorganization or similar proceedings with such other party, or the entry of an order appointing a trustee or receiver or approving a petition in any such proceeding.

(f) Except as set forth in this Agreement, Purchaser acknowledges and agrees that the Purchaser is relying solely upon its own inspections, investigations, analysis and independent assessment of the Property in determining whether to acquire the Property. The Purchaser also hereby agrees that the Seller sells the Property, and the Purchaser purchases and accepts the Property, in AS IS - WHEREIS CONDITION, WITH ALL FAULTS, without any

warranties, representations, guarantees, statements, agreements, studies, reports, descriptions, guidelines or other information or materials whether oral or written, expressed or implied, of any kind or nature from the Seller, except as expressly set forth in this Agreement, and Seller has no responsibility to make any improvements to the Property.

(g) In the event Purchaser closes in accordance with this Agreement, Purchaser shall be deemed to acknowledge, understand and agrees as follows: (i) the Purchaser is aware of the physical and geological condition of, and the status of title to, the Property and the Purchaser acknowledges that the Seller and the Seller's representatives have made no representations or warranties, regarding the physical and geological condition of, and status of title to, the Property or the suitability of the Property for the Purchaser's proposed use, except as expressly set forth in this Agreement; (ii) the Purchaser is satisfied with the soils and the soil compaction of the Property; (iii) the Purchaser has evaluated the environmental condition of the Property, has conducted all environmental tests and assessments of the Property which the Purchaser believes are necessary, and is satisfied with the environmental condition of the Property; and (iv) the Purchaser has examined the zoning ordinance, building code and other laws, codes, statutes, regulations, covenants and restrictions relating to the Property and the Purchaser assumes all risks relating to such zoning ordinance, building code and other laws, codes, statutes, regulations, covenants and restrictions relating to the Property.

(h) Subject to the terms of this Agreement, in the event Purchaser closes in accordance with this Agreement, the Purchaser hereby releases the Seller and Seller's representatives from all responsibility and liability regarding the valuation, marketability, compliance with laws, or utility of the Property, or its suitability for any purpose whatsoever, except that the foregoing shall not limit Purchaser's remedies in the event of a breach of Seller's express representations or warranties hereunder.

(i) The representations and warranties of the Purchaser set forth in this Paragraph 8 shall be made as of the date hereof and shall be true and correct as of the Closing Date with the same force and effect as if made at that time.

9. Inspections; NFR Letter. Seller hereby grants to Purchaser and Purchaser's agents, employees, servants and contractors the right to go upon the Subject Property during the term of this Agreement and make such tests and investigations and do such things, including, but not limited to, surveying of the Subject Property as Purchaser shall deem necessary or appropriate, including, but not limited to, tests and investigations that may be necessary for Purchaser to determine that Purchaser can utilize the Subject Property for its contemplated use. All of Purchaser's costs and expenses incurred in connection with its due diligence at the Property, including without limitation, all inspection and testing, and obtaining and reviewing reports, appraisals, materials and documents are the sole and absolute responsibility of Purchaser and such obligations to pay these costs and expenses shall not be a credit against the Purchaser's obligation to pay the Purchase Price at Closing. Neither Purchaser, nor any of its agents or representatives, shall damage the Property or any portion thereof unless the same shall promptly be repaired by Purchaser at Purchaser's sole cost and expense. Purchaser shall indemnify and hold Seller harmless for damage to persons or property from any claims, demands, actions, lawsuits, damages, construction liens against the Subject Property and costs, including reasonable attorneys' fees, arising out of any act or omission of Purchaser, or its agents and/or

representatives, in connection with Purchaser's due-diligence review, investigations, tests and surveys; provided, however, that Purchaser shall not be liable for the mere discovery of any pre-existing condition at the Subject Property. The foregoing indemnity shall survive the termination or cancellation of this Agreement and shall survive Closing.

10. Environmental Indemnity. Purchaser must defend, indemnify, and hold Seller harmless from and against any and all costs, damages, expenses and/or liabilities (including reasonable attorneys' fees) which Purchaser may suffer as a result of any written demand (whether or not a suit), claim, suit or action regarding any such Hazardous Substances (whether alleged or real) present due to and/or regarding the removal and clean-up of same or resulting from the presence of such Hazardous Substances. Purchaser, for itself and its successors in interest, waives and releases Seller from any and all future claims and causes of action arising from or relating to the presence or alleged presence of Hazardous Substances in, on, under, about or emanating from the Property during the period of Purchaser's ownership of the Property, including without limitation any claims for cost recovery, contribution, natural resources damages, property damage, consequential damages, personal or bodily injury (including death) or otherwise, under or on account of any violation, or arising under, Environmental Law during the period of Purchaser's ownership of the Property. The term "**Hazardous Substance**" includes, without limitation, any material or substance (regardless of whether discarded, recyclable or recoverable) to which liability or standards of conduct are imposed pursuant to Environmental Laws, including, but not limited to (i) any defined, characteristic or listed "hazardous waste", "extremely hazardous waste", "restrictive hazardous waste", "hazardous substance", "hazardous material", "regulated substance", "pollutant", "contaminant" or waste, (ii) petroleum (including crude oil or any fraction thereof, natural gas, liquefied natural gas, synthetic gas or mixtures of natural gas and synthetic gas), (iii) asbestos and any asbestos containing materials, (iv) substances known to cause cancer and/or reproductive toxicity, (v) polychlorinated biphenyls (PCBs) and (vi) radioactive material. The term "**Environmental Law**" means any federal, state or local law, statute, ordinance, rule, regulation, order, consent, decree, judgment or common-law doctrine, interpretation thereof, and provisions and conditions of permits, licenses, plans, approvals and other operating authorizations whether currently in force or hereafter enacted relating to health, industrial hygiene or the environmental conditions on, under or about the Premises or the Property, as such laws are amended and the regulations and administrative codes applicable thereto, including, by way of example and without limitation, the following: the Illinois Environmental Protection Act; Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"); the Resource Conservation and Recovery Act ("RCRA"); the Clean Air Act; the Clean Water Act; the Safe Water Drinking Act ("SDWA"); the Toxic Substances Control Act; and all state and local counterparts thereto; and any common or civil law obligations including, without limitation, nuisance or trespass. It is the intent of the parties hereto to construe the terms "Hazardous Substance" and "Environmental Law" in their broadest sense.

