



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Economic Development Division

m e m o r a n d u m

TO: Laurel Lunt Prussing, Mayor

FROM: Elizabeth H. Tyler, FAICP, Director, Community Development Services

DATE: October 30th, 2014

SUBJECT: **A Resolution Authorizing the Execution of a Judicial Deed for Certain Real Estate (2408 N Cunningham Avenue); AND**

An Ordinance Authorizing the Sale of Certain Real Estate (2408 N Cunningham Avenue); AND

An Ordinance Approving a Redevelopment Agreement with Kelly Dillard (2408 N Cunningham Avenue); AND

An Ordinance Revising the Annual Budget Ordinance, FY2014-15 (Redevelopment Agreement with Kelly Dillard, 2408 N Cunningham Avenue).

Introduction and Background

The City of Urbana has been approached by Kelly Dillard of Dig It of Champaign, Inc. regarding his interest in acquiring, demolishing, and redeveloping the site at 2408 N Cunningham Avenue. The site is located on the east side of Cunningham Avenue north of the I-74 interchange and encompasses the former Hanford Inn, a hotel which was condemned by the City of Urbana in 2010 after attempts to work with the property owner to bring the building into compliance with life safety codes were not successful. The current owner of the Hanford Inn has since abdicated responsibility for the hotel's maintenance and security, leaving the City of Urbana responsible for policing and barricading the structure to prevent criminal activity and further destruction and deterioration of the property. Additionally, the title to the property is encumbered by both a mortgage lien and substantial tax liens. For these reasons, the blighted property (Exhibit A) has become a safety nuisance to the public and a hindrance to further commercial development north of the I-74 interchange.

Presently, the property is assessed at \$159,660. Mortgage and tax liens on the property amount to over \$1,600,000. The extensive liens and blight on this property make it an extremely risky investment. Since the closing of the hotel in 2010 the City has been unsuccessful in identifying a developer willing to redevelop the site in its current condition. Without City assistance, the

property will remain an unattractive and financially infeasible private investment in addition to being a hindrance to public safety.

Following the condemnation and closure of the hotel in late 2010 due to fire code and life safety violations, the City sought and received a court-issued demolition order on the property in 2012, but were not able to act upon the order due to the high public cost of such a demolition, lack of a responsible developer or private entity to pursue subsequent redevelopment of the property, and the costly tax liability remaining on the property.

In late 2013, representatives of Dig It of Champaign and Realtax Developers, Ltd in Bloomington approached the city about their interest in taking on demolition, acquisition, and redevelopment of the property and to request that the City pursue measures to reduce the liabilities on the property. Due to lack of payment of taxes over a period of at least two years along with other indications of abandonment, the property subsequently became eligible for the judicial deed process, which was initiated by the City's attorney in 2014. The judicial deed process allows for the tax liability, mortgage, and other claims to be removed from the property in favor of the municipality and allows the City to transfer clear ownership of the property to a private party.

After receiving a preliminary proposal for demolition and redevelopment from Mr. Dillard, the City conducted a public Request for Proposals in May 2014 to solicit bids from other contractors. The Request was published in the News Gazette on May 1, 2014 and remained open for 31 days. During that time the City did not receive any other bids for the acquisition and demolition of the site. At this time, staff recommends that the City proceed with the Mr. Dillard's demolition plans. Dig It of Champaign County, Inc. brings substantial experience in the demolition of vacant hotel structures and other commercial structures, having recently completed the demolition of the former Gateway Studios Hotel at 1505 N Neil Street in Champaign.

Discussion

The attached resolution and three ordinances approve the following actions:

- 1) The resolution authorizes the City's acceptance of a judicial deed, which will secure clean title to the property, removing all liens. (Exhibit B)
- 2) The first ordinance approves the sale of real estate to Kelly Dillard, as well as an accompanying demolition contract requiring the prompt removal of the hotel structure. (Exhibit C)
- 3) The second ordinance approves a redevelopment agreement which will allow Kelly Dillard to receive reimbursement up to a total of \$300,000 upon substantial completion of the demolition of the hotel. (Exhibit D)
- 4) The third ordinance approves an amendment to the FY2014-2015 budget to provide \$60,000 of fund balance in Tax Increment Finance District #4 (TIF 4) for the demolition of the Hanford Inn and associated legal expenses. (Exhibit E)

Mr. Dillard has requested financial assistance to enhance the feasibility of this project. The

agreement for sale of real estate provides for sale of title for \$1.00 to Kelly Dillard, allowing Mr. Dillard to take full responsibility for the removal and remediation of asbestos, demolition of the hotel and the future redevelopment of the site. The redevelopment agreement provides \$300,000 in reimbursement toward the cost of asbestos remediation, demolition of the hotel, and the preparation of the site for redevelopment.

During and following demolition of the structure, Dig It, with the assistance of RealTax, will begin to market the property for subsequent redevelopment, potentially in concert with developable land to the south (i.e., Pickrell Farm) and directly east of the hotel building (Lot 2 of Park Subdivision). It is anticipated that this redevelopment could involve a subsequent Redevelopment Agreement to assist with the redevelopment of the site to a highest and best commercial use that can once again generate economic activity in the area.

Fiscal Impact

The costs associated with these agreements will be borne by TIF 4 which started FY2014-15 with a fund balance of \$2.2 million. In addition to the \$60,000 that would be allocated from fund balance by the proposed budget amendment, \$250,000 was budgeted for the demolition of the Hanford Inn in FY2013-14. The encumbered and newly budgeted funds would be used together to satisfy the terms of this agreement. A total of \$4,078 has been spent to date on attorney's fees, title work, and legal noticing associated with this site. The budget amendment would also provide for \$5,922 in funds beyond the \$300,000 needed for the incentive to cover any additional legal fees needed to advance this agreement.

The removal of this blighted structure will allow for redevelopment of a site that has remained vacant and unsafe for over four years. The derelict building is an obstacle to redevelopment on the North Cunningham Avenue Corridor and its removal has the potential to catalyze development on adjacent properties including the 23-acre Pickrell Farm site immediately to the south. The location at a major Interchange and close proximity to major commercial uses including O'Brien's Auto Park and Farm & Fleet store will make redevelopment of the site very attractive.

Options

1. Approve all of the proposed items as presented.
2. Approve all of the proposed items with changes. It should be noted that any changes will need to be agreed upon by the developer.
3. Do not approve any of the proposed items.

Recommendation

The prospect of removing a public safety nuisance and a substantial obstacle to both private redevelopment and the ability to further the beautification and economic vitality of the Cunningham Avenue corridor indicate that the proposed course of action is a benefit to the City and to TIF District #4.

Staff recommends that the City Council approve the attached resolution authorizing the acceptance of a judicial deed, the ordinance authorizing and agreement for the sale of property and the demolition of the building and the ordinance authorizing a redevelopment agreement, along with the accompanying budget amendment ordinance.

Prepared by:

Brandon S Boys, Economic Development Manager

Attachments:

- Exhibit A: Pictures of the Exterior and Interior of the Hanford Inn – December 29, 2011
- Exhibit B: A Resolution Authorizing the Execution of a Judicial Deed for Certain Real Estate
- Exhibit C: An Ordinance Authorizing the Sale of Certain Real Estate
- Exhibit D: An Ordinance Approving a Redevelopment Agreement with Kelly Dillard
- Exhibit E: An Ordinance Revising the Annual Budget Ordinance, FY2014-15

EXHIBIT A

Pictures of the Exterior of the Hanford Inn – July 20, 2012

A blighted, dangerous property



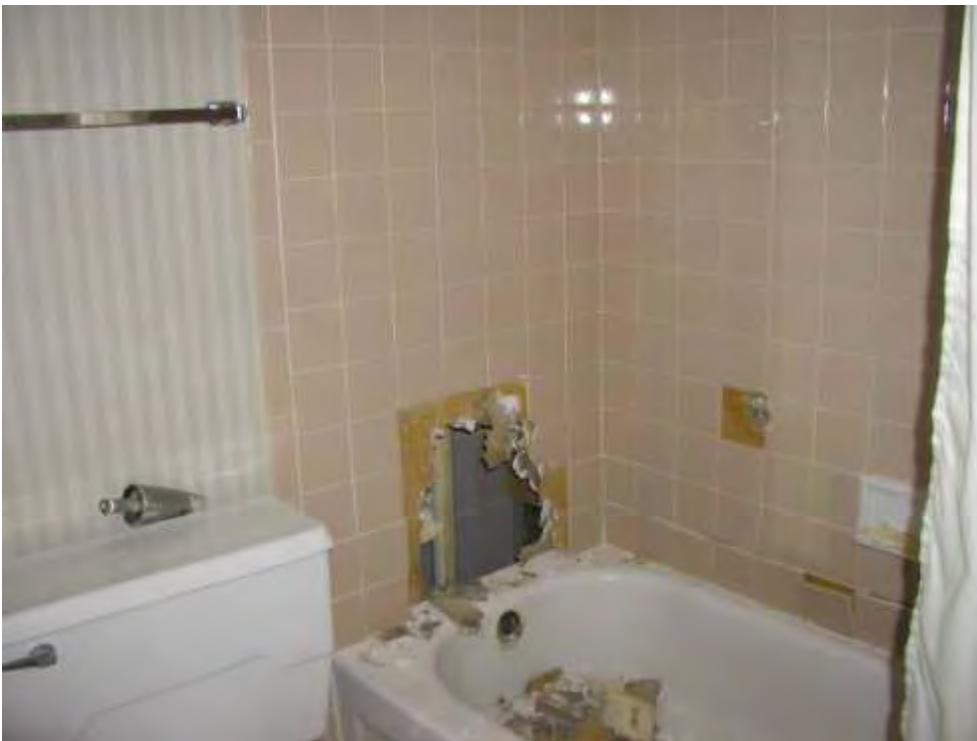
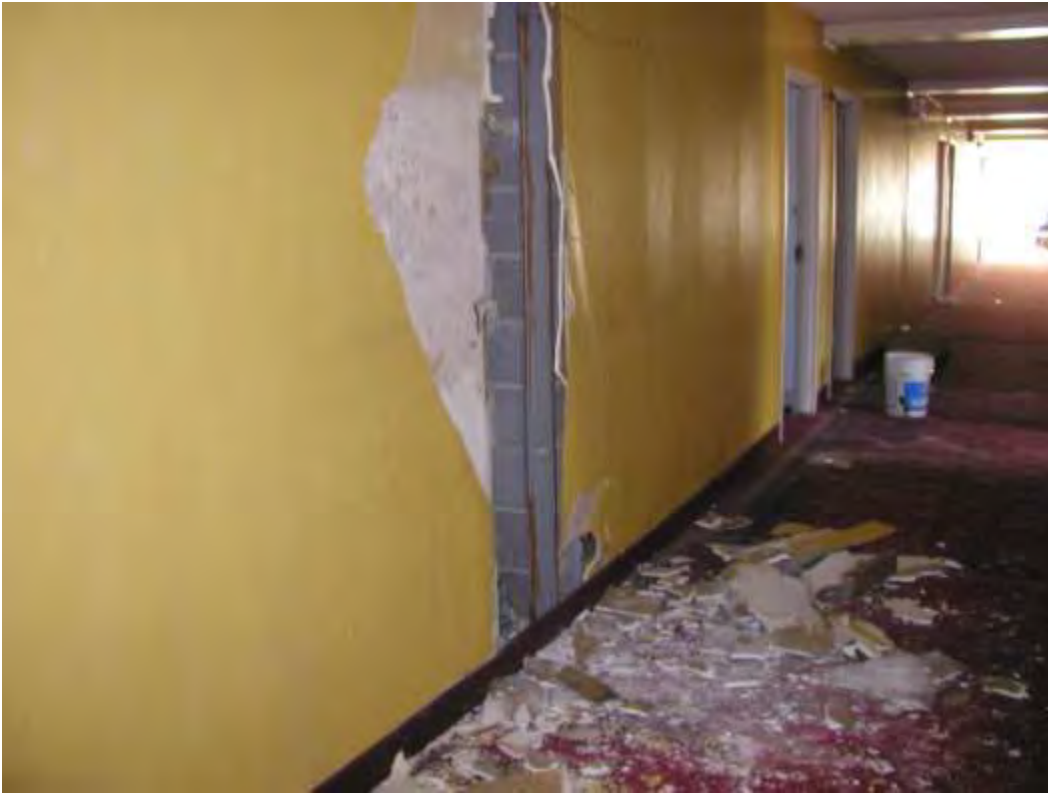
Pictures of the Exterior of the Hanford Inn – September 8, 2014

