



CITY OF WASHINGTON, ILLINOIS

City Council Agenda Communication

Meeting Date: May 3, 2021

Prepared By: Jon Oliphant, AICP, Planning & Development Director

Agenda Item: TIF Funding Request – Washington Historical Society, 128 Washington Square

Explanation: The Washington Historical Society has submitted an application for TIF assistance to complete interior building improvements to the first and second floors to the Danforth building at 128 Washington Square. WHS recently purchased the building from Gross Enterprises, LLC. The building was constructed in 1897 and is part of the Square Historic District.

The improvements would consist of the installation of two new windows on the main level, the replacement of the rear door, electrical upgrades to both levels (new breakers, separating the electric services, and reconstructing the second-floor service), and constructing a divider on the main floor to allow for dedicated access to the elevator and basement. The bulk of the work would be on the second floor and include a new ceiling, upgrading the HVAC, restoring and painting the walls, installing new flooring, and removing non-structural walls to facilitate having a larger room. At the current time, WHS is planning on leasing the first level, ideally for a retail use or restaurant, though there is no lease currently in effect. The second floor would be used as office, research, display, and meeting space for WHS.

The only prior TIF redevelopment agreement for the Danforth building was approved in 2009 with Gross Enterprises. That agreement provided for a 40% TIF subsidy for work that was to be done to the exterior of the building and to resurface the parking lot to the south. The completed work did not include the resurfacing of the lot, most of which the City eventually purchased and reconstructed at a later time. The submitted TIF-eligible quotes for the interior renovation totals \$161,988.

Fiscal Impact: Staff recommends a 30% subsidy for this project. Based on this level, a not-to-exceed amount of \$48,596.40 is recommended to be paid in a single installment. This would be reimbursed from the TIF Fund upon completion of the project and the submittal of the paid invoices.

Recommendation/

Committee Discussion Summary: Staff recommends approval of the above subsidy level for this project for a not-to-exceed amount of \$48,596.40. The Finance and Personnel Committee recommended approval of this project at its meeting on April 19.

Action Requested: Approval of the attached ordinance and redevelopment agreement with Washington Historical Society. A first reading ordinance is scheduled for the May 3 City Council meeting and a second reading will be scheduled for the May 17 meeting.

Ordinance No. _____

(Adoption of this ordinance would approve a TIF redevelopment agreement with the Washington Historical Society for the redevelopment of 128 Washington Square).

AN ORDINANCE AUTHORIZING THE MAYOR AND CITY CLERK TO ENTER INTO AN AGREEMENT FOR PRIVATE DEVELOPMENT WITH THE WASHINGTON HISTORICAL SOCIETY FOR THE REDEVELOPMENT OF A PORTION OF THE DOWNTOWN TAX INCREMENT REDEVELOPMENT PROJECT AREA

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF WASHINGTON, TAZEWELL COUNTY, ILLINOIS, as follows:

Section 1. That the Agreement for Private Redevelopment between the City of Washington, Illinois, and the Washington Historical Society for the redevelopment of a portion of the Downtown Tax Increment Redevelopment Project Area, a copy of which is attached hereto, marked "Exhibit A," and by reference expressly made a part hereof, be, and the same is hereby approved.

Section 2. That the Mayor and City Clerk of the City of Washington be, and hereby are, authorized, empowered, and directed to enter into and execute said Agreement on behalf of the City of Washington in substantially the form of the document attached hereto, marked "Exhibit A," and by reference expressly made a part hereof, and to make, execute, and deliver any and all documents necessary for the effectiveness thereof.

Section 3. That this Ordinance shall be in full force and effect from and after its passage, approval, and publication as provided by law.

Section 4. That all ordinances or parts thereof in conflict herewith are hereby expressly repealed.

PASSED AND APPROVED this _____ day of _____, 2021.