11. Conveyance. The conveyance of the Subject Property by Seller to Purchaser shall be by special warranty deed in a form sufficient to vest title in Purchaser pursuant to Paragraph 5. Seller and Purchaser acknowledge that time shall be of the essence as to all acts of Purchaser and Seller hereunder. Seller agrees to execute and deliver to Purchaser, at Closing an assignment of the Intangibles and, if applicable, a bill of sale in customary form conveying any personally associated with the Subject Property. Seller shall also deliver to Purchaser at Closing (i) a

Foreign Investment in Real Property Tax Act affidavit executed by Seller, (ii) evidence of the existence, organization and authority of Seller and of the authority of the persons executing documents on behalf of Seller reasonably satisfactory to the underwriter for the Title Policy, and (iii) such other documents as may be reasonably necessary or required by the Title Company to effectuate the transaction contemplated herein. Seller and Purchaser shall each deposit with Escrow Agent an executed closing statement consistent with this Agreement in the form required by Escrow Agent.

12. Closing

(a) Unless extended by any other provisions of this Agreement, the "Closing" of the transaction contemplated by this Agreement (execution and delivery of the special warranty deed, as well as the execution and delivery of all other documents required pursuant to this Agreement and the payment of all sums required to be paid) shall take place upon the date selected by Purchaser by notice to Seller at least five (5) business days in advance of such date, but in any event on or before sixty (60) days after the expiration of the Approval Period.

(b) Seller agrees to execute at Closing an undertaking required by the Title Company to delete the "gap" exception.

13. Expenses. The parties agree that the following shall be the schedule of obligations with respect to the Closing expenses hereunder, to wit:

(a) Seller shall pay for:

- (i) any state, county and municipal documentary stamp taxes (or other transfer taxes) and surtaxes, if any, on the special warranty deed; and
- (ii) the premium for the Title Policy providing coverage equal to the Purchase Price (including extended coverage but not any other endorsements), and the cost of correcting any title defects;
- (iii) one-half (1/2) of the escrow fees of the Title Company as escrow agent and for the escrow closing;
- (iv) all prorations to and including the Closing Date for real estate taxes, special assessments or fees, water bills, utility charges or other similar expenses.

(b) Purchaser shall pay for:

- (i) the cost of its due diligence, including any survey;
- (ii) the recording of the special warranty deed and any other conveyance documents, or mortgage, deed of trust, assignments of rents, financing statements or similar documents evidencing or securing

the obligations of the Purchaser under a mortgage loan or other loan secured by the Property:

- (iii) one-half (1/2) of the escrow fees of the Title Company as escrow agent and for the escrow closing;
- (iv) the premium on the Title Policy for coverage in excess of the Purchase Price and costs for any endorsements thereto (other than extended coverage); and
- (v) all of the costs of the premium and related costs charged by the Title Company for the issuance of any mortgage title insurance policy and any endorsements thereto.

(c) All governmental and quasi-governmental improvement liens which have been certified as of the Execution Date shall be paid by Seller and, if not certified, Purchaser shall receive a credit, at Closing, in an amount equal to 150% of the latest estimate therefor by the applicable governmental agency, provided that, upon request by either party hereto, the parties hereto shall, upon the actual amount of such lien being established, make whatever adjustments are necessary to reflect the actual amount of the lien notwithstanding the fact that the Closing of the transaction contemplated by this Agreement has occurred.

(d) Accrued and unpaid real property taxes and personal property taxes shall be prorated as of the date of Closing on an accrual basis based on the parties' respective periods of ownership, and Purchaser shall receive a credit for 110% of the estimated accrued and unpaid real property taxes and personal property taxes relating to Seller's period of ownership. If the Closing occurs on a date when the taxes for the year of Closing are not fixed, but the then-current year's assessment is available, taxes for such year will be prorated based upon such assessment. If such year's assessment is not available, taxes will be prorated based upon the then-prior year's tax. Except as otherwise specifically provided in this Agreement, all expenses and revenues of the Subject Property shall be prorated or credited as the case may be to the day of Closing. The provisions of this Paragraph shall survive the Closing. Any parking taxes owed to the City of Evanston will be paid prior to Closing by the Seller.

14. Possession. Possession of the Subject Property shall be delivered by Seller to Purchaser at Closing. Risk of loss to the Subject Property between the Execution Date and the date of the Closing shall be upon Seller.

15. Condemnation. In the event that any condemnation or eminent domain proceedings are threatened or instituted at any time prior to the Closing hereunder which results in or could result in the taking of any part or all of the Subject Property, Purchaser, by written notice given within thirty (30) days after notification thereof from Seller (and the Closing Date shall be extended accordingly to allow for such notice period, if necessary), shall have the option of: (i) canceling this Agreement, in which event the Deposit shall be forthwith returned by the holder thereof to Purchaser and upon such repayment, this Agreement shall be null, void and of no further force or effect and all parties hereto shall be released and relieved from any and all further liability or obligations hereunder, except those that survive termination of this

Agreement; or (ii) Closing the transaction contemplated by this Agreement, in which event the Purchase Price shall not be abated; provided, however, that Seller shall assign (with any necessary third-party consents) any condemnation or eminent domain award and its right to receive same to Purchaser. Seller agrees not to enter into any settlement of any condemnation proceedings or eminent domain proceedings without the prior written consent of Purchaser, and Seller agrees to immediately notify Purchaser in the event any condemnation or eminent domain proceeding be threatened or instituted. Purchaser's right to consent to any such settlement shall terminate on the date contemplated for Closing pursuant to this Agreement in the event Purchaser has not closed by such date.

16. Anti-Terrorism and Anti-Money Laundering Compliance

(a) Compliance with Anti-Terrorism Laws. Neither the Purchaser, the Seller, nor any person who owns a direct controlling interest in or otherwise controls the Purchaser or the Seller, or any assignee of the Purchaser, is (i) listed on the Specially Designated Nationals and Blocked Persons List (the "*SDN List*") maintained by the Office of Foreign Assets Control ("*OFAC*"), Department of Treasury, and/or on any other similar list ("*Other Lists*" and collectively with the SDN List, the "*Lists*") maintained by the OFAC pursuant to any authorizing statute, Executive Order or regulation (collectively, the "*OFAC Laws and Regulations*"); or (ii) a person (a "*Designated Person*") either (A) included within the term "designated national," as defined in the Cuban Assets Control Regulations, 31 C.F.R. Part 515, or (B) designated under Sections 1(a), 1(b), 1(c) or 1(d) of Executive Order No. 13224, 66 Fed Reg. 49079 (published September 25, 2001) or similarly designated under any related enabling legislation or any other similar Executive Orders (collectively, the "*Executive Orders*").