Ongoing trespassing, vagrancy, scavenging, and security challenges



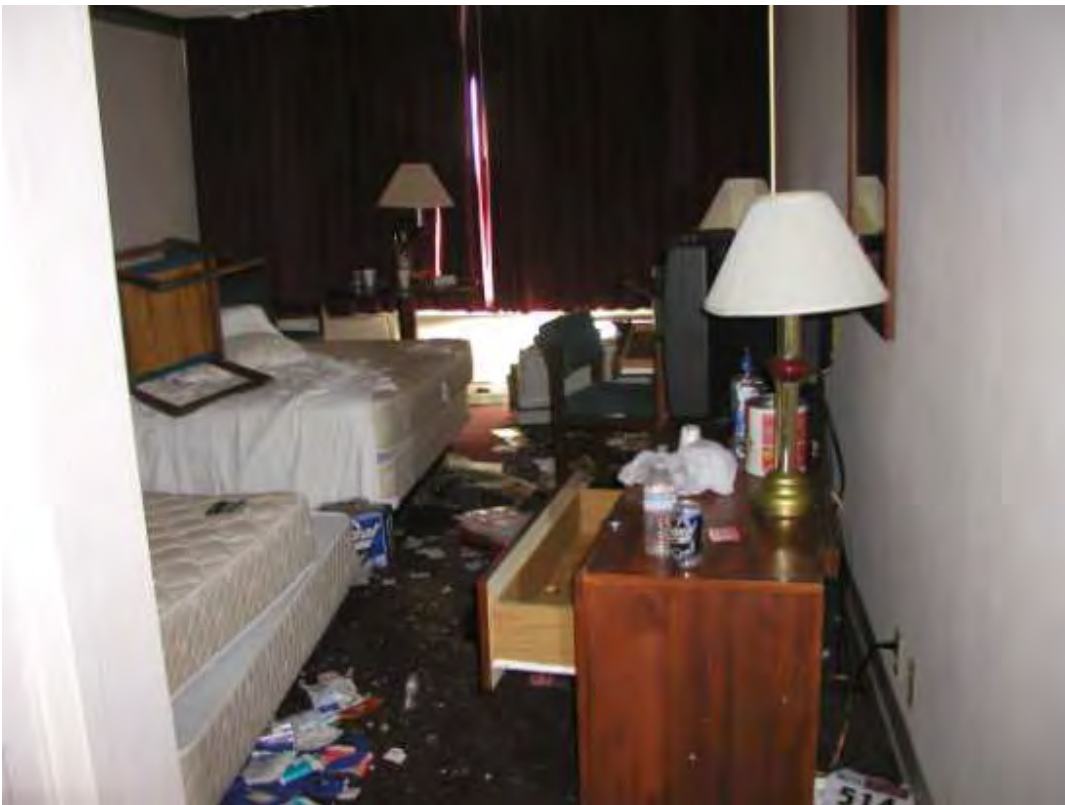
Pictures of the Interior of the Hanford Inn – December 29, 2011

Copper plumbing and metal scavenged throughout the building



Pictures of the Interior of the Hanford Inn – December 29, 2011

Evidence of Vagrancy



Pictures of the Interior of the Hanford Inn – December 29, 2011

Severe water damage and leaking roof throughout building



Exhibit B

RESOLUTION NO. 2014-11-058R

A RESOLUTION AUTHORIZING THE ACCEPTANCE OF A JUDICIAL DEED FOR CERTAIN REAL ESTATE (2408 N Cunningham Avenue)

WHEREAS, the City of Urbana, an Illinois municipal corporation, (hereafter the "City") is a home rule entity pursuant to Article 7, § 6 of the Constitution of the State of Illinois and 65 ILCS 5/1-1-10; and

WHEREAS, the public safety and health is threatened by the blight conditions of certain real property with common address 2408 North Cunningham Avenue (hereafter, the "Property"); and

WHEREAS, in 2010 the City condemned the Property; and

WHEREAS, in 2012 the City initiated the demolition proceedings in the matter entitled *City of Urbana vs. MRK Management, Inc. et al.*, Case No. 12-MR-450 and obtained a demolition order in such proceedings on September 4th, 2012; and

WHEREAS, the Property has been abandoned for several years; and

WHEREAS, the City seeks redevelopment of the Property in order to eliminate the blight which exists on the Property; and

WHEREAS, the City filed a Petition for Issuance of a Judicial Deed in the matter entitled *City of Urbana vs. MRK Management, Inc., et al.*, Case No. 12-MR-450; and

WHEREAS, the Circuit Court of the Sixth Judicial Circuit, Champaign County, Illinois has advised that the said court will approve the City's petition for a judicial deed to the Property which, when issued, will transfer ownership of the Property to the City; and

WHEREAS, the City seeks to accept the judicial deed which, when issued, will transfer ownership of the Property to City with the goal that the Property be redeveloped.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS, as follows:

Section 1. The City Council hereby acknowledges the issuance of a judicial deed in the proceeding of *City of Urbana vs. MRK Management, Inc. et al.*, Case No. 12-MR-450 and authorizes the acceptance of the same.

Section 2. Upon the issuance of the judicial deed by the Circuit Court of the Sixth Judicial Circuit, Champaign County, Illinois, the appropriate officers and agents of the City are hereby authorized to record such judicial deed for and on behalf of the City and to take such further action as may be necessary to accomplish the purposes of this Resolution and the consummation of the transfer of the Property to the City.

PASSED by the City Council this _____ day
of _____, _____.

AYES:

NAYS:

ABSTAINS:

Phyllis D. Clark, City Clerk

APPROVED by the Mayor this _____ day
of _____, _____.

Laurel Lunt Prussing, Mayor

EXHIBIT C

ORDINANCE NO. 2014-11-103

AN ORDINANCE AUTHORIZING THE SALE OF CERTAIN REAL ESTATE

(2408 N Cunningham Avenue)

WHEREAS, Subsection (a), entitled "Sale of real estate," of Section 2-118, entitled "Purchase, sale, lease, etc., of real estate," of the Code of Ordinances, City of Urbana, Illinois, provides that any real estate owned by the City of Urbana may be sold in any manner prescribed by the City Council in an ordinance authorizing such sale; and

WHEREAS, the City Council desires to sell the real estate commonly known as 2408 N. Cunningham Avenue, which said property has heretofore been acquired by judicial deed and;

WHEREAS, the City Council expressly finds and declares that said real estate is not needed for governmental purposes or proprietary activity of the City of Urbana.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS, as follows:

Section 1. That an Ordinance approving the Contract for Sale of Real Estate by and between the City of Urbana, Illinois, and Kelly Dillard, in substantially the form of the copy of said Contract attached hereto and incorporated herein by reference, be and the same is hereby authorized and approved.

Section 2. The Mayor of the City of Urbana, Illinois, be and the same is hereby authorized to execute extensions of time set forth in the said Contract for and on behalf of the City of Urbana, Illinois.

Section 3. The Mayor of the City of Urbana, Illinois, be and the same is hereby authorized to execute and deliver and the City Clerk of the City of Urbana, Illinois, be and the same is hereby authorized to attest to said execution of said Contract for Sale of Real Estate as so authorized and approved for and on behalf of the City of Urbana, Illinois.

Section 4. This Ordinance is hereby passed by the affirmative vote, the "ayes" and "nays" being called, of three quarters of the corporate authorities of the City of Urbana, Illinois (6 of 8 members of the Council), at a regular meeting of said Council.

PASSED by the City Council this _____ day
of _____, _____.

AYES:

NAYS:

ABSTAINS:

Phyllis D. Clark, City Clerk

APPROVED by the Mayor this _____ day
of _____, _____.

Laurel Lunt Prussing, Mayor

AGREEMENT FOR SALE OF REAL ESTATE

BY AND BETWEEN THE

**CITY OF URBANA, CHAMPAIGN COUNTY, ILLINOIS,
AS SELLER**

AND

**KELLY DILLARD,
AS BUYER**

DATED AS OF NOVEMBER 1, 2014

This Instrument was prepared by:

**Kenneth N. Beth
Evans, Froehlich, Beth & Chamley
44 Main Street, Third Floor
Champaign, IL 61820**

AGREEMENT FOR SALE OF REAL ESTATE

THIS AGREEMENT FOR SALE OF REAL ESTATE, including Exhibits A and B, which are attached hereto and made a part hereof (collectively, this **“Agreement”**), is dated for reference purposes only as of November 1, 2014, by and between the City of Urbana, Champaign County, Illinois, an Illinois municipal corporation, as Seller (**“Seller”**) and Kelly Dillard, a natural person of Champaign, Illinois, as Buyer (**“Buyer”**). For the purposes of this Agreement, the term **“Parties”** is sometimes used to refer to and identify both Seller and Buyer collectively. This Agreement shall become effective upon the date of its actual execution by the last of the Parties hereto as set forth on the signature page hereof (the **“Effective Date”**).