AYES: _____

NAYS: _____

Mayor

ATTEST:

City Clerk

**AGREEMENT FOR PRIVATE REDEVELOPMENT
BETWEEN THE CITY OF WASHINGTON,
TAZEWELL COUNTY, ILLINOIS, AND
WASHINGTON HISTORICAL SOCIETY**

THIS AGREEMENT for Private Redevelopment made and entered into this _____ day of _____, 2021, by and between the **CITY OF WASHINGTON, TAZEWELL COUNTY, ILLINOIS**, an Illinois home-rule municipal corporation (hereinafter referred to as the “City”), exercising its governmental powers pursuant to the 1970 Constitution of the State of Illinois, and **THE WASHINGTON HISTORICAL SOCIETY**, an Illinois not-for-profit corporation (hereinafter referred to as “Developer”):

R E C I T A L S

WHEREAS, the City is considering a program for the rehabilitation and renovation of a portion of the Downtown Tax Increment Redevelopment Project Area (hereinafter referred to as the “Project Area”) in the City, pursuant to the Illinois Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 *et seq.*) (hereinafter referred to as the “Act”); and

WHEREAS, pursuant to the provisions of the Act, the City has adopted a Redevelopment Plan (hereinafter referred to as the “Plan”) pertaining to the redevelopment of the Project Area, a copy of said Plan is on file with the City Clerk; and

WHEREAS, the City, to achieve the objectives of the Plan and in accordance with the uses set forth therein, intends to assist the Developer in its redevelopment of the real estate more particularly described below, commonly known as 128 Washington Square, Washington, Illinois, (hereinafter referred to as the “Real Estate”) through the City assistance in the payment of certain redevelopment project costs of the Developer, in consideration of which Developer is willing to redevelop the interior and exterior of the Real Estate; and

WHEREAS, the Real Estate is legally described as follows:

ORIG TOWN NW ¼ SEC 24 59 FT W END LOT 27 & SW PT LOT 28 2FT X 59 FT;
all situated in the City of Washington, Tazewell County, Illinois.

PIN: 02-02-24-108-017

Commonly known as: 128 Washington Square, Washington, IL 61571

WHEREAS, it is necessary to redevelop the Real Estate in order to arrest the economic and physical decline of the Project Area, and to promote a policy of stabilization in the Project Area; and

WHEREAS, the City believes the redevelopment of the Real Estate pursuant to the Plan is in the vital and best interests of the City and the health, safety, and welfare of its residents, and

in accordance with the public purposes and provisions of the applicable federal, state, and local laws:

NOW, THEREFORE, in consideration of the premises and the mutual obligations and covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby expressly acknowledged, the parties hereto covenant, consent, and agree as follows:

SECTION I DEVELOPER'S COVENANTS

A. Redevelopment Project. The Developer, its successors or assigns, agrees on behalf of itself, its successors or assigns, to redevelop the Real Estate described above, located at 128 Washington Square, Washington, Illinois. Developer will make renovations to the interior of the structure to allow for use as an office, research, display, and meeting space on the second floor, and a future commercial use on the main floor, pursuant to the plans and specifications attached hereto as Exhibit A and by reference expressly made a part hereof ("Remodel Specifications").

B. Interior Renovation. The Developer agrees it will renovate the interior of the structure located on the Real Estate so as to allow for use as an office, research, display, and meeting space on the second floor, and a future commercial use on the main floor, in accordance with the Remodel Specifications. In that connection, the Developer shall rehabilitate the:

- (1) Interior
 - (a) Install new windows and replace rear door.
 - (b) Install new breakers, separate electrical services, and reconstruct second-floor service.
 - (c) Construct divider for dedicated access to elevator and basement.
 - (d) Construct new ceiling.
 - (e) Upgrade HVAC.
 - (f) Restore and paint walls.
 - (g) Install new flooring.
 - (h) Remove non-structural walls.

The estimated total cost of the above-listed items for the interior renovation is One Hundred Sixty-One Thousand Nine Hundred Eighty-Eight Dollars (\$161,988.00). Developer will comply with any and all nationally accepted standards for rehabilitation in the renovation and remodeling of the structure.

C. Commencement of Redevelopment. Developer shall commence the redevelopment of the Real Estate on or after May 18, 2021.

D. Completion of Redevelopment. Developer shall complete the redevelopment of the Real Estate on or before October 31, 2021.

E. Payment of Taxes. In order to assure the proper flow of tax revenues anticipated pursuant to the Plan and this Agreement, the Developer, its successors and assigns, covenants as follows:

- (1) It will promptly and timely pay all applicable taxes when due.
- (2) In the event that all applicable taxes are not paid by Developer within thirty (30) days from the date said taxes are due and owing during the period of time the City has an obligation to grant any incentives hereunder, including, but not limited to, payment of a portion of Developer's relocation costs, the City may make payment of the taxes due and owing on the property. The amount so advanced by the City shall be immediately due and owing from the Developer to the City and shall bear interest from the date of payment at the rate of twelve percent (12%) per annum compounded quarterly until paid in full. The City shall have a lien against all of the Redeveloper's property for all amounts paid together with interest and all expenses incurred in the recovery of said amounts, including, but not limited to, attorney's fees incurred in collecting said amounts. The City may bring such actions as may be deemed appropriate to enforce payment and/or enforce the lien hereinabove granted against the property.