(b) No Violation of Anti-Money Laundering Laws. Neither Purchaser, any assignee of the Purchaser, nor any holder of a direct interest in an assignee of the Purchaser (i) is under investigation by any governmental authority for, or has been charged with, or convicted of, money laundering under 18 U.S.C. §§ 1956 and 1957, drug trafficking, terrorist-related activities or other money laundering predicate crimes, or any violation of the BSA, (ii) has been assessed civil penalties under any Anti-Money Laundering Laws, or (iii) has had any of its funds seized or forfeited in an action under any Anti-Money Laundering Laws. For purposes of this Paragraph 15, the term "*Anti-Money Laundering Laws*" means the Bank Secrecy Act, 31 U.S.C. §§ 5311 *et seq.* ("*BSA*"), and all applicable laws, regulations and governmental guidance on BSA compliance and on the prevention and detection of money laundering violations under 18 U.S.C. §§ 1956 and 1957.

17. 1031 Exchange. The parties acknowledge that Seller, or its assignees, may structure the sale of this Property so as to qualify for like-kind exchange treatment pursuant to §1031 of the Internal Revenue Code or other provisions providing favorable tax treatment. Accordingly, prior to each Closing, Seller reserves the right to assign this Agreement to a qualified exchange intermediary or other third party to the extent necessary to facilitate the exchange and shall give written notice of such assignment identifying the assignee at or prior to each Closing. As an accommodation to Seller, Purchaser agrees to accept performance pursuant to this Agreement from Seller's assignee to the extent of such permitted assignment and to perform pursuant to this Agreement for the benefit of Seller's assignee, provided that Purchaser shall not be required to acquire replacement property for Seller or to incur any additional

expense therefor and title to the Property shall be conveyed directly from Seller to Purchaser by the deed as required by this Agreement. Notwithstanding the foregoing, Seller shall remain primarily liable for the performance of the terms of this Agreement. If Purchaser desires to structure its acquisition of the Subject Property to qualify for like-kind exchange treatment pursuant to §1031 of the Internal Revenue Code or other provisions providing favorable tax treatment, Seller shall reasonably cooperate with Purchaser to effectuate the same.

18. Closing Representations. The obligations of Purchaser and Seller under this Agreement are subject to all of the representations and warranties of the other party contained in this Agreement having been true and correct in all material respects on the date hereof and on the date of Closing.

19. Default.

(a) If Purchaser shall default in the payment of the Purchase Price or otherwise default in any of the terms, covenants and conditions of this Agreement on the part of Purchaser to be performed in any material respect, or if any of the representations and warranties made by Purchaser herein shall be in any respect untrue in any material respect, Seller shall, as its sole and exclusive remedy, retain the Deposit as full and agreed upon liquidated damages in full settlement of any and all claims against Purchaser for damages or otherwise and Purchaser shall have no other or further liability hereunder other than any liability under any indemnification provisions in this Agreement. The parties acknowledge that this provision for liquidated damages is a fair and reasonable measure of the damages to be suffered by Seller in the event of Purchaser's default because the exact amount of damages is incapable of ascertainment. Notwithstanding any provision of this Agreement to the contrary, Purchaser shall not be in default hereunder, unless Seller shall have provided written notice of the alleged default and a period of ten (10) days after receipt of notice to cure same.

(b) If, on or before the Closing:

- (i) Seller is unable to deliver good, marketable and insurable title to the Subject Property subject only to the Permitted Exceptions, it being acknowledged by Purchaser that Seller is not obligated to cure title objections (other than as expressly set forth in Paragraph 5) as set forth in Paragraph 5; or
- (ii) Seller shall have failed to comply with any other material term, provision, covenant, agreement or condition of this Agreement; or
- (iii) any of the representations and warranties made by Seller herein shall be in any respect untrue in any material respect.

and if such failure, default or misrepresentation is not cured by Seller within ten (10) business days after notice thereof from Purchaser, then the Deposit shall immediately be returned to Purchaser, and Purchaser shall have the right:

- (A) to cancel this Agreement by giving written notice to Seller whereupon this Agreement shall be deemed to be terminated.

and Seller shall reimburse Purchaser for its actual out-of-pocket expenses incurred in connection with pursuing the transaction contemplated hereunder; or

(B) to take title subject to the defect, exception, objection, inaccuracy or failure; or

(C) to pursue an action for specific performance.

Without limiting Purchaser's rights contained in this Paragraph, in case of a Seller lien or Seller encumbrance on the Subject Property which can be removed at the time of Closing by payment of a liquidated amount, Seller covenants and agrees, at Purchaser's request, to remove such lien or encumbrance at Closing so that the Subject Property can be conveyed to Purchaser free of same except non-delinquent real estate taxes which are not yet due and payable.

20. Attorney's Fees. In connection with any litigation arising out of this Agreement, each party shall cover its own costs and expenses incurred, including, but not limited to, attorneys' fees actually incurred.

21. Notices. All notices pursuant to this Agreement shall be in writing and shall be considered as properly given or made (i) upon the date of personal delivery (if notice is delivered by personal delivery), (ii) on the date of delivery, as confirmed by electronic transmission (if notice is delivered by email transmission), (iii) on the day one (1) business days after deposit with an nationally recognized overnight courier service (if notice is delivered by internationally recognized overnight courier service), or (iv) on the third (3rd) business day following mailing, if within the United States, by first class United States mail, postage prepaid, certified mail, return receipt requested (if notice is given in such manner).

Notices as to Seller shall be sent to:

The City of Evanston
2100 Ridge Avenue
Evanston, IL 60201
Attn: Wally Bobkiewicz, City Manager
Email: wbobkiewicz@cityofevanston.org

With a copy to:

City of Evanston
2100 Ridge Avenue
Evanston, IL 60201
Attn: W. Grant Farrar, Corporation Counsel
Email: gfarrar@cityofevanston.org

Notices as to Purchaser shall be sent to:

Harrington Brown LLC
4256 N. Ravenswood Avenue, #109
Chicago, IL 60613
Attn: David Brown, Manager

With a copy to:

DLA Piper LLP (US)
444 W. Lake Street
Suite 900
Chicago, IL 60606
Attn: Paul Shadle and Katie Jahnke Dale

The place to which any party hereto is entitled to receive any notice may be changed by such party by giving notice thereof in accordance with the foregoing provision. Attorneys for either party may give notices on behalf of their respective clients.

22. Brokers. Each party hereto represents and warrants to the other party that it has not employed or retained any broker, finder or other intermediary in connection with the transactions provided for in this Agreement and that it has not had any dealings with any person or entity which may entitle such person or entity to a fee or commission. Additionally, each of the parties agrees that, should any claim for a commission or fee be made by another broker, then the party breaching the representation and/or warranty set forth in this Paragraph 21 will indemnify, defend and hold harmless the other party from and against any and all claims, liabilities, damages, expenses (including, without limitation, reasonable attorneys' fees) and costs resulting from such claim for a commission or fee.