RECITALS

NOW, THEREFORE, for and in consideration of the mutual covenants and agreement contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer agree as follows:

ARTICLE I SALE AND PURCHASE

Section 1.1. Real Estate Description. Seller agrees to sell and Buyer agrees to purchase the real estate commonly known as 2408 N. Cunningham Avenue, Urbana, Illinois (PIN 91-21-04-251-007), which is more particularly described on Exhibit A attached hereto and made a part hereof (the **“Real Estate”**), together with all improvements and appurtenances thereon, (the Real Estate and any such improvements being, collectively, the **“Premises”**), upon the terms and conditions set forth in this Agreement.

Section 1.2. Purchase Price. As the total purchase price for the Premises, Buyer agrees to pay to Seller and to provide such further consideration as follows:

- (a) to pay to Seller the total sum of One Dollar, such sum to be paid to Seller in cash at closing by check or other form of payment acceptable to Seller, and
- (b) to execute, deliver and enter into a certain Demolition Contract by and between Seller and Buyer (the **“Demolition Contract”**), to be dated as of the Closing Date, a copy of which is attached hereto and made a part of hereof as Exhibit B.

Section 1.3. Due Diligence Period; Buyers Right to Terminate.

- (a) For a period of 30 days after the Effective Date (the **“Due-Diligence Period”**), Buyer and its agents and representatives shall be entitled to conduct an inspection as to the Premises, which may include, but shall not be limited to, the rights to (1) enter on the Premises to perform inspections and tests, including, but not limited to, inspection, evaluation, and testing of the building and the parking lots and (2) make investigations with regard to environmental and other legal requirements, including, but not limited to, an environmental assessment. If Buyer, in its sole and absolute discretion, determines that the results of any inspection, test, or examination do not meet Buyer’s criteria for purchase and demolition of the Premises in the manner contemplated by the Demolition Contract, or if the information disclosed does not

otherwise meet Buyer's criteria for any reason whatsoever, then Buyer may terminate this Agreement by written notice to Seller, given not later than the last day of the Due-Diligence Period. Upon such termination, and except as otherwise provided in this Section, neither of the Parties shall have any further liability to the other hereunder. In the event Buyer fails to notify Seller of its intent to terminate this Agreement prior to the expiration of the Due-Diligence Period, Buyer's right to terminate this Agreement shall be waived and become null and void.

- (b) As a part of such due diligence inspection, the City agrees to pay or reimburse Buyer an amount up to \$10,000 for the cost of any TIF eligible redevelopment cost under that certain Redevelopment Agreement of even date herewith by and between the City and Buyer.
- (c) Buyer agrees to indemnify and defend Seller and hold Seller harmless from any and all claims, demands, actions, lawsuits, damages, and costs, including reasonable attorneys' fees, arising out of any act or omission of Buyer, or its agents and/or representatives, in connection with Buyer's due-diligence review. The foregoing obligation shall survive the Closing and any termination of this Agreement.

Section 1.4. Possession and Closing. Seller shall deliver possession of the Premises to Buyer at the time of the closing of this transaction (the "**Closing**") which shall occur thirty-one (31) days after satisfaction by Seller of the contingency described in Section 1.5 of this Agreement below, or such later date as may be agreed to by the parties (the "**Closing Date**"), at the office of Seller.

Section 1.5. Contingency of Agreement. Except as otherwise provided in Section 1.3 hereof, this Agreement is expressly contingent upon Seller being issued a judicial deed for the Real Estate in accordance with the provisions of Section 11-13-1(d) of the Illinois Municipal Code (65 ILCS 5/11-31-1(d)), it being understood that such issuance of a judicial deed shall operate to extinguish all existing ownership interests in, liens on, and other interests in the Real Estate, including tax liens, and shall further operate to extinguish the rights and interests of any and all holders of a bonafide certificate of purchase of the Real Estate for delinquent taxes. In the event that Seller has been unable to obtain the issuance of a judicial deed on or before November 20, 2014, this Agreement shall be deemed null and void and of no force and effect and neither Seller nor Buyer shall have any obligation or liability with respect thereto.

ARTICLE II **TITLE MATTERS**

Section 2.1. Evidence of Title. Within a reasonable time after obtaining the issuance of a judicial deed, Seller shall deliver to Buyer a Commitment for Title Insurance issued by a title company doing business in Champaign County, Illinois, committing the company to issue a title policy in the usual form insuring title to the Premises in the name of Buyer in such amount as may reasonably be requested by Buyer. Buyer shall be responsible for payment of the Owner's premium and Seller's search charges together with any balance of the cost of providing title insurance for Buyer.

Section 2.2. Exceptions to Title.

(a) Permissible exceptions to title shall include only zoning laws and building codes, and easements (apparent or of record) which do not underlie any buildings, and covenants and restrictions of record which do not restrict reasonable use of the Premises.

(b) If title evidence discloses exceptions other than those permitted, Buyer shall give written notice of such exceptions to Seller within a reasonable time. Seller shall have a reasonable time to have such title exceptions removed, or, any such exception which may be removed by the payment of money may be cured by paying the amount due at or prior to the Closing. If Seller is unable to cure such exception, then this Agreement may be terminated in the sole discretion of Buyer.

Section 2.3. Warranty Deed; Deliveries at Closing. Prior to the Closing, Seller or Seller's attorney shall prepare and Seller shall execute a recordable Warranty Deed sufficient to convey the Premises to Buyer or its nominee, in fee simple absolute, subject only to exceptions permitted herein. Such Warranty Deed shall be delivered to Buyer and a copy of the Demolition Agreement duly executed by Buyer shall then be delivered to Seller at the Closing of this transaction upon compliance with the terms of this Agreement.

Section 2.4. Taxes, Assessments and Notices. Any real estate taxes on the Premises not otherwise extinguished by the issuance of a judicial deed to Seller shall be paid by Buyer. Seller shall be released from any further liability to Buyer in connection therewith.

ARTICLE III REPRESENTATIONS AND WARRANTIES

Section 3.1. Authority. Each of the Parties represents and warrants, as of the date of execution of this Agreement and as of the Closing (i) that it or they have legal right, power and authority to execute and fully perform its or their obligations under this Agreement and (ii) that the persons executing this Agreement and other related documents required hereunder are authorized to do so.

Section 3.2. Real Estate Commission. Each of the Parties represents and warrants to the other that no brokers or finders have been employed or are entitled to a commission or compensation in connection with this transaction as a result of any action on the part of such representing party or this Agreement. Each of the Parties agrees to indemnify, hold harmless, protect and defend the other (including its elected officials, officers, agents and employees) from and against any obligation or liability to pay any such commission or compensation payable to any brokers or finders arising from any such action on the part of such indemnifying party or this Agreement.

Section 3.3. Survival of Warranties. The representations and warranties given by each of the Parties in this Article III shall survive the Closing.

ARTICLE IV

DEFAULT

Section 4.1. Default. The failure of either of the Parties to timely perform any obligation or condition contained in this Agreement shall constitute a “**Default**” under this Agreement.

Section 4.2. Remedies. Upon the occurrence of a Default, the party claiming the Default (the “**Non-Defaulting Party**”) may serve written notice of the Default upon the other party (the “**Defaulting Party**”), and if such Default is not corrected within ten (10) calendar days of the date of such notice, the Non-Defaulting Party may take one or more of the following actions: elect to treat this Agreement as cancelled and of no further force and effect; maintain a claim for monetary damages for breach of contract; maintain an action for specific performance; or maintain any other or different action or combination thereof as allowed by law.

Section 4.3. Costs or Expenses and Fees. If the Non-Defaulting Party prevails in any litigation to enforce any provision of this Agreement, the Defaulting Party shall pay all of the Non-Defaulting Party’s charges, costs and expenses, including the reasonable fees of attorneys, agents and others, as may be paid or incurred by such Non-Defaulting Party in enforcing any of the Defaulting Party’s obligations under this Agreement.

ARTICLE V

MISCELLANEOUS PROVISIONS

Section 5.1. Entire Agreement and Amendments. This Agreement (together with Exhibits A and B, inclusive, which are attached hereto and made a part hereof) is the entire agreement between Seller and Buyer relating to the subject matter hereof. This Agreement supersedes all prior and contemporaneous negotiations, understandings and agreements, written or oral, and may not be modified or amended except by a written instrument executed by both of the Parties.

Section 5.2. Construction. The captions and headings used in this Agreement are inserted for convenience of reference only and are not intended to define, limit or affect the construction or interpretation of any term or provision hereof.

Section 5.3. Third Parties. Nothing in this Agreement, whether expressed or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any other persons other than the Parties and their respective successors and assigns, nor is anything in this Agreement intended to relieve or discharge any obligation or liability of any third persons to either of the Parties, nor shall any provision give any third parties any rights of subrogation or action over or against either of the Parties. This Agreement is not intended to and does not create any third party beneficiary rights whatsoever.

Section 5.4. Counterparts. Any number of counterparts of this Agreement may be executed and delivered and each shall be considered an original and together they shall constitute one agreement.

Section 5.5. Time and Force Majeure. Time is of the essence of this Agreement; including, without limitation, all time deadlines for satisfying conditions and the Closing on or before the Closing Date.

Section 5.6. Waiver. Each of the Parties to this Agreement may elect to waive any right or remedy it may enjoy hereunder, provided that no such waiver shall be deemed to exist unless such waiver is in writing. No such waiver shall obligate the waiver of any other right or remedy hereunder, or shall be deemed to constitute a waiver of other rights and remedies provided pursuant to this Agreement.

Section 5.7. Cooperation and Further Assurances. The Parties covenant and agree that each will do, execute, acknowledge and deliver or cause to be done, executed and delivered, such agreements, instruments and documents supplemental hereto and such further acts, instruments, pledges and transfers as may be reasonably required for the better assuring, mortgaging, conveying, transferring, pledging, assigning and confirming unto Seller and Buyer or other appropriate persons all and singular the rights, property and revenues covenanted, agreed, conveyed, assigned, transferred and pledged under or in respect of this Agreement.