F. Commencement of Operations. Developer agrees for itself, its successors and assigns, that the building's second floor operations will support the use as an office, research, display, and meeting space. The main floor operations are intended to support a future commercial use. Developer will use its best efforts to ensure the building is occupied by a going concern during such time or periods of time as the City is obligated hereunder to render any redevelopment assistance or to pay any redevelopment project costs, as same are defined pursuant to the Act.

G. Exemption from Tax. The Real Estate is exempt from real estate taxes. If Developer transfers title to the Real Estate, Developer covenants that it shall require all successors and lessees to the Real Estate not apply for, seek or authorize any exemption from the imposition of real estate taxes on said Real Estate without first obtaining the prior written approval of the City. Nothing herein contained shall be construed so as to prevent the Developer from contesting the assessment or collection of any taxes under statutory procedure set forth in the Illinois Revised Statutes; provided however, that Developer shall give the City at least fifteen (15) days prior written notice of its intent to contest the assessment or collection of real estate taxes.

H. Indemnification of City. The Developer agrees for itself, its successors and assigns, to indemnify and save the City and its officers and employees, free, harmless, and indemnified from and against any and all claims by or on behalf of any person, firm, corporation, or other entity, whether private, public or governmental, arising (a) from the conduct or management of, or from any work or thing done on, the Real Estate; (b) any breach or default on the part of the Developer or its successors or assigns in the performance of any of its obligations under this Agreement; (c) any act of negligence of Developer or any of its agents, contractors, servants, employees, or licensees; (d) any act of negligence of any assignee, lessee or sub-lessee of the Developer, or any agents, contractors, servants, employees, or licensees of any assignee, lessee, or sub-lessee of the Developer; (e) any violation by the Developer or any other person of state, federal, or local laws, rules, and regulations; (f) any performance by the City of any act required hereunder or requested by the Developer or its successors and assigns other than willful misconduct by the City. The Developer agrees to indemnify and save the City free, harmless, and indemnified from and against any and all costs and expenses incurred in or in connection with any such claim arising as aforesaid or in connection with any action or proceeding brought thereon.

I. Equal Opportunity. The Developer agrees for itself, its successors and assigns, that Developer and such successors and assigns shall not discriminate in violation of any applicable federal, state, or local laws or regulations upon the basis of race, color, religion, sex, age, or national origin or other applicable factors in the sale, lease, rental, operation, or management, or in the use or occupancy of the property or any part thereof.

J. Payment of Prevailing Wages. Developer shall pay the prevailing rate of wages in the locality for each craft or type of worker or mechanic needed to remodel and renovate the existing building, also the general prevailing rate for legal holiday and overtime work, as ascertained by the Illinois Department of Labor's current prevailing wage rates for Tazewell County, Illinois, upon the effective date of this agreement.

K. Breach of Agreement. Should Developer, its successors or assigns, fail to comply with or satisfy any of the terms and conditions of this Agreement, at any time or times during the term of this Agreement, or during any period or periods of time during which the City has an obligation hereunder to render or provide Developer any redevelopment assistance or to pay any redevelopment project costs as same are defined pursuant to the Act, Developer agrees for itself, its successors and assigns, that it will immediately pay to the City any and all sums previously expended by the City in connection with or arising out of the City's obligations hereunder to pay certain redevelopment project costs, together with all costs of collection of same, including but not limited to the City's reasonable attorney's fees, court costs and costs of collection whether incurred for preparation, negotiation, trial, appellate or otherwise.

SECTION II CITY'S OBLIGATIONS

A. Qualified Redevelopment Project Costs.

(1) If Developer shall perform the agreements herein contained and certifies an actual cost incurred that equals or exceeds the estimated cost contained herein, the City shall pay directly from the Special Tax Allocation Fund for the Project Area (hereinafter referred to as the "General Account") a sum not to exceed the amount of Forty-Eight Thousand Five Hundred Ninety-Six Dollars and Forty Cents (\$48,596.40), more particularly limited and set forth on Exhibit B, a copy of which is attached hereto and by reference expressly made a part hereof.