23. Intentionally Deleted.

24. Exclusivity. From the Execution Date through the termination of this Agreement or the Closing, as applicable, Seller will not discuss or negotiate with any third party the sale or other disposition of any of the Subject Property, or enter into any contract (whether binding or not) regarding any sale or other disposition of the Subject Property.

25. Venue. This Agreement shall be governed by and enforced and construed under the laws of the State of Illinois. Venue shall be in Cook County, Illinois.

26. Assignment. Purchaser shall have the absolute right and power to assign this Agreement and its interests in this Agreement to an entity affiliated with Purchaser or its principals, provided that such assignment should not relieve it of its obligations under this Agreement, and Seller shall close the transaction contemplated by this Agreement with such assignee; otherwise, this Agreement is not assignable.

27. No Recording. The Purchaser agrees it shall not record this Agreement or a memorandum hereof, and in the event the Purchaser does record this Agreement or a

memorandum of this Agreement, then the Purchaser shall be deemed in default hereunder, and at the option of the Seller, the Purchaser's rights under this Agreement shall be null and void and of no further force and effect and the Seller shall have the right to exercise all of its rights and remedies under this Agreement.

28. Terms. Whenever the context so requires or admits, any pronoun used herein may be deemed to mean the corresponding masculine, feminine or neuter form thereof and the singular form of any nouns and pronouns herein may be deemed to mean the corresponding plural form thereof and vice versa.

29. Miscellaneous.

(a) This Agreement shall not be construed more strictly against either party, it being acknowledged that each party actively participated in the preparation of this Agreement.

(b) This Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors and/or assigns.

(c) This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same Agreement. This Agreement may be executed via telecopy or electronically.

(d) No waiver or modification of any provision of this Agreement shall be effective unless it is in writing and signed by Purchaser and Seller, and shall only be applicable to the specific instance to which it relates and shall not be deemed a continuing or future waiver.

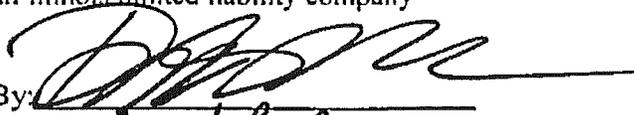
(e) Time is of the essence with respect to all time periods set forth in this Agreement.

30. Calculation of Time Periods. Unless otherwise specified, in computing any period of time described herein, the day of the act or event after which the designated period of time begins to run is not to be included and the last day of the period so computed is to be included, unless such last day is a Saturday, Sunday or legal holiday for national banks in the location where the Property is located, in which event the period shall run until the end of the next day which is neither a Saturday, Sunday, or legal holiday. Except where otherwise noted, the last day of any period of time described herein shall be deemed to end at 5:00 p.m. in the jurisdiction in which the Property is located.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Execution Date.

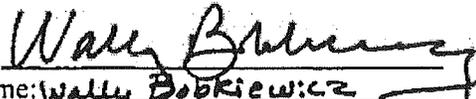
PURCHASER:

EVANSTON GATEWAY LLC
an Illinois limited liability company

By: 
Name: David R. Brown
Title: Sole member and Manager

SELLER:

THE CITY OF EVANSTON

By: 
Name: Wally Bobkiewicz
Title: City Manager.

Approved as to form:
W. Grant Farrar
Corporation Counsel

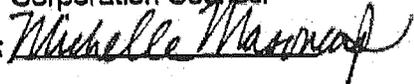
By: 

EXHIBIT A

LEGAL DESCRIPTION OF SUBJECT PROPERTY

PART OF THE SOUTH 6.25 CHAINS OF THE NORTH EAST ¼ OF SECTION 30, TOWNSHIP 41 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN. DESCRIBED AS FOLLOWS: COMMENCING AT THE INTERSECTION OF THE NORTH LINE OF HOWARD STREET, WITH THE EAST LINE OF THE RIGHT OF WAY OF THE CHICAGO AND NORTHWESTERN RAILROAD RUNNING THENCE EAST ALONG THE NORTH LINE OF HOWARD STREET TO ITS INTERSECTION WITH THE WEST LINE OF NORTH CLARK STREET (FORMERLY CHICAGO AVENUE) THENCE NORTHERLY ALONG THE WEST LINE OF SAID CLARK STREET 100 FEET, THENCE WEST PARALLEL WITH THE NORTH LINE OF HOWARD AVENUE TO THE EAST LINE OF THE RIGHT OF WAY OF CHICAGO AND NORTHWESTERN RAILROAD. THENCE SOUTHERLY ALONG SAID RIGHT OF WAY LINE 100 FEET MORE OR LESS TO THE POINT OF BEGINNING. PARCEL 2: THE NORTH 50 FEET OF THE SOUTH 150 FEET OF THAT PART OF THE SOUTH 6.25 CHAINS, LYING WEST OF THE WEST LINE OF CHICAGO AVENUE EAST OF THE EAST LINE OF CHICAGO AND NORTHWESTERN RAILROAD AND NORTH OF THE NORTHLINE OF HOWARD STREET OF THE NORTH EAST ¼ OF SECTION 30, TOWNSHIP 41 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Real property address: 100 North Chicago Avenue, Evanston, IL 60202

PINs: 11-30-212-007-0000 and 11-30-212-008-0000

CHI 66177323

EAST/14974849.5

EXHIBIT B

ESCROW INSTRUCTIONS

1. Investment and Use of Funds. For purposes of this Exhibit B, the Deposit, including any interest thereon, shall be collectively referred to herein as the "Earnest Money." The Escrow Agent shall invest the Earnest Money in government insured interest-bearing accounts satisfactory to Purchaser, shall not commingle the Earnest Money with any funds of the Escrow Agent or others, and shall promptly provide Purchaser and Seller with confirmation of the investments made. If the Closing under this Agreement occurs, the Escrow Agent shall deliver the Earnest Money into the closing escrow upon the instructions of Purchaser, to be applied against the Purchase Price.

2. Termination before Expiration of Due Diligence Period. The Due Diligence period under the Agreement expires on _____, 2017. If Purchaser elects to terminate the Agreement pursuant to the terms of this Agreement, Escrow Agent shall pay the entire Earnest Money to Purchaser two business days following receipt of a copy of the Due Diligence Termination Notice from Purchaser (as long as the current investment can be liquidated in two days). No notice to Escrow Agent from Seller shall be required for the release of the Earnest Money to Purchaser by Escrow Agent. The Earnest Money shall be released and delivered to Purchaser from Escrow Agent upon Escrow Agent's receipt of a copy of the Due Diligence Termination Notice despite any objection or potential objection by Seller. Seller agrees it shall have no right to bring any action against Escrow Agent which would have the effect of delaying, preventing, or in any way interrupting Escrow Agent's delivery of the Earnest Money to Purchaser pursuant to this Section, any remedy of Seller being against Purchaser, not Escrow Agent.