Section 5.8. Notices and Communications. All notices, demands, requests or other communications under or in respect of this Agreement shall be in writing and shall be deemed to have been given when the same are (a) deposited in the United States mail and sent by registered or certified mail, postage prepaid, return receipt requested, (b) personally delivered, or (c) sent by a nationally recognized overnight courier, delivery charge prepaid, in each case, to Seller and Buyer at their respective addresses (or at such other address as each may designate by notice to the other), as follows:

- (i) In the case of Seller, to:
City of Urbana, Illinois
400 South Vine Street
Urbana, IL 61801
Attn: City Attorney
Tel: (217) 384-2464

With a copy to:
Kenneth N. Beth
Evans, Froehlich, Beth & Chamley
44 Main Street, Third Floor
Champaign, IL 61820
Tel: (217) 359-6494

- (ii) In the case of Buyer, to:
Kelly Dillard
700 CR 2175N
Champaign, IL 61822
Tel: (217) 840-3120

Whenever any party hereto is required to deliver notices, certificates, opinions, statements or other information hereunder, such party shall do so in such number of copies as shall be reasonably specified.

Section 5.9. Assignment. Neither of the Parties shall sell, assign or otherwise transfer any of their rights and obligations under this Agreement to any other party.

Section 5.10. Successors in Interest. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respectively authorized successors, assigns and legal representatives.

Section 5.11. No Joint Venture, Agency, or Partnership Created. Nothing in this Agreement nor any actions of either Seller or Buyer shall be construed by either Seller or Buyer or any third party to create the relationship of a partnership, agency, or joint venture between or among Seller and Buyer.

Section 5.12. Illinois Law; Venue. This Agreement shall be construed and interpreted under the laws of the State of Illinois. If any action or proceeding is commenced by either of the Parties to enforce any of the provisions of this Agreement, the venue for any such action or proceeding shall be in Champaign County, Illinois.

Section 5.13. Construction of Agreement. This Agreement has been jointly negotiated by the Parties and shall not be construed against either one of them because that party may have primarily assumed responsibility for preparation of this Agreement.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, Buyer has caused this Agreement to be executed by him individually and the Seller has caused this Agreement to be executed by its duly authorized Mayor and City Clerk, as of each of the dates set forth below.

**CITY OF URBANA, CHAMPAIGN COUNTY,
ILLINOIS, AS SELLER**

By: _____
Mayor

ATTEST:

By: _____
City Clerk

Date: _____

KELLY DILLARD, AS BUYER

Date: _____

[Exhibits A and B follow this page and are an integral part of this Agreement in the context of use.]

EXHIBIT A

Legal Description of 2408 N. Cunningham Avenue

Lot 1 of Bradley Park Subdivision, as per Plat recorded March 10, 2003 as Document Number 2003R10039, in Champaign County, Illinois.

EXHIBIT B

Form of Demolition Contract

DEMOLITION CONTRACT

BY AND BETWEEN THE

**CITY OF URBANA, CHAMPAIGN COUNTY, ILLINOIS,
AS SELLER**

AND

**KELLY DILLARD,
AS BUYER**

DATED AS OF NOVEMBER 1, 2014

DEMOLITION CONTRACT

THIS DEMOLITION CONTRACT (this “**Contract**”) is made and entered into as of November 1, 2014 (the “**Real Estate Agreement**”), by and between the City of Urbana, Champaign County, Illinois, an Illinois municipal corporation, as Seller (the “**City**”) and Kelly Dillard, a natural person of Champaign, Illinois, as Buyer (the “**Owner**”).

WHEREAS, the City and the Owner entered into a certain Agreement for Sale of Real Estate dated as of November 1, 2014 (the “**Sale Agreement**”), wherein the City as Seller agreed to sell and the Owner as Buyer agreed to purchase the real estate commonly known as 2408 N. Cunningham Avenue, Urbana, Illinois (PIN 91-21-04-251-007) (the “**Real Estate**”); and

WHEREAS, the Real Estate contains a dangerous and unsafe building, the demolition of which is necessary to make future economic development of the Real Estate by the Owner feasible, to preserve and protect the surrounding area and to serve the public interest by eradicating blight; and

WHEREAS, as a part of the material consideration paid by the Owner at closing for the conveyance of the Real Estate by the Seller to the Owner, the Owner is obligated to demolish the building on the Real Estate as provided in this Contract.

NOW, THEREFORE, in consideration of the mutual promises, covenants, conditions, obligations and agreements herein contained, the City and the Owner hereby mutually covenant and agree as follows:

Section 1. The Demolition Work. The Owner agrees to perform and/or furnish any and all demolition work, including any and all labor, parts, materials, supplies and equipment required to be performed and/or furnished, together with the submission or procurement of any and all permits, documents, instruments and certificates required to be submitted or obtained hereunder (collectively, the “**Work**”). In material part, such Work is more particularly described as follows:

- A. Apply and obtain a demolition permit from the City (any permit fees to be waived by the City);
- B. Arrange for the disconnection of all utilities;
- C. Plug all storm and sanitary sewer connections to the satisfaction of the Building Safety Division of the City prior to demolition;
- D. The basement or any other depressions existing after the demolition must be filled with proper material. Basement slabs must be removed and all fill materials properly compacted;
- E. The lot must be graded in a manner so that water will not pond and the lot can easily be mowed;
- F. All abandoned drive accesses to the property must be removed and/or effectively closed to prevent illegal parking on city right-of-way and/or any vacant lot on the Real Estate.
 1. **Case #1:** Abandoned drives from streets with curb and gutters; drive must be removed and curb and gutter installed.

2. **Case #2:** Abandoned drives from street without curb and gutters; drive must be removed; appropriate barrier installed and grass re-established in the former drive access area.
- G. Notify the Building Safety Division of the City at (217) 384-2443 to schedule required inspections.

NOTE:

- A. The City Engineer may waive removal of a drive to a vacant lot under this Agreement, when the drive is planned for future use, in which case concrete wheel stops or other suitable barriers must be installed across the drive.
 1. **Case #1:** If a street with curb and gutter, the barrier must be in line with face of curb.
 2. **Case #2:** If a street without curb and gutter, the appropriate barrier is to be installed in line with edge of shoulder or travel way.
- B. Drive access is that portion of a drive from the street right-of-way (i.e., City parkway) to the public sidewalk or private property line.

Section 2. Contract Term. The Work under this Contract shall be commenced within thirty (30) calendar days after the “Closing Date” as specified in the Sale Agreement and shall continue until completed within a period not greater than 280 calendar days thereafter, subject to unavoidable delays as described in Section 13 of this Agreement (the “**Contract Term**”). This Contract shall be and remain in full force and effect for the full period of the Contract Term and thereafter until the City determines that all requirements and conditions of this Contract have been met and that the Work is deemed complete. No Work shall be deemed complete unless and until it is approved by the City.

Section 3. Compliance with Laws and Regulations. In connection with the performance of any of the Work under this Contract, the Owner shall be responsible for complying with all applicable federal, Illinois, and local laws, ordinances, codes, rules, regulations and orders of any and all such governmental bodies, agencies, and authorities and courts having jurisdiction.

Section 4. Default. In the event that the Owner fails to perform any of the terms, conditions, covenants or agreements on its part to be performed under this Contract and that failure continues uncorrected for a period of ten (10) days after written notice of such failure from the City, the Owner shall be in default under this Contract and the City shall be entitled to exercise any and all rights as provided in Sections 5 and 6 of this Contract.

Section 5. Deed in Escrow. At the time of the execution and delivery of this Contract, the Owner shall execute a recordable Warranty Deed sufficient to convey the Real Estate back to the City in fee simple absolute, subject only to exceptions permitted in the Sale Agreement. Such Warranty Deed shall be held in escrow pursuant to an Escrow Agreement of even date herewith, a copy of which is attached hereto as Attachment A, to be delivered to the City in the event of a default by the Owner under Section 4 hereof, or otherwise to be returned to the Owner upon the Owner’s full compliance with the terms of this Contract.

Section 6. Performance Bond. At the time of the execution and delivery of this Contract, the Owner shall submit a Performance Bond in favor of the City. Such Performance Bond shall be in such form as attached hereto as Attachment B and shall cover such performance of the Work, including any related services, and all labor, parts, materials, supplies and equipment for the Work

as described in this Contract, whether by the Owner or any subcontractor. Such bond shall remain in full force and effect for the duration of the Contract Term and thereafter as required by this Contract. Such performance bond shall be conditioned on the full and faithful performance by the Owner under this Contract and shall be in an amount not less than 100% of the estimated cost of the Work. Should the Owner be in default as specified by Section 4 of this Contract, the City may draw upon such performance bond to the extent necessary to complete the Work and compensate the City for any reasonable costs and expenses, including attorney fees, incurred by the City in connection therewith.

Section 7. Additional Consideration for Work. In addition to the consideration for the Work provided by the conveyance of the Real Estate from the City to the Owner, the City agrees to pay or reimburse the Owner from its tax increment financing (“TIF”) special allocation fund an amount up to \$300,000 for TIF eligible redevelopment costs incurred by Owner. The payments or reimbursements to be made by the City as set forth above shall be subject to and in accordance with the terms and conditions contained in a certain Redevelopment Agreement of even date herewith by and between the City and the Owner, which shall be executed and delivered by each of the parties contemporaneously with this Contract.

Section 8. Liability and Indemnity. The City shall not be responsible for, and the Owner shall assume, all liability to persons or damage to property which may arise out of or result from the negligence of the Owner or any of the Owner’s agents, employees, subcontractors, assigns, or the invitees of any of them, in connection with the performance of the Work under this Contract. To the fullest extent permitted by law, the Owner shall indemnify, save, hold harmless, and defend the City, its officers, employees and agents, from and against all suits, claims, demands, actions, liabilities, judgments, costs and attorneys’ fees, including any by the Owner or any of its agents, employees or subcontractors, arising out of, or in any manner predicated upon, personal injury to or death of any person or damage to property arising out of or resulting from the Owner’s negligent acts or omissions in the carrying out of any of the terms and conditions of this Contract and any and all other negligent acts or omissions of the Owner, its agents, employees, subcontractors or assigns, or the invitees of any of them, incident to the performance of any of the Work under this Agreement.