(2) The City shall pay the above-stated costs in one (1) lump sum payment within sixty (60) days after final completion of the renovation and remodeling of the structure on the Real Estate.

(3) The City's obligation to pay any of the above-stated costs shall not arise until and unless the following shall first occur:

(a) Sufficient funds are available and on deposit in the Special Tax Allocation Fund for the Project Area.

(b) If, in any given year, there are not sufficient funds in the Special Tax Allocation Fund for the Project Area to pay all of the above-stated amounts, any shortfall shall be an obligation that is carried over from year to year until sufficient funds generated by the Project Area become available in the Special Tax Allocation Fund.

B. Miscellaneous. The City, without expense to the Developer except as set forth herein, shall, in accordance with the TIF Plan, provide or secure or cause to be provided or secured the following: It is contemplated by the parties hereto, that all matters of rezoning, including amending the Comprehensive Plan, if necessary, in order to conform the zoning of the Project Site to the uses intended by this Agreement, be accomplished prior to the construction of the Project by the Developer. Therefore, Developer shall cooperate with the City in providing such information as necessary for and to the appropriate bodies to consider such rezoning, variations and amendments. At the present time, the property is zoned C-2, which the parties contemplate as being adequate for Developer's purposes.

SECTION III GENERAL PROVISIONS

A. Choice of Law. This Agreement shall be construed under and pursuant to the laws of the State of Illinois.

B. Execution of Counterparts. If this Agreement is executed in two or more counterparts, each shall constitute one and the same instrument and shall be recognized as an original instrument.

C. Reference to Headings. Unless otherwise specified, references to sections and other subdivisions of this Agreement are to the designated sections and other subdivisions of this Agreement as originally executed.

D. Entirety of Agreement. This Agreement is the entire agreement between the parties hereto, and any other agreements, whether written or oral, entered into by the parties prior to the date hereof shall be deemed to be null and void and have merged into this Agreement by virtue of the execution hereof.

E. Force Majeure. Any delay or failure of any party in the performance of its required obligations hereunder shall be excused if and to the extent caused by acts of God, strikes, lockouts, action of regulatory agencies, fire, flood, windstorm, adverse weather conditions, accidents, explosion, riot, war, sabotage, court injunction or order, loss of permits, failure to obtain permits, and cause or causes beyond the reasonable control of the party affected provided that a prompt notice of such delay is given by such party to the other parties and each of the parties hereto shall be diligent in attempting to remove such cause or causes.

F. Attorneys' Fees. In the event any action or legal proceeding is commenced to enforce any provision in connection with this Agreement, the prevailing party shall be entitled to recover as part of such action or proceedings, or in a separate action brought for that purpose, reasonable attorneys' fees and court costs as may be fixed by the court.

G. No Other Legal Relationship Created. Nothing contained in this Agreement shall be deemed or construed as creating a relationship of principal and agent, or of partnership or of joint venture between the parties hereto.

H. No Other Legal Relationship Created. Nothing contained in this Agreement shall be deemed or construed as creating a relationship of principal and agent, or of partnership or of joint venture between the parties hereto.

I. Notices The notices required by this Agreement shall be deemed to be delivered when hand-delivered or when deposited in the United States mail, by certified mail, return receipt requested, postage prepaid, addressed to the party at the respective addresses set forth below, or at such other addresses as the parties may from time to time designate in writing:

Developer: THE WASHINGTON HISTORICAL SOCIETY
Attn: Jewel Ward
P.O. Box 54
Washington, Illinois 61571

City: City of Washington
Attn: City Clerk
301 Walnut Street
Washington, IL 61571

With a copy to: Derek A. Schryer
Davis & Campbell L.L.C.
401 Main Street, Suite 1600
Peoria, Illinois 61602

IN WITNESS WHEREOF, the parties hereto have executed this Agreement and caused their respective seals to be affixed and attested thereto as of the date and year first above written.