3. Termination after Expiration of Due Diligence Period. Except as otherwise expressly provided herein, at any time after the expiration of the Due Diligence Period, upon not less than 5 business days' prior written notice to the Escrow Agent and the other party, Escrow Agent shall deliver the Earnest Money to the party requesting the same; provided, however, that if the other party shall, within said 5 business day period, deliver to the requesting party and the Escrow Agent a written notice that it disputes the claim to the Earnest Money, Escrow Agent shall retain the Earnest Money until it receives written instructions executed by both Seller and Purchaser as to the disposition and disbursement of the Earnest Money, or until ordered by final court order, decree or judgment, which is not subject to appeal, to deliver the Earnest Money to a particular party, in which event the Earnest Money shall be delivered in accordance with such notice, instruction, order, decree or judgment.

4. Interpleader. Subject to Section 2 above, in the event of any controversy regarding the Earnest Money, unless mutual written instructions are received by the Escrow Agent directing the Earnest Money's disposition, the Escrow Agent shall not take any action, but instead shall await the disposition of any proceeding relating to the Earnest Money or, at the Escrow Agent's option, the Escrow Agent may interplead all parties and deposit the Earnest

Money with a court of competent jurisdiction. Seller or Purchaser, whichever loses in any such interpleader action, shall be solely obligated to pay such costs and fees of the Escrow Agent.

5. Liability of Escrow Agent. The parties acknowledge that the Escrow Agent is acting solely as a stakeholder at their request and for their convenience, that the Escrow Agent shall not be deemed to be the agent of either of the parties, and that the Escrow Agent shall not be liable to either of the parties for any action or omission on its part taken or made in good faith, and not in disregard of this Agreement, but shall be liable for its negligent acts and for any loss, cost or expense incurred by Seller or Purchaser resulting from the Escrow Agent's mistake of law respecting the Escrow Agent's scope or nature of its duties. Seller and Purchaser shall jointly and severally indemnify and hold the Escrow Agent harmless from and against all costs, claims and expenses, including reasonable attorneys' fees, incurred in connection with the performance of the Escrow Agent's duties hereunder, except with respect to actions or omissions taken or made by the Escrow Agent in bad faith, in disregard of this Agreement or involving negligence on the part of the Escrow Agent.

CHI 66177323

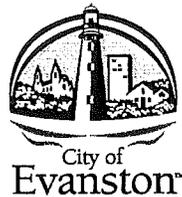
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EXHIBIT C

EXISTING PARKING AGREEMENTS TO BE TERMINATED

CHI 66177323

EAST 144974849.5



JOINT REVIEW BOARD MEETING

Thursday, November 29, 2017 – 9:00 am

Lorraine Morton Civic Center, 2100 Ridge Avenue, Room 2404

Members Present: Ald. Rainey, Mohammed Elahi, Natalie Selee, Laura Brown, Connie Pagal, Faye Conli

Staff Present: Martin Lyons, Paul Zalmezak, Janella Hardin

Others Present: Bob Rychlicki

Presiding Member: Alderman Rainey

AGENDA

1. CALL TO ORDER / DECLARATION OF QUORUM BY ALD. ANN RAINEY, CHAIR

With a quorum present, Alderman Rainey called the meeting to order at 9:08am.

2. APPROVAL OF JOINT REVIEW BOARD MEETING MINUTES OF NOVEMBER 17, 2016

Laura Brown moved approval of the Minutes of November 17, 2016, seconded by Natalie Selee. A voice vote was taken and the meeting minutes of November 17, 2016 were unanimously approved.

3. REVIEW OF ANNUAL REPORTS FOR FISCAL YEAR January 1, 2016 through December 31, 2016

Assistant City Manager Martin Lyons introduced himself, Economic Development Division Manager Paul Zalmezak and Kane McKenna representative Robert Rychlicki to the Board. He provided an introduction to TIF finances and economics for each district.

A. HOWARD HARTREY T.I.F. DISTRICT 3

Assistant City Manager Lyons noted that this TIF closed on December 31, 2016 with a surplus distribution of a little over \$600,000 to the taxing bodies over the summer. The fund balance on January 1, 2016 was \$1,281,115. There were cash disbursements of \$1,873,436 and deposits of \$1,235,994 resulting in an ending fund balance of \$643,673 as of December 31, 2016. The EAV has increased from \$8.5 to \$20.5 million.

The major expense in this TIF is the Autobarn tax sharing and loan agreement. Autobarn maxed out space their space on Chicago Ave and opened a second location behind Jewel to house inventory.

B. WASHINGTON NATIONAL T.I.F. DISTRICT 4

Assistant City Manager Lyons pointed out that this is the largest of the City's TIFs and the lowest vacancy rate of many downtowns. It started in 1994. It carries roughly a \$5

million balance reserved for future debt payments for the Sherman parking garage that will end in 2018. There are \$8.6 million in obligations, which includes \$6 million Fountain Square project improvements. The EAV at the start of the TIF was \$25.7 million and is now \$85.5 million, which is a 17% rise from the previous year.

The fund balance on January 1, 2016 was \$6,442,430. There were cash receipts of \$4,743,661 and expenditures of \$4,561,415 resulting in an ending fund balance of \$5,624,676 as of December 31, 2016.

Ald. Rainey noted that new developments opened after the expiration of TIF will create more EAV for taxing bodies with Target and Northlight Theater scheduled to open in this district.

C. HOWARD RIDGE T.I.F. DISTRICT 5

The Howard Ridge TIF is a very successful TIF. The EAV has doubled since it opened in 2004. In 2016, the City reimbursed 415 Howard 85% of the tax bill and it will continue to step down each year until no reimbursement is owed.

This TIF has a range of food and entertainment options. Ward Eight and Peckish Pig both purchased their properties from the City. 633 Howard is undergoing façade improvements for Sweet Temptations Bake Shop. Northshore Cider will open a cider house at 707B and C Howard. Good to Go Jamaican Cuisine has received a storefront modernization grant from Economic Development for 711 Howard. There is a \$1.7 million proposal to bring a cabaret-style theater to 717 Howard.

A private development has been approved for 100-130 Chicago Ave, the City Grange/Peterson Garden Project. This development will be a for profit enterprise that will include an education, sales and demonstration space. The developer is working with the railroad to get access to the embankment.

The fund balance on January 1, 2016 was -\$28,621. There were cash disbursements of \$787,249 and deposits of \$815,786 resulting in an ending fund balance of as of December 31, 2016.