In claims against the City or its officers, employees or agents by an employee of the Owner or any of his agents or subcontractors, or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, the indemnification obligation under this Section 8 shall not be limited by a limitation on any amount or type of damages, compensation or benefits payable by or for the Owner or any of its agents or subcontractors under workers’ or workmen’s compensation acts, disability benefit acts or other employee benefit acts.

Section 9. Insurance Requirements.

(a) The Owner shall not commence any Work under this Contract until the Owner has obtained all insurance coverages required under the Minimum Insurance Requirements attached to this Contract as Exhibit A (the “**Minimum Insurance Requirements**”) nor shall the Owner allow any subcontractor to commence Work on a subcontract for any portion of the Work until such insurance coverages required of such subcontractor has been so obtained and certificates or policies from the applicable insurance companies shall be delivered to the City in accordance with subsection (c) below. Such insurance coverages shall include but not be limited to, insurance

against any and all assumed contractual liability under this Contract to afford protection with limits of liability in the amounts specified in the Minimum Insurance Requirements.

(b) All insurance which this Contract require the Owner to carry or maintain or cause to be carried or maintained by any subcontractor pursuant to the Minimum Insurance Requirements under this Section 9 shall be with such financially responsible insurers as are licensed to do business in the State of Illinois. All policies or certificates issued by the respective insurers for comprehensive liability and automobile insurance will name the City as an additional insured, provide that any losses shall be paid notwithstanding any act or failure to act or negligence of the Owner or the City or any other person; provide that no cancellation, reduction in amount, or material change in coverage thereof shall be effective until at least thirty (30) days after receipt by the City of written notice thereof; provide that the insurer shall have no right of subrogation against the City, its officers, agents, or employees; and be reasonably satisfactory to the City in all other respects. In no circumstances will the Owner or any subcontractor thereof be entitled to assign to any third party rights of action which the Owner or any subcontractor thereof may have against the City.

(c) Before or at the time of the execution and delivery of this Contract, the Owner shall deliver or cause to be delivered to the City certificates or policies of insurance evidencing the Minimum Insurance Requirements and other requirements required by this Section 9 above. The Owner shall similarly deliver or cause to be delivered each subcontractor's policies of required insurance before any such subcontractor commences any Work. No later than thirty (30) days prior to the expiration of any such policy, the Owner shall also deliver or cause to be delivered all such certificates or policies of insurance evidencing each renewal policy having the same coverages and limits as may be provided in the Minimum Insurance Requirements.

Section 10. Entire Agreement and Amendments. This Agreement is the entire agreement between the City and the Owner relating to the subject matter hereof. This Agreement supersedes all prior and contemporaneous negotiations, understandings and agreements, written or oral, and may not be modified or amended except by a written instrument executed by both of the parties.

Section 11. Third Parties. Nothing in this Agreement, whether expressed or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any other persons other than the City and the Owner, nor is anything in this Agreement intended to relieve or discharge any obligation or liability of any third persons to either the City or the Owner, nor shall any provision give any third parties any rights of subrogation or action over or against either the City or the Owner. This Agreement is not intended to and does not create any third party beneficiary rights whatsoever.

Section 12. Counterparts. Any number of counterparts of this Agreement may be executed and delivered and each shall be considered an original and together they shall constitute one agreement.

Section 13. Time and Force Majeure. Time is of the essence of this Agreement; provided, however, Owner shall not be deemed in default with respect to any Work under this Agreement on his part to be performed if any such failure to timely perform is due in whole or in part to the following (which also constitute "unavoidable delays"): any strike, lock-out or other labor disturbance, civil disorder, inability to procure materials, weather conditions, wet soil conditions, failure or interruption of power, restrictive governmental laws and regulations,

condemnation, riots, insurrections, acts of terrorism, war, fuel shortages, accidents, casualties, acts of God or third parties, or any other cause beyond the reasonable control of the Owner.

Section 14. Assignment. During the Contract Term, the Owner agrees that he shall not sell, assign, transfer or otherwise convey any or all of his rights, title or interest in or to the Real Estate or under this Contract.

Section 15. No Joint Venture, Agency, or Partnership Created. Nothing in this Agreement nor any actions of either of the City or the Owner shall be construed by either of the City, the Owner or any third party to create the relationship of a partnership, agency, or joint venture between or among the City and the Owner.

Section 16. Illinois Law; Venue. This Agreement shall be construed and interpreted under the laws of the State of Illinois. If any action or proceeding is commenced by any party to enforce any of the provisions of this Agreement, the venue for any such action or proceeding shall be in Champaign County, Illinois.

Section 17. Construction of Agreement. This Agreement has been jointly negotiated by the parties and shall not be construed against a party because that party may have primarily assumed responsibility for preparation of this Agreement.

Section 18. Effective Date. This Contract shall become effective upon the respective execution and delivery of this Contract by both the City and the Owner.

IN WITNESS WHEREOF, on the dates set forth to the left of their respective signatures, the parties hereto have executed or have caused this Contract to be executed by proper officers duly authorized to execute the same in two (2) or more duplicate originals or counterparts, as the case may be, any one of which shall be deemed an original of this Contract.

CITY:

**CITY OF URBANA,
CHAMPAIGN COUNTY, ILLINOIS**

Dated: _____

By: _____
Laurel Lunt Prussing, Its Mayor

ATTEST:

Phyllis Clark, Its City Clerk

OWNER:

KELLY DILLARD

Dated: _____

Attachment A

ESCROW AGREEMENT

To Hold a Deed In Escrow for Fulfillment of a Demolition Contract

THIS AGREEMENT is made as of this _____ day of _____, 2014, by and among Kelly Dillard, a natural person (the **“Owner”**); the City of Urbana, Champaign County, Illinois, an Illinois municipal corporation (the **“City”**); and _____ (the **“Escrow Agent”**).

WITNESSETH:

WHEREAS, the Owner and the City have executed a certain Demolition Contract (the **“Contract”**), a copy of which is attached hereto and incorporated herein by reference, providing for the demolition of a building located upon the real estate commonly known as 2408 N. Cunningham Avenue, Urbana, Illinois (PIN 91-21-04-251-007) (the **“Real Estate”**); and

WHEREAS, pursuant to the terms of the Contract, the Owner has conditionally executed a Warranty Deed to the favor of the City for the Real Estate (the **“Deed”**); and

WHEREAS, the Owner and the City wish to place the Deed in escrow with the Escrow Agent for the purpose of offering security for the demolition of the building located upon the Real Estate and the fulfillment of all of the terms of the Contract by the Owner.

NOW, THEREFORE, it is agreed by and between the parties as follows:

1. Owner shall herewith deliver to Escrow Agent the original executed Deed for the Real Estate, for the purpose of offering sufficient security that the Deed will be immediately available for delivery to the City in the event the Owner is in default under the terms and conditions of the Contract.

2. Upon the fulfillment of all of the terms and conditions of the Contract by the Owner , the Escrow Agent is hereby authorized and directed by the parties to return the executed Deed to the Owner for the prompt destruction thereof.

3. This Escrow is for the purpose of holding of one document. Upon fulfillment of the Contract, the escrowed document shall be returned to the Owner, and, upon a default under the Contract, the escrowed document shall be delivered to the City.

4. The Owner and the City, jointly and severally, both agree to indemnify and hold the Escrow Agent harmless from all costs and attorney fees arising out of any dispute relative to this Escrow Agreement and with the duties and obligations of the Escrow Agent hereunder. The Escrow Agent shall be under no responsibility in respect of any of the items deposited with the Escrow Agent other than to faithfully follow the instructions herein contained. The Escrow Agent may consult with counsel and shall be fully protected in any action taken in good faith and in accordance with such advice. The Escrow Agent shall have no responsibility for the genuineness of

validity of any document or other item deposited with the Escrow Agent and Escrow Agent shall be fully protected from same.

OWNER:

Kelly Dillard

CITY:

CITY OF URBANA, CHAMPAIGN COUNTY,
ILLINOIS

By: _____
Laurel Lunt Prussing, Mayor

ESCROW AGENT:

By: _____

Attachment B

DEMOLITION PERFORMANCE AND PAYMENT BOND

(Secured by Letter of Credit)

KNOW ALL BY THESE PRESENTS:

That Kelly Dillard, as Principal (the “**Principal**”) is held and firmly bound unto the City of Urbana, Champaign County, Illinois (the “**City**”), in the amount of _____ Dollars (\$_____), to which payment the Principal firmly bind himself, his heirs, executors, administrators, successors, and assigns, jointly and severally, by these presents.

The condition of the foregoing obligation is such that the Principal has entered into a certain Demolition Contract dated as of _____, 2014 (the “**Demolition Contract**”) by and between the City and the Principal, under and by which the Principal has covenanted and agreed:

- (a) to perform and/or furnish any and all demolition work specified in the Demolition Contract, including, but not limited to, all labor, parts, materials, supplies and equipment required to be performed and/or furnished, together with the submission and procurement of any and all permits, documents, instruments and certificates required to be submitted or obtained, in accordance with Demolition Contract (collectively, the “**Work**”);
- (b) to satisfy all liens or claims for lien in connection with the Work, and to pay all claims for any services or labor performed or for any parts, materials, supplies or equipment furnished in the performance of the Work; and
- (c) to complete the Work described in (a) and the satisfaction described in (b) immediately above not later than _____.

The foregoing covenants and agreements of the Principal as described in (a) and (b) immediately above are collectively hereinafter referred to as the “**Covenants and Agreements**”.

NOW, THEREFORE, if the Principal shall perform each and all of the things covenanted and agreed to be done and performed in the Covenants and Agreements, then this obligation shall be void; otherwise this obligation shall be, and remain, in full force and effect.

This obligation is secured by the irrevocable letter of credit attached hereto and made a part hereof.

The Principal further agrees, as part of this Bond, to pay any and all damages, costs, fees or expenses of any kind that may result from any failure in any respect to perform each and all of the things covenanted and agreed to be done and performed in the Covenants and Agreements including, but not limited to: (a) all demolition costs necessary to complete, to rectify, or to discharge each and all of the things covenanted and agreed to be done and performed in the Covenants and Agreements; (b) all consultant fees; (c) all testing and laboratory fees; and (d) all other costs and expenses, including reasonable attorney’s fees, incurred by the City as the result of any such failure or in otherwise enforcing the provisions of this Bond.

IN WITNESS WHEREOF, the undersigned Principal has caused this instrument to be signed this ____ day of _____, 2014.