**CITY OF WASHINGTON
TAZEWELL COUNTY, ILLINOIS**

**THE WASHINGTON HISTORICAL
SOCIETY**

By _____
Mayor

By: _____
Jewel Ward

ATTEST:

City Clerk

CITY

DEVELOPER

ELIGIBLE EXPENSES	ESTIMATE	BASE SUBSIDY %	BASE SUBSIDY AMT.	HISTORIC REHAB./SCOPE BONUS %	HISTORIC REHAB./SCOPE BONUS AMT.	TOTAL SUBSIDY %	TOTAL SUBSIDY AMT.
Exterior Work							
SUBTOTAL	#REF!	20%	#REF!		#REF!		#REF!
Interior Work							
Window installation/door replacement	\$ 12,300.00	20%	\$ 2,460.00	10%	\$ 1,230.00	30%	\$ 3,690.00
New breakers/separate electric	\$ 19,465.00	20%	\$ 3,893.00	10%	\$ 1,946.50	30%	\$ 5,839.50
Remove/construct divider wall	\$ 9,900.00	20%	\$ 1,980.00	10%	\$ 990.00	30%	\$ 2,970.00
Reconstruct ceiling/HVAC/2nd floor electric/painting/flooring	\$ 120,323.00	20%	\$ 24,064.60	10%	\$ 12,032.30	30%	\$ 36,096.90
SUBTOTAL	\$ 161,988.00	20%	\$ 32,397.60	10%	\$ 16,198.80	30%	\$ 48,596.40
TOTALS	\$ 161,988.00	20%	\$ 32,397.60	10%	\$ 16,198.80	30%	\$ 48,596.40 (NOT TO EXCEED)

PROPOSED REIMBURSEMENT SCHEDULE

Duration: 1 payment

Year 1 \$48,596.40

EXHIBIT B

CITY OF WASHINGTON, ILLINOIS
APPLICATION FOR TAX INCREMENT FINANCING (TIF) ASSISTANCE
PRIVATE REDEVELOPMENT INCENTIVE

Complete this form in its entirety and attach all necessary documents. Submit the completed application to the Planning & Development Department at 301 Walnut Street, Washington, IL 61571. If you have any questions, contact Jon Oliphant, Planning & Development Director at 444-1135 or by email at joliphant@ci.washington.il.us.

Applicant name: Washington Historical Society (please print or type)
Mailing address: P.O. Box 54 Daytime Phone: C/773/425-0499
Email Address: mbhehl@mtcc.com I would like to receive correspondence by: ☐ Mail ☒ Email

1. Applicant interest in property (check one): ☒ Owner/Mortgagor ☐ Purchaser ☐ Tenant
☐ Third-Party (name) _____

2. Property owner name: Washington Historical Society

3. Business name(s): _____

4. Project address or location: 128 Washington Square

5. Property tax ID number(s): 02-02-24-108-017

6. Current use of property: Vacant

7. Proposed use of property: Lease 1st level to other business; Use 2nd fl. for office research, meetings, displays

8. Choose the applicable project (check all that apply): ☐ New construction ☒ Interior renovation
☐ Exterior renovation/restoration ☐ Relocation ☐ Site improvement ☐ Other

9. Describe the nature of work proposed for the property: Please see attached

10. Estimated total project cost: \$ 161,988.⁰⁰

11. Attach the following documentation to support the project and to complete the application for TIF assistance:

- ✓ Preliminary, itemized cost estimates or quotes from a contractor or design professional;
- ✓ Scaled plans, renderings, and/or photos, as applicable, clearly illustrating the proposed improvements; and
- ✓ A copy of the Warranty Deed, including a legal description and owner name for the property.

12. Sign and date below to complete the application.

Melissa B. Hehl
Applicant signature

April 14, 2021
Date

Property owner signature (if different from applicant)

Date

IMPORTANT: If the Finance Committee votes on a level of assistance, it will be included in a contract agreement between the City and applicant. NO WORK SHALL BEGIN UNTIL THE CONTRACT DOCUMENTS ARE APPROVED BY THE CITY COUNCIL. Any work that begins prior to contract approval shall be ineligible for TIF assistance.

APPLICATION FOR TAX INCREMENT FINANCING (TIF) ASSISTANCE

Washington Historical Society

Nature of work proposed for the property:

The Washington Historical Society has recently purchased the building at 128 Washington Square. Once renovated, we intend to use this building for research, meetings, archive storage, special events, and displays. However, first, the building needs to be renovated to meet our needs. While we intend to lease the main level to a retail or restaurant use and only use the second floor and basement for the Society, some of the proposed improvements that we are making will affect the entire building. Other improvements will only be done to the second floor.