D. WEST EVANSTON T.I.F. DISTRICT 6

This TIF was created in 2005 with an initial EAV of \$37,477,570. The current EAV is \$37,896,949. There is an opportunity to revisit the West Evanston plan to determine if this TIF should be closed or turned into a micro TIF.

The fund balance on January 1, 2016 was \$442,263. There were cash disbursements of \$37,998 and deposits of \$12,995 resulting in an ending fund balance of \$417,260 as of December 31, 2016.

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

Dempster Dodge is a micro TIF with multiple parcels with one owner, Valli Produce. It is surrounded by the West Evanston TIF. Valli Produce has invested approximately \$8 million in various improvements to the property and maintained occupancy in the shopping center.

There is potential for the West Evanston and Dempster Dodge TIFs to work together to develop the area.

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

This TIF started in 2013 with a \$2.9 million development agreement for the Chicago Main development. This TIF is surrounded by Special Service Area #6, which is a voluntary area. The Main has 110 units of which 85% are occupied.

The fund balance on January 1, 2016 was \$312,070. There were cash disbursements of \$1,756,993 and deposits of \$1,580,000 resulting in an ending fund balance of \$135,077 as of December 31, 2016.

4. BOARD DISCUSSION

Motion to accept the report made by Ald. Rainey and seconded by Mohammed Elahi. A voice vote was taken and the motion was unanimously approved.

Kane McKenna Representative Bob Rychicki summed up the reports noted that the Evanston property valuation outlook is good. Assistant City Manager Lyons added that all active TIFs are performing as expected.

5. ADJOURNMENT

Mohammed Elahi motioned to adjourn, seconded by Natalie Selee. Vote called and taken. **Meeting was adjourned at 10:41 am**

Respectfully Submitted,

Janella Hardin, PHR
Administrative Secretary

CITY OF EVANSTON, ILLINOIS

Combining Balance Sheet
 Nonmajor Governmental Funds

December 31, 2017

	Debt Service			
	Chicago Main Tax Increment District	Special Service Area No. 6	Howard Hartrey Tax Increment District	Washington National Tax Increment District
Assets				
Cash and equivalents	\$ 1,342	\$ 2,207	\$ -	\$ -
Investments	-	-	-	4,769,451
Receivables				
Property tax	-	221,000	-	-
Notes	-	-	-	-
Special assessments	-	-	-	-
Other	-	-	-	-
Due from other governments	-	-	-	-
Due from component unit	-	-	-	-
Due from other funds	60,000	-	-	493,237
Advances to other funds	-	-	-	-
Total Assets	\$ 61,342	\$ 223,207	\$ -	\$ 5,262,688
Liabilities				
Vouchers payable	\$ 149	\$ -	\$ -	\$ 144
Due to other governments	-	-	-	-
Due to component unit	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Unearned revenue	-	-	-	-
Total Liabilities	149	-	-	144
Deferred Inflows of Resources				
Long-term notes receivable	-	-	-	-
Unavailable revenue - property taxes	-	221,000	-	-
Total Deferred Inflows of Resources	-	221,000	-	-
Total Liabilities and Deferred Inflows of Resources	149	221,000	-	144
Fund Balances				
Restricted for				
Highway Maintenance	-	-	-	-
Emergency Telephone System	-	-	-	-
HUD Approved Projects	-	-	-	-
Neighborhood Improvements	-	-	-	-
Debt Service	61,193	-	-	5,262,544
Township	-	-	-	-
Committed	-	-	-	-
Assigned	-	2,207	-	-
Unassigned (deficit)	-	-	-	-
Total Fund Balances (Deficit)	61,193	2,207	-	5,262,544
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 61,342	\$ 223,207	\$ -	\$ 5,262,688

Debt Service			Capital Projects					Total
Dempster-Dodge	Howard Ridge	West Evanston	Total	Capital	Special	Crown	Total	Total
Tax	Tax	Tax	Debt	Improvements	Assessment	Capital	Capital	Nonmajor
Increment	Increment	Increment	Service		Projects	Projects	Projects	Governmental
District	District	District						Funds
\$ -	\$ -	\$ -	\$ 3,549	\$ 3,327,740	\$ 2,766,446	\$ 540,861	\$ 6,635,047	\$ 9,834,513
-	11,144	514,730	5,295,325	9,418,978	224,099	-	9,643,077	18,187,364
-	-	-	221,000	-	-	-	-	1,491,000
-	-	-	-	-	-	-	-	8,135,420
-	-	-	-	-	616,153	-	616,153	616,153
-	-	-	-	7,840	4,281	-	12,121	12,121
-	-	-	-	-	2,874	-	2,874	770,992
-	-	-	-	-	-	-	-	-
-	262,979	-	816,216	-	-	-	-	948,225
-	-	-	-	-	-	-	-	-
\$ -	\$ 274,123	\$ 514,730	\$ 6,336,090	\$ 12,754,558	\$ 3,613,853	\$ 540,861	\$ 16,909,272	\$ 39,995,788
\$ -	\$ 26,745	\$ 144	\$ 27,182	\$ 3,983,291	\$ -	\$ -	\$ 3,983,291	\$ 4,190,241
-	-	-	-	-	-	-	-	94,969
-	-	-	-	12,794	-	-	12,794	12,794
6,009	-	81,820	87,829	-	-	-	-	1,182,072
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	1,000,000
6,009	26,745	81,964	115,011	3,996,085	-	-	3,996,085	6,480,076
-	-	-	-	-	616,153	-	616,153	8,751,573
-	-	-	221,000	-	-	-	-	1,491,000
-	-	-	221,000	-	616,153	-	616,153	10,242,573
6,009	26,745	81,964	336,011	3,996,085	616,153	-	4,612,238	16,722,649
-	-	-	-	-	-	-	-	2,373,730
-	-	-	-	-	-	-	-	181,996
-	-	-	-	-	-	-	-	325,996
-	-	-	-	-	-	-	-	1,646,715
-	247,378	432,766	6,003,881	-	-	-	-	6,003,881
-	-	-	-	-	-	-	-	644,499
-	-	-	-	-	-	-	-	-
-	-	-	2,207	8,758,473	2,997,700	540,861	12,297,034	12,301,125
(6,009)	-	-	(6,009)	-	-	-	-	(204,803)
(6,009)	247,378	432,766	6,000,079	8,758,473	2,997,700	540,861	12,297,034	23,273,139
\$ -	\$ 274,123	\$ 514,730	\$ 6,336,090	\$ 12,754,558	\$ 3,613,853	\$ 540,861	\$ 16,909,272	\$ 39,995,788