PRINCIPAL: KELLY DILLARD

(Signature)

STATE OF ILLINOIS)
) **SS.**
COUNTY OF CHAMPAIGN)

I, the undersigned, a notary in and for said County and State aforesaid, DO HEREBY CERTIFY, that **KELLY DILLARD**, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed and delivered the said instrument as his free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial seal this ____ day of _____, 2014.

Notary Public

[TO BE PLACED ON FINANCIAL INSTITUTION LETTERHEAD]

STANDBY LETTER OF CREDIT

Date: _____

City of Urbana
400 South Vine Street
Urbana, IL 61801

Ladies and Gentlemen:

Issuance. At the request of and for the account of KELLY DILLARD, 700 CR 2175N, Champaign, Illinois 61822 (“**Applicant**”), we [name and address of financial institution] (“**Issuer**”) issue this irrevocable independent standby letter of credit number [_____] (“**Standby**”) in favor of City of Urbana, 400 S. Vine Street, Urbana, Illinois 61801 (“**Beneficiary**”) in the maximum aggregate amount of USD [\$_____].

Undertaking. Issuer undertakes to Beneficiary to pay Beneficiary’s demand for payment for an amount available under this Standby and in the form of Annex A (Payment Demand) or Annex B (Payment Demand after Notice of Non-extension) completed as indicated and presented to Issuer at the following place for presentation: [address of place for presentation], at or before the close of business on the expiration date.

Overdrawing. If a demand exceeds the amount available, but the presentation otherwise complies, Issuer undertakes to pay the amount available.

Expiration. The expiration date of this Standby is [November 1, 2015].

Automatic Extension. The expiration date of this Standby shall be automatically extended for successive one-year periods, unless sixty (60) or more calendar days before the then current expiration date Issuer gives written notice to the Beneficiary that Issuer elects not to extend the expiration date. Issuer’s written notice must be sent by registered or certified or nationally recognized overnight courier to Beneficiary’s above-stated address and to the attention of the City Attorney or be received by Beneficiary’s City Attorney sixty (60) or more calendar days before the then current expiration date. The expiration date is not subject to automatic extension beyond November 1, 2017 , and any pending automatic one-year extension shall be ineffective beyond that date.

Payment. Payment against a complying presentation shall be made within three (3) business days after presentation by check payable to Beneficiary or by wire transfer to a duly requested account of Beneficiary.

ISP98. This Standby is issued subject to the International Standby Practices 1998 (ISP98) (International Chamber of Commerce Publication No. 590).

Issuer's Charges and Fees. Issuer's charges and fees for issuing, amending or honoring this Standby are for Applicant's account and shall not be deducted from any payment Issuer makes under this Standby.

Sincerely,

[Name of Financial Institution]

By: _____
Its _____

Annex A: Payment Demand

[Insert DATE]

Re: Standby Letter of Credit No. [reference number], dated [date], issued by [Issuer’s name]
(“Standby”)

The undersigned Beneficiary demands payment of USD [\$_____] under the Standby.

Beneficiary states that Applicant is obligated to pay to Beneficiary the amount demanded as provided in the Demolition Performance and Payment Bond of the Applicant dated the ____ day of _____, 2014 to secure the Applicant’s performance under a Demolition Contract dated as of the ____ day of _____, 2014, by and between the Beneficiary and the Applicant.

Beneficiary requests that payment be made by Issuer’s check payable to Beneficiary sent by nationally-recognized overnight courier to Beneficiary’s address set forth below.

CITY OF URBANA, ILLINOIS
400 South Vine Street
Urbana, Illinois 61801

By: _____

Its authorized officer:

[Insert TYPED/PRINTED NAME AND TITLE]

Annex B: Payment Demand after Notice of Non-extension

[Insert DATE]

Re: Standby Letter of Credit No. [reference number], dated [date], issued by [Issuer's name]
(**“Standby”**)

The undersigned Beneficiary demands payment of USD [\$_____] under the Standby.

Beneficiary states that the Standby is set to expire fewer than sixty (60) days from the date hereof because Issuer has given a notice of non-extension of the Standby and the amount demanded is required to secure the obligations of Applicant as provided in the Demolition Performance and Payment Bond of the Applicant dated the ____ day of _____, 2014 to secure the Applicant's performance under a Demolition Contract dated as of the ____ day of _____, 2014, by and between the Beneficiary and the Applicant.

Beneficiary requests that payment be made by Issuer's check payable to Beneficiary sent by nationally-recognized overnight courier to Beneficiary's address set forth below.

CITY OF URBANA, ILLINOIS
400 South Vine Street
Urbana, Illinois 61801

By: _____

Its authorized officer:

[Insert TYPED/PRINTED NAME AND TITLE]

Exhibit A

MINIMUM INSURANCE REQUIREMENTS

1. Comprehensive General Liability (including Premises-Operations; Independent Contractors' Protective; Products and Completed Operations; Board Form Property Damage):
 - a. Bodily Injury:

\$2,000,000.00	Each Occurrence
\$2,000,000.00	Aggregate
 - b. Property Damage:

\$1,000,000.00	Each Occurrence
\$1,000,000.00	Aggregate
 - c. Contractual Liability (Hold Harmless Coverage):
 1. Bodily Injury:

\$2,000,000.00	Each Occurrence
----------------	-----------------
 2. Property Damage:

\$1,000,000.00	Each Occurrence
\$1,000,000.00	Aggregate
 - d. Personal Injury, with Employment Exclusion deleted:

\$1,000,000.00	Aggregate
----------------	-----------
2. Comprehensive Automobile Liability (including owned, non-owned and hired):
 - a. Bodily Injury:

\$2,000,000.00	Each Person
\$2,000,000.00	Each Accident
 - b. Property Damage:

\$1,000,000.00	Each Occurrence
----------------	-----------------
3. Workers' Compensation:
 - a. State: Illinois
 - b. Employer's Liability: \$500,000
 - c. Benefits Required by Union labor contracts: As applicable
4. Umbrella Liability:

To provide required coverage if underlying policy does not provide such coverage

EXHIBIT D

ORDINANCE NO. 2014-11-104

AN ORDINANCE APPROVING A REDEVELOPMENT AGREEMENT WITH KELLY
DILLARD
(2408 N Cunningham Avenue)

WHEREAS, the City of Urbana, an Illinois municipal corporation, (hereafter the “City”) is a home rule entity pursuant to Article 7, § 6 of the Constitution of the State of Illinois and 65 ILCS 5/1-1-10; and

WHEREAS, the public safety and health is threatened by the blight conditions of certain real property with common address 2408 North Cunningham Avenue (hereafter, the “Property”); and

WHEREAS, the City obtained a judicial deed to the Property and has transferred ownership in the property to Kelly Dillard; and

WHEREAS, Kelly Dillard seeks to develop the Property pursuant to a redevelopment agreement with the City.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS, as follows:

Section 1. That a Redevelopment Agreement Between the City of Urbana and Kelly Dillard in substantially the form of the copy of said Agreement attached hereto, be and the same is hereby approved.

Section 2. That the Mayor of the City of Urbana, Illinois, be and the same is hereby authorized to execute and deliver and the City Clerk of the City of Urbana, Illinois, be and the same

is authorized to attest to said execution of said Agreement as so authorized and approved for and on behalf of the City of Urbana, Illinois.

PASSED by the City Council this ____ day of _____, 2014.

AYES:

NAYS:

ABSTAINS:

Phyllis Clark, City Clerk

APPROVED by the Mayor this ____ day of _____, 2014.

Laurel Lunt Prussing, Mayor

REDEVELOPMENT AGREEMENT

BY AND BETWEEN THE

CITY OF URBANA, CHAMPAIGN COUNTY, ILLINOIS

AND

KELLY DILLARD

DATED AS OF NOVEMBER 1, 2014

Document Prepared By:

**Kenneth N. Beth
Evans, Froehlich, Beth & Chamley
44 Main Street, Third Floor
Champaign, IL 61820**

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EXHIBIT LIST

EXHIBIT A	Description of Property
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REDEVELOPMENT AGREEMENT

THIS REDEVELOPMENT AGREEMENT (including any exhibits and attachments hereto, collectively, this **“Agreement”**) is dated for reference purposes as of November 1, 2014, but actually executed by each of the parties on the dates set forth beneath each of their respective signatures below, by and between the **City of Urbana, Champaign County, Illinois**, an Illinois municipal corporation (the **“City”**), and a **Kelly Dillard**, a natural person of Champaign, Illinois (the **“Developer”**). This Agreement shall become effective upon the date of the last of the City and the Developer to so execute and deliver this Agreement to the other (the **“Effective Date”**).

RECITALS

WHEREAS, in accordance with and pursuant to the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 *et seq.*), as supplemented and amended (the **“TIF Act”**), including by the power and authority of the City as a home rule unit under Section 6 of Article VII of the Constitution of Illinois, the City Council of the City (the **“Corporate Authorities”**) did adopt a series of ordinances (Ordinance Nos. 2001-12-164, 2001-12-165 and 2001-12-166 on December 17, 2001) including as supplemented and amended (collectively, the **“TIF Ordinances”**); and

WHEREAS, under and pursuant to the TIF Act and the TIF Ordinances, the City designated the Cunningham Avenue Corridor Redevelopment Project Area (the **“Redevelopment Project Area”**) and approved the related redevelopment plan, as supplemented and amended (the **“Redevelopment Plan”**), including the redevelopment projects described in the Redevelopment Plan (collectively, the **“Redevelopment Projects”**); and

WHEREAS, as contemplated by the Redevelopment Plan and the Redevelopment Projects, the Developer proposes to develop the Property (as defined below) and to undertake (or cause to be undertaken) the Project (including related and appurtenant facilities as more fully defined below); and

WHEREAS, the Property (as defined below) is within the Redevelopment Project Area; and

WHEREAS, the Developer is unwilling to develop the Property (as defined below) and to undertake the Project (as defined below) without certain tax increment finance incentives from the City, which the City is willing to provide; and

WHEREAS, the City has determined that it is desirable and in the City’s best interests to assist the Developer in the manner set forth in this Agreement; and

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and the Developer hereby agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1. Definitions. For purposes of this Agreement and unless the context clearly requires otherwise, the capitalized words, terms and phrases used in this Agreement shall have the meaning provided in the above Recitals and from place to place herein, including as follows:

“Annual Reimbursement Amounts” means, collectively, the annual amounts to be reimbursed or paid to or as directed by the Developer from the Fund by the City under and pursuant to Section 4.1(b) of this Agreement.