We propose to do the following work:

Install 2 new windows on the main level And replace rear door	\$10,500.00 + \$1,800
Electrical upgrades (new breakers, separate Main and upper floor into two accounts	\$19,465.00
Remove wall, create new divider on 1 st level to enable WHS access to elevator and basement w/o Going through main building space	\$9,900
Rehab second floor, including new ceiling, HVAC updating, restore / paint walls, new flooring, remove walls around small room to add s.f. to large room	\$120,323
TOTAL	\$161,988.00



2400 SW Adams Street
Peoria, IL 61602
Phone: 309-676-3573
www.kellyglass.com

PROPOSAL SUBMITTED TO:
JOB NAME:
JOB LOCATION:

Brad Ward
128 Washington Square
Washington, IL

We propose to furnish and install the following per your request and our jobsite meeting:

Aluminum Framed Entrances and Storefronts

- (1) Single Nuplank aluminum door and aluminum frame, 3'0" x 7'0" with vision kit
- (2) Kawneer #451T fixed thermal aluminum window frames at exterior
 - (1) Approx. 5'11" x 6'3"
 - (1) Approx. 5'11" x 7'0"
- New aluminum door hardware to be provided as follows:
 - SL-11HD Continuous geared hinge
 - Marks M9900 rim panic at interior
 - Phoenix 416RWP closer
 - NGP 600 bottom sweep
 - NGP 425 ADA compliant saddle threshold
- Aluminum door and frame finish to be Clear anodized or Dark Bronze anodized – see below add for Kynar paint
- Aluminum window frame finish to be Kawneer #22 2-coat Kynar to match existing
- 1" Clear Solarban60 low-e insulated tempered safety glass with argon
- Perimeter sealants adjacent to our aluminum systems are included
- Demolition and disposal of existing openings are included
- Matching brake metal flashing is included

We propose to furnish material, labor, and tax; complete in accordance with the above specifications for the sum of:

\$10,500.00

Add for Nuplank matching kynar paint in lieu of anodized finished

+ \$1,800.00

PROPOSAL SUBMITTED BY: *Eric Antrim* **DATE:** 2/18/21

ALL MATERIAL IS GUARANTEED TO BE AS SPECIFIED ON PROPOSAL. ALL WORK IS TO BE COMPLETED IN A WORKMANLIKE MANNER ACCORDING TO STANDARD PRACTICES. NO WARRANTY FOR GLASS BREAKAGE UNLESS DIRECTLY CAUSED BY KGI. ANY ALTERATION OR DEVIATION FROM ABOVE SPECIFICATIONS INVOLVING EXTRA COSTS WILL BE EXECUTED ONLY UPON WRITTEN ORDER AND WILL BECOME AN EXTRA CHARGE OVER AND ABOVE AMOUNT QUOTED. GLASS LABELS AND FABRICATION MARKINGS WILL BE REMOVED BY KGI. FINAL CLEANING OF GLASS AND ALUMINUM ARE NOT INCLUDED. COMPLETION DATES ARE NOT GUARANTEED AND ARE CONTINGENT UPON STRIKES, ACCIDENTS, OR ANY OTHER DELAYS BEYOND OUR CONTROL. KGI IS NOT RESPONSIBLE FOR ANY PERMITS OR BUILDER'S RISK INSURANCE THAT MAY BE REQUIRED. KGI WORKERS ARE FULLY COVERED BY WORKMAN'S COMPENSATION INSURANCE.

NOTE: WE RESERVE THE RIGHT TO WITHDRAW THIS PROPOSAL IF NOT ACCEPTED WITHIN 30 DAYS.

ACCEPTANCE OF PROPOSAL - THE ABOVE PRICES, SPECIFICATIONS AND CONDITIONS ARE SATISFACTORY AND ARE HEREBY ACCEPTED. THE UNDERSIGNED AUTHORIZES KGI TO DO THE WORK AS SPECIFIED ON PROPOSAL. PAYMENT FOR MATERIALS IS REQUIRED UPON DELIVERY TO KGI. PAYMENT FOR SERVICES IS REQUIRED AT TIME OF COMPLETION OF SAID SERVICES, UNLESS OTHERWISE STIPULATED BELOW. THE UNDERSIGNED AGREES TO PAY ALL LEGAL FEES AND EXPENSES NECESSARY TO COLLECT ANY BALANCE DUE ON THIS ACCOUNT AND TO PAY A SERVICE FEE OF 1.5 % PER MONTH ON ALL PAST DUE BALANCES.

SIGNATURE: _____ DATE: _____