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds

For the Fiscal Year Ended December 31, 2017

	Special Revenue				
	Motor Fuel Tax	Economic Development	Emergency Telephone System	Neighborhood Improvement	Affordable Housing
Revenues					
Taxes	\$ -	\$ -	\$ 978,523	\$ -	\$ 97,000
Special assessments	-	-	-	-	-
Intergovernmental	1,899,884	-	-	-	-
Charges for services	-	-	-	-	-
Investment income	18,158	-	7,178	256	5,623
Miscellaneous					
Contributions	-	-	-	-	325,000
Other	-	-	-	-	8,056
Total Revenues	1,918,042	-	985,701	256	435,679
Expenditures					
Current					
General management and support	-	-	-	-	-
Public safety	-	-	893,789	-	-
Public works	-	-	-	-	-
Housing and economic development	-	-	-	-	360,323
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Fiscal agent fees	-	-	-	-	-
Total Expenditures	-	-	893,789	-	360,323
Excess (Deficiency) of Revenues Over Expenditures	1,918,042	-	91,912	256	75,356
Other Financing Sources (Uses)					
Issuance of bonds	-	-	-	-	-
Issuance of loans	-	-	-	-	-
Premium (discount) on bonds issued	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers (out)	(957,990)	(2,996,226)	(72,977)	-	-
Total Other Financing Sources (Uses)	(957,990)	(2,996,226)	(72,977)	-	-
Net Change in Fund Balances	960,052	(2,996,226)	18,935	256	75,356
Fund Balances (Deficit), January 1	1,413,678	2,996,226	163,061	169,915	1,401,188
Fund Balances (Deficit), December 31	\$ 2,373,730	\$ -	\$ 181,996	\$ 170,171	\$ 1,476,544

Special Revenue							
HOME	Community Development Block Grant	Community Development Loan	Neighborhood Stabilization Program 2	Special Service District No. 4	Good Neighbor	General Assistance	Total Special Revenue
\$ -	\$ -	\$ -	\$ -	\$ 322,477	\$ -	\$ 933,020	\$ 2,331,020
-	-	-	-	-	-	-	-
227,450	1,906,708	-	37,641	-	-	-	4,071,683
-	-	-	-	-	-	-	-
5,685	-	3,392	-	5	1,884	1,547	43,728
-	-	-	-	-	1,000,000	-	1,325,000
21,820	263	51,369	-	-	-	33,019	114,527
254,955	1,906,971	54,761	37,641	322,482	1,001,884	967,586	7,885,958
-	-	-	-	-	-	909,475	909,475
-	-	-	-	-	-	-	893,789
-	-	-	-	-	-	-	-
248,055	1,900,376	13,070	33,123	329,000	-	-	2,883,947
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
248,055	1,900,376	13,070	33,123	329,000	-	909,475	4,687,211
6,900	6,595	41,691	4,518	(6,518)	1,001,884	58,111	3,198,747
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	(6,594)	-	(4,518)	-	(1,000,000)	-	(5,038,305)
-	(6,594)	-	(4,518)	-	(1,000,000)	-	(5,038,305)
6,900	1	41,691	-	(6,518)	1,884	58,111	(1,839,558)
2,377	64,106	210,921	-	(192,276)	-	586,388	6,815,584
\$ 9,277	\$ 64,107	\$ 252,612	\$ -	\$ (198,794)	\$ 1,884	\$ 644,499	\$ 4,976,026

(This schedule in continued on the following pages.)

CITY OF EVANSTON, ILLINOIS

Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds

For the Fiscal Year Ended December 31, 2017

	Debt Service			
	Chicago Main Tax Increment District	Special Service Area No. 6	Howard Hartrey Tax Increment District	Washington National Tax Increment District
Revenues				
Taxes	\$ 75,430	\$ 215,245	\$ -	\$ 5,249,949
Special assessments	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	9	22	1,320	45,923
Miscellaneous				
Contributions	-	-	-	-
Other	-	-	-	-
Total Revenues	75,439	215,267	1,320	5,295,872
Expenditures				
Current				
General management and support	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Housing and economic development	582,012	213,354	599,668	100,679
Capital outlay	-	-	-	-
Debt service				
Principal	3,000,000	-	-	-
Interest	87,500	-	-	-
Fiscal agent fees	-	-	-	-
Total Expenditures	3,669,512	213,354	599,668	100,679
Excess (Deficiency) of Revenues Over Expenditures	(3,594,073)	1,913	(598,348)	5,195,193
Other Financing Sources (Uses)				
Issuance of bonds	2,960,000	-	-	-
Issuance of loans	520,000	-	-	-
Premium (discount) on bonds issued	40,189	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	(78,000)	(45,325)	(5,557,325)
Total Other Financing Sources (Uses)	3,520,189	(78,000)	(45,325)	(5,557,325)
Net Change in Fund Balances	(73,884)	(76,087)	(643,673)	(362,132)
Fund Balances (Deficit), January 1	135,077	78,294	643,673	5,624,676
Fund Balances (Deficit), December 31	\$ 61,193	\$ 2,207	\$ -	\$ 5,262,544

Debt Service			Capital Projects				Total	
Dempster- Dodge Tax Increment District	Howard Ridge Tax Increment District	West Evanston Tax Increment District	Total Debt Service	Capital Improvements	Special Assessment Capital Projects	Crown Capital	Total Capital Projects	Nonmajor Governmental Funds
\$ 48,001	\$ 583,827	\$ 43,503	\$ 6,215,955	\$ -	\$ -	\$ -	\$ -	\$ 8,546,975
-	-	-	-	-	260,307	-	260,307	260,307
-	-	-	-	530,812	-	-	530,812	4,602,495
-	-	-	-	33,339	-	-	33,339	33,339
1	21	3,898	51,194	56,607	7,911	-	64,518	159,440
-	-	-	-	412,945	-	-	412,945	1,737,945
-	32,000	12,339	44,339	5,174	-	-	5,174	164,040
48,002	615,848	59,740	6,311,488	1,038,877	268,218	-	1,307,095	15,504,541
-	-	-	-	298,237	6,307	-	304,544	1,214,019
-	-	-	-	9,064	-	-	9,064	902,853
-	-	-	-	-	-	1,008,651	1,008,651	1,008,651
-	307,391	2,007	1,805,111	-	-	-	-	4,689,058
-	-	-	-	14,953,180	-	-	14,953,180	14,953,180
2,000,000	-	-	5,000,000	-	-	-	-	5,000,000
92,108	995	12,227	192,830	-	-	-	-	192,830
-	-	-	-	-	-	-	-	-
2,092,108	308,386	14,234	6,997,941	15,260,481	6,307	1,008,651	16,275,439	27,960,591
(2,044,106)	307,462	45,506	(686,453)	(14,221,604)	261,911	(1,008,651)	(14,968,344)	(12,456,050)
2,040,000	-	-	5,000,000	10,730,000	-	900,000	11,630,000	16,630,000
-	-	-	520,000	-	-	-	-	520,000
27,512	-	-	67,701	457,736	-	-	457,736	525,437
-	-	-	-	1,436,689	-	649,512	2,086,201	2,086,201
-	(60,000)	(30,000)	(5,770,650)	(1,149,512)	(263,427)	-	(1,412,939)	(12,221,894)
2,067,512	(60,000)	(30,000)	(182,949)	11,474,913	(263,427)	1,549,512	12,760,998	7,539,744
23,406	247,462	15,506	(869,402)	(2,746,691)	(1,516)	540,861	(2,207,346)	(4,916,306)
(29,415)	(84)	417,260	6,869,481	11,505,164	2,999,216	-	14,504,380	28,189,445
\$ (6,009)	\$ 247,378	\$ 432,766	\$ 6,000,079	\$ 8,758,473	\$ 2,997,700	\$ 540,861	\$ 12,297,034	\$ 23,273,139