“City Comptroller” means the City Comptroller of the City, or his or her designee.

“Corporate Authorities” means the City Council of the City.

“Demolition Contract” means that certain Demolition Contract dated as of November 1, 2014, by and between the City and the Developer.

“Eligible Redevelopment Project Costs” means those costs paid and incurred in connection with the Project which are authorized to be reimbursed or paid from the Fund as provided in Section 5/11-74.4-3(q) of the TIF Act, including: the cost of a study in the nature of a due diligence asbestos inspection and report, and the demolition of a building and other improvements, including any asbestos abatement and the grading of land.

“Fund” means, collectively, the “Special Tax Allocation Fund” for the Redevelopment Project Area established under Section 5/11-74.8 of the TIF Act and the TIF Ordinances.

“Incremental Property Taxes” means, net of all amounts required by operation of the TIF Act to be paid to other taxing districts, including as surplus, in each calendar year during the term of this Agreement, the portion of the ad valorem real estate taxes arising from levies upon the Redevelopment Project Area by taxing districts that is attributable to the increase in the equalized assessed value of the Redevelopment Project Area over the equalized assessed value of the Redevelopment Project Area which, pursuant to the TIF Ordinances and Section 5/11-74.4-8(b) of the TIF Act, will be allocated to and when collected shall be paid to the City Comptroller for deposit by the City Comptroller into the Fund established to pay Eligible Redevelopment Project Costs and other redevelopment project costs as authorized under Section 5/11-74.4-3(q) of the TIF Act.

“Independent” or **“independent”**, when used with respect to any specified person, means such person who is in fact independent and is not connected with the City or the Developer as an officer, employee, partner, or person performing a similar function, and whenever it is provided in this Agreement that the opinion or report of any independent person shall be furnished, such person shall be appointed by the Developer and approved by the City, and such opinion or report shall state that the signer had read this definition and that the signer is independent within the meaning hereof.

“Lump-Sum Reimbursement Amounts” means the individual amounts to be reimbursed or paid to or as directed by the Developer from the Fund by the City under and pursuant to Section 4.1(a) and Section 6.4(a) of this Agreement.

“Project” means, collectively, the due diligence as described in Section 1.3(a) and (b) of the Sale Agreement and the demolition work as described in Section 1 of the Demolition Contract.

“Property” means, collectively, the real estate commonly known as 2408 N. Cunningham Avenue, Urbana, Illinois (PIN 91-21-04-251-007) consisting of the parcel or parcels legally described on Exhibit A hereto, upon or within which the Project is to be undertaken and completed.

“Requisition” means a request by the Developer for a payment or reimbursement of Eligible Redevelopment Project Costs pursuant to the procedures set forth in Article VI of this Agreement.

“Sale Agreement” means the Certain Agreement for the Sale of Real Estate dated as of November 1, 2014, by and between the City as Seller and the Developer as Buyer.

Section 1.2. Construction. This Agreement, except where the context by clear implication shall otherwise require, shall be construed and applied as follows:

- (a) definitions include both singular and plural.
- (b) pronouns include both singular and plural and cover all genders; and
- (c) headings of sections herein are solely for convenience of reference and do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.
- (d) all exhibits attached to this Agreement shall be and are operative provisions of this Agreement and shall be and are incorporated by reference in the context of use where mentioned and referenced in this Agreement.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.1. Representations and Warranties of the City. In order to induce the Developer to enter into this Agreement, the City hereby makes certain representations and warranties to the Developer, as follows:

(a) **Organization and Standing.** The City is a home rule municipality duly organized, validly existing and in good standing under the Constitution and laws of the State of Illinois.

(b) **Power and Authority.** The City has full power and authority to execute and deliver this Agreement and to perform all of its agreements, obligations and undertakings hereunder.

(c) **Authorization and Enforceability.** The execution, delivery and performance of this Agreement have been duly and validly authorized by all necessary action on the part of the City’s Corporate Authorities. This Agreement is a legal, valid and binding obligation of the City, enforceable against the City in accordance with its terms, except to the extent that any and all financial obligations of the City under this Agreement shall be limited to the availability of such Incremental Property Taxes therefor as may be specified in this Agreement and that such

enforceability may be further limited by laws, rulings and decisions affecting remedies, and by bankruptcy, insolvency, reorganization, moratorium or other laws affecting the enforceability of debtors' or creditors' rights, and by equitable principles.

(d) No Violation. Neither the execution nor the delivery of this Agreement or the performance of the City's agreements, obligations and undertakings hereunder will conflict with, violate or result in a breach of any of the terms, conditions, or provisions of any agreement, rule, regulation, statute, ordinance, judgment, decree, or other law by which the City may be bound.

(e) Governmental Consents and Approvals. No consent or approval by any governmental authority is required in connection with the execution and delivery by the City of this Agreement or the performance by the City of its obligations hereunder.

Section 2.2. Representations and Warranties of the Developer. In order to induce the City to enter into this Agreement, the Developer makes the following representations and warranties to the City:

(a) Organization. The Developer is a natural person doing business as "Dig It" whose address is 700 CR 2175N, Champaign, Illinois 61822.

(b) Power and Authority. The Developer has full power and authority to execute and deliver this Agreement and to perform all of its agreements, obligations and undertakings hereunder.

(c) Authorization and Enforceability. This Agreement is a legal, valid and binding agreement, obligation and undertaking of the Developer, enforceable against the Developer in accordance with its terms, except to the extent that such enforceability may be limited by laws, rulings and decisions affecting remedies, and by bankruptcy, insolvency, reorganization, moratorium or other laws affecting the enforceability of debtors' or creditors' rights, and by equitable principles.

(d) No Violation. Neither the execution nor the delivery or performance of this Agreement will conflict with, violate or result in a breach of any of the terms, conditions, or provisions of, or constitute a default under, or (with or without the giving of notice or the passage of time or both) entitle any party to terminate or declare a default under any contract, agreement, lease, license or instrument or any rule, regulation, statute, ordinance, judicial decision, judgment, decree or other law to which the Developer is a party or by which the Developer or any of its assets may be bound.

(e) Consents and Approvals. No consent or approval by any governmental authority or by any other person or entity is required in connection with the execution and delivery by the Developer of this Agreement or the performance by the Developer of its obligations hereunder.

(f) No Proceedings or Judgments. There is no claim, action or proceeding now pending, or to the best of its knowledge, threatened, before any court, administrative or regulatory body, or governmental agency (1) to which the Developer is a party and (2) which will, or could, prevent the Developer's performance of its obligations under this Agreement.

Section 2.3. Disclaimer of Warranties. In connection with the subject matter hereof, the City and the Developer acknowledge that neither has made any warranties to the other except as set forth in this Agreement. The City hereby disclaims any and all warranties with respect to the Property and the Project, express or implied, including, without limitation, any implied warranty of fitness for a particular purpose or merchantability or sufficiency of the Incremental Property Taxes for the purposes of this Agreement. Nothing has come to the attention of the Developer to question the assumptions or conclusions or other terms and provisions of any projections of Incremental Property Taxes, and the Developer assumes all risks in connection with the practical realization of any such projections of Incremental Property Taxes.

ARTICLE III
CONDITIONS PRECEDENT TO THE UNDERTAKINGS
ON THE PART OF THE DEVELOPER AND THE CITY

Section 3.1. Conditions Precedent. The undertaking on the part of the City as set forth in Section 4.1(i) below is expressly contingent upon the Developer having caused an asbestos inspection and report to be completed under Section 1.3 of the Sale Agreement and the undertaking on the part of the City under Section 4.1(ii) below is expressly contingent upon the Developer having fulfilled each and every one of his obligations under Section 1 of the Demolition Contract.

Section 3.2. Reasonable Efforts and Notice of Termination. The Developer shall use due diligence to timely satisfy the conditions set forth in Section 3.1 above in accordance with the applicable provisions of the Sale Agreement and the Demolition Contract, but if such conditions are not so satisfied or waived by the City, then the City may terminate this Agreement by giving written notice thereof to the Developer. In the event of such termination, any remaining undertaking of the City under this Agreement shall be deemed null and void and of no force or effect and neither the City nor the Developer shall have any obligation or liability with respect to this Agreement.

ARTICLE IV
CITY'S COVENANTS AND AGREEMENTS

Section 4.1. City's TIF Funded Financial Obligations. The City shall have the obligations set forth in this Section 4.1 relative to financing Eligible Redevelopment Project Costs in connection with the Project. Upon the submission to the City by the Developer of a Requisition for Eligible Redevelopment Project Costs incurred and paid by the Developer and the approval thereof by the City in accordance with Article VI of this Agreement, the City, subject to the terms, conditions and limitation set forth in this Section 4.1 immediately below, agrees to reimburse the Developer, or to pay as directed by the Developer, from the Fund such total amount up to \$300,000 (the "**Reimbursement Amounts**") related to Project upon the Property as follows:

- (i) up to \$10,000 for any Eligible Redevelopment Project Costs incurred during the due diligence period; and
- (ii) the balance for any other Eligible Redevelopment Project Costs,

each payable as provided in Section 6.4(a) of this Agreement.

Section 4.2. Defense of Redevelopment Project Area. In the event that any court or governmental agency having jurisdiction over enforcement of the TIF Act and the subject matter contemplated by this Agreement shall determine that this Agreement, including the payments of any Lump-Sum Reimbursement Amounts or any Annual Reimbursement Amounts to be paid or reimbursed by the City is contrary to law, or in the event that the legitimacy of the Redevelopment Project Area is otherwise challenged before a court or governmental agency having jurisdiction thereof, the City will defend the integrity of the Redevelopment Project Area and this Agreement. Anything herein to the contrary notwithstanding, the Developer agrees that the City may, to the extent permitted by law, use any Incremental Property Taxes, including any unpaid Lump-Sum Reimbursement Amounts or any Annual Reimbursement Amounts, if available, to be redirected to reimburse the City for its defense costs, including without limitation attorneys' fees and expenses.

ARTICLE V DEVELOPER'S COVENANTS

Section 5.1. Commitment to Undertake and Complete Project. The Developer covenants and agrees to commence the Project and to have the Project completed in accordance with the Sale Agreement and the Demolition Contract.

Section 5.2. Continuing Compliance with Laws. For so long as the Developer retains an ownership interest in the Property, the Developer agrees that in the continued use, occupation and maintenance of the Property, the Developer will comply with all applicable federal and state laws, rules, regulations and all applicable City ordinances and codes.