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

Debt Service Funds

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Fiscal Year Ended December 31, 2017

	Chicago Main Tax Increment District		Special Service Area No. 6		Howard Hartrey Tax Increment District	
	Original and Final Budget	Actual	Original and Final Budget	Actual	Original and Final Budget	Actual
Revenues						
Taxes						
Property taxes	\$ -	\$ 75,430	\$ 220,000	\$ 215,245	\$ -	\$ -
Investment income	-	9	500	22	-	1,320
Miscellaneous	-	-	-	-	-	-
Total Revenues	-	75,439	220,500	215,267	-	1,320
Expenditures						
Housing and economic development	3,580,000	582,012	290,730	213,354	-	599,668
Debt Service						
Principal	-	3,000,000	-	-	-	-
Interest	60,000	87,500	-	-	-	-
Total Expenditures	3,640,000	3,669,512	290,730	213,354	-	599,668
Excess (Deficiency) of Revenues Over Expenditures	(3,640,000)	(3,594,073)	(70,230)	1,913	-	(598,348)
Other Financing Sources (Uses)						
Issuance of bonds	-	2,960,000	-	-	-	-
Issuance of loans	-	520,000	-	-	-	-
Premium (discount) on bonds issued	-	40,189	-	-	-	-
Transfers in (out)						
General	-	-	-	(78,000)	-	-
Capital improvement	-	-	-	-	-	-
Other	-	-	-	-	(599,667)	(45,325)
Total Other Financing Sources (Uses)	-	3,520,189	-	(78,000)	(599,667)	(45,325)
Net Changes in Fund Balances	<u>\$ (3,640,000)</u>	<u>(73,884)</u>	<u>\$ (70,230)</u>	<u>(76,087)</u>	<u>\$ (599,667)</u>	<u>(643,673)</u>
Fund Balances (Deficit)						
Beginning of Year		135,077		78,294		643,673
End of Year		<u>\$ 61,193</u>		<u>\$ 2,207</u>		<u>\$ -</u>

Washington National Tax Increment District		Dempster-Dodge Tax Increment District		Howard Ridge Tax Increment District		West Evanston Tax Increment District		Total	
Original and Final Budget	Actual	Original and Final Budget	Actual	Original and Final Budget	Actual	Original and Final Budget	Actual	Original and Final Budget	Actual
\$ 5,145,000	\$ 5,249,949	\$ -	\$ 48,001	\$ 555,000	\$ 583,827	\$ -	\$ 43,503	\$ 5,920,000	\$ 6,215,955
10,000	45,923	-	1	400	21	150	3,898	11,050	51,194
-	-	-	-	130,000	32,000	-	12,339	130,000	44,339
5,155,000	5,295,872	-	48,002	685,400	615,848	150	59,740	6,061,050	6,311,488
600,000	100,679	-	-	1,538,000	307,391	-	2,007	6,008,730	1,805,111
-	-	2,004,000	2,000,000	-	-	-	-	2,004,000	5,000,000
-	-	40,000	92,108	600	995	10,000	12,227	110,600	192,830
600,000	100,679	2,044,000	2,092,108	1,538,600	308,386	10,000	14,234	8,123,330	6,997,941
4,555,000	5,195,193	(2,044,000)	(2,044,106)	(853,200)	307,462	(9,850)	45,506	(2,062,280)	(686,453)
-	-	50,000	2,040,000	-	-	-	-	50,000	5,000,000
-	-	-	-	-	-	-	-	-	520,000
-	-	-	27,512	-	-	-	-	-	67,701
(350,000)	(500,000)	-	-	(60,000)	(60,000)	(30,000)	(30,000)	(440,000)	(668,000)
(5,470,000)	(936,689)	-	-	-	-	-	-	(5,470,000)	(936,689)
(4,120,636)	(4,120,636)	-	-	-	-	-	-	(4,720,303)	(4,165,961)
(9,940,636)	(5,557,325)	50,000	2,067,512	(60,000)	(60,000)	(30,000)	(30,000)	(10,580,303)	(182,949)
<u>\$ (5,385,636)</u>	<u>(362,132)</u>	<u>\$ (1,994,000)</u>	<u>23,406</u>	<u>\$ (913,200)</u>	<u>247,462</u>	<u>\$ (39,850)</u>	<u>15,506</u>	<u>\$ (12,642,583)</u>	<u>(869,402)</u>
	<u>5,624,676</u>		<u>(29,415)</u>		<u>(84)</u>		<u>417,260</u>		<u>6,869,481</u>
	<u>\$ 5,262,544</u>		<u>\$ (6,009)</u>		<u>\$ 247,378</u>		<u>\$ 432,766</u>		<u>\$ 6,000,079</u>

(See independent auditor's report.)

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**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH
STATE OF ILLINOIS PUBLIC ACT 85-1142**

The Honorable Mayor
Members of the City Council
City of Evanston, Illinois

We have examined management's assertion that the City of Evanston, Illinois (the City) complied with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) during the year ended December 31, 2017. As discussed in that representation letter, management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion about compliance with the specified requirements is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about whether management's assertion is fairly stated, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with statutory requirements.

In our opinion, management's assertion that the City of Evanston, Illinois, complied with the aforementioned requirements for the year ended December 31, 2017, is fairly stated in all material respects.

This report is intended solely for the information and use of the City Council, management, the joint review board, the Illinois State Comptroller, and the Illinois Department of Revenue and is not intended to be and should not be used by anyone other than these specified parties.

Sikich LLP

Naperville, Illinois
June 22, 2018