ARTICLE VI PAYMENT PROCEDURES FOR ELIGIBLE REDEVELOPMENT PROJECT COSTS

Section 6.1. Payment Procedures. The City and the Developer agree that the Eligible Redevelopment Project Costs shall be paid solely, and to the extent available, from Incremental Property Taxes that are deposited in the Fund and not otherwise. The City and the Developer intend and agree that the Reimbursement Amounts shall be disbursed by the City Comptroller for payment to the Developer in accordance with the procedures set forth in this Section 6.1 of this Agreement.

The City hereby designates the City Comptroller as its representative to coordinate the authorization for the disbursement of any Reimbursement Amounts for the Eligible Redevelopment Project Costs. Payments to the Developer of any Reimbursement Amounts for Eligible Redevelopment Project Costs shall be made upon request therefor, in form reasonably acceptable to the City (each being a "**Requisition**") submitted by the Developer at any time with respect to Eligible Redevelopment Project Costs incurred and paid but not previously submitted. Each such Requisition shall be accompanied by appropriately supporting documentation, including, as applicable: (i) receipts for paid bills or statements of suppliers, contractors or professionals, together with required contractors' affidavits or lien waivers; or (ii) an affidavit by an Independent accountant which verifies that any such Eligible Project Redevelopment Costs have been paid and incurred by the Developer, together with required contractors' affidavits and lien waivers.

Section 6.2. Approval and Resubmission of Requisitions. The City Comptroller shall give the Developer written notice disapproving any of the Requisitions within ten (10) days after receipt thereof. No such approval shall be denied except on the basis that all or some part of the

Requisition does not constitute Eligible Redevelopment Project Costs or has not otherwise been sufficiently documented as specified herein. If a Requisition is disapproved by such City Comptroller, the reasons for disallowance will be set forth in writing and the Developer may resubmit any such Requisition with such additional documentation or verification as may be required, if that is the basis for denial. The same procedures set forth herein applicable to disapproval shall apply to such resubmittals.

Section 6.3. Carryover. Upon the approval of any applicable Requisition as set forth in Section 6.2 above, any excess amount of Eligible Redevelopment Project Costs approved therein, which are over and above the amount of any Reimbursement Amounts then payable as specified in Section 4.1 or this Article VI of this Agreement, shall carry over into any remaining future years that any such Annual Reimbursement Amounts become due and payable under this Agreement.

Section 6.4. Time of Payment. Provided that the Developer is not in default under the Sales Agreement or the Demolition Contract, the City shall pay to the Developer any Reimbursement Amounts approved by any one or more Requisitions under this Article VI as follows:

- (i) The amount of up to \$10,000 as provided in Section 1.3(a) and (b) of the Sales Agreement shall be payable within thirty (30) days after the approval thereof by the City; and
- (ii) The balance of such Reimbursement Amounts shall be payable within thirty (30) days after substantial completion of the Project.

ARTICLE VII **DEFAULTS AND REMEDIES**

Section 7.1. Events of Default. The occurrence of any one or more of the events specified in this Section 7.1 shall constitute a “**Default**” under this Agreement.

By the Developer:

(1) The furnishing or making by or on behalf of the Developer of any statement or representation in connection with or under this Agreement that is false or misleading in any material respect;

(2) The failure by the Developer to timely perform any term, obligation, covenant or condition contained in this Agreement;

By the City:

(1) The failure by the City to pay either of the Lump-Sum Reimbursement Amounts or any Annual Reimbursement Amounts which become due and payable in accordance with the provisions of this Agreement; and

(2) The failure by the City to timely perform any other term, obligation, covenant or condition contained in this Agreement.

Section 7.2. Rights to Cure. The party claiming a Default under Section 7.1 of this Agreement (the “**Non-Defaulting Party**”) shall give written notice of the alleged Default to the other party (the “**Defaulting Party**”) specifying the Default complained of. Except as required to

protect against immediate, irreparable harm, the Non-Defaulting Party may not institute proceedings or otherwise exercise any right or remedy against the Defaulting Party until thirty (30) days after having given such notice, provided that in the event a Default is of such nature that it will take more than thirty (30) days to cure or remedy, such Defaulting Party shall have an additional period of time reasonably necessary to cure or remedy such Default provided that such Defaulting Party promptly commences and diligently pursues such cure or remedy. During any such period following the giving of notice, the Non-Defaulting party may suspend performance under this Agreement until the Non-Defaulting Party receives written assurances from the Defaulting Party, deemed reasonably adequate by the Non-Defaulting Party, that the Defaulting Party will cure or remedy the Default and remain in compliance with its obligations under this Agreement. A Default not cured or remedied or otherwise commenced and diligently pursued within thirty (30) days as provided above shall constitute a “**Breach**” under this Agreement. Except as otherwise expressly provided in this Agreement, any failure or delay by either party in asserting any of its rights or remedies as to any Default or any Breach shall not operate as a waiver of any such Default, Breach or of any other rights or remedies it may have as a result of such Default or Breach.

Section 7.3. Remedies. Upon the occurrence of an Breach under this Agreement by the Developer, the City shall have the right to terminate this Agreement by giving written notice to the Developer of such termination and the date such termination is effective. Except for such right of termination by the City, the only other remedy available to either party upon the occurrence of a Breach under this Agreement by the Defaulting Party shall be to institute such proceedings as may be necessary or desirable in its opinion to cure or remedy such Breach, including but not limited to proceedings to compel any legal action for specific performance or other appropriate equitable relief. Notwithstanding anything herein to the contrary, the sole remedy of the Developer upon the occurrence of a Breach by the City under any of the terms and provisions of this Agreement shall be to institute legal action against the City for specific performance or other appropriate equitable relief but under no circumstances shall the City be liable to the Developer for any indirect, special, consequential or punitive damages, including without limitation, loss of profits or revenues, loss of business opportunity or production, cost of capital, claims by customers, fines or penalties, whether liability is based upon contract, warranty, negligence, strict liability or otherwise, under any of the provisions, terms and conditions of this Agreement. In the event that any failure of the City to pay the Lump-Sum Reimbursement Amounts or any Annual Reimbursement Amounts which become due and payable in accordance with the provisions hereof is due to insufficient Incremental Property Taxes being available to the City, any such failure shall not be deemed to be a Default or a Breach on the part of the City.

Section 7.4. Costs, Expenses and Fees. Upon the occurrence of a Default or an Breach which requires either party to undertake any action to enforce any provision of this Agreement, the Defaulting Party shall pay upon demand all of the Non-Defaulting Party’s charges, costs and expenses, including the reasonable fees of attorneys, agents and others, as may be paid or incurred by such Non-Defaulting Party in enforcing any of the Defaulting Party’s obligations under this Agreement or in any litigation, negotiation or transaction in connection with this Agreement in which the Defaulting Party causes the Non-Defaulting Party, without the Non-Defaulting Party’s fault, to become involved or concerned.

ARTICLE VIII
RELEASE, DEFENSE AND INDEMNIFICATION OF CITY

Section 8.1. Declaration of Invalidity. Notwithstanding anything herein to the contrary, the City, its Corporate Authorities, officials, agents, employees and independent contractors shall not be liable to the Developer for damages of any kind or nature whatsoever or otherwise in the event that all or any part of the TIF Act, or any of the TIF Ordinances or other ordinances of the City adopted in connection with either the TIF Act, this Agreement or the Redevelopment Plan, shall be declared invalid or unconstitutional in whole or in part by the final (as to which all rights of appeal have expired or have been exhausted) judgment of any court of competent jurisdiction, and by reason thereof either the City is prevented from performing any of the covenants and agreements herein or the Developer is prevented from enjoying the rights and privileges hereof; provided that nothing in this Section 8.1 shall limit otherwise permissible claims by the Developer against the Fund or actions by the Developer seeking specific performance of this Agreement or other relevant contracts, if any, in the event of a Breach of this Agreement by the City.

Section 8.2. Damage or Injury to Developer and Others. The City and its Corporate Authorities, officials, agents, employees and independent contractors shall not be liable for any damage or injury to the persons or property of the Developer or any of its officers, agents, independent contractors or employees or of any other person who may be about the Property or the Project due to any act of negligence of any person, except as such may be caused by the intentional misconduct, gross negligence, or acts or omissions of the City, its Corporate Authorities, officials, agents, employees, or independent contractors that are contrary to the provisions of this Agreement.

Section 8.3. No Personal Liability. All covenants, stipulations, promises, agreements and obligations of the City contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the City and not of any of its Corporate Authorities, officials, agents, employees or independent contractors in their individual capacities. No member of the Corporate Authorities, officials, agents, employees or independent contractors of the City shall be personally liable to the Developer (i) in the event of a Default or Breach by any party under this Agreement, or (ii) for the payment of the Lump-Sum Reimbursement Amounts or any Annual Reimbursement Amounts which may become due and payable under the terms of this Agreement.

Section 8.4. City Not Liable for Developer Obligations. Notwithstanding anything herein to the contrary, the City shall not be liable to the Developer for damages of any kind or nature whatsoever arising in any way from this Agreement, from any other obligation or agreement made in connection therewith or from any Default or Breach under this Agreement; provided that nothing in this Section 8.5 shall limit otherwise permissible claims by the Developer against the Fund or actions by the Developer seeking specific performance of this Agreement or other relevant contracts in the event of a Breach of this Agreement by the City.

Section 8.5. Notification of Claims. Not later than thirty (30) days after the Developer becomes aware, by written or other overt communication, of any pending or threatened litigation, claim or assessment, the Developer will, if a claim in respect thereof is to be made against the Developer which affects any of the Developer's rights or obligations under this Agreement, notify the City of such pending or threatened litigation, claim or assessment, but any omission so to notify the City will not relieve the Developer from any liability which it may have to the City under this Agreement.

ARTICLE IX
MISCELLANEOUS PROVISIONS

Section 9.1 Entire Agreement and Amendments. This Agreement (together with Exhibit A attached hereto) is the entire agreement between the City and the Developer relating to the subject matter hereof. This Agreement supersedes all prior and contemporaneous negotiations, understandings and agreements, written or oral, and may not be modified or amended except by a written instrument executed by both of the parties.

Section 9.2. Third Parties. Nothing in this Agreement, whether expressed or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any other persons other than the City and the Developer and their respective successors and assigns, nor is anything in this Agreement intended to relieve or discharge any obligation or liability of any third persons to either the City or the Developer, nor shall any provision give any third parties any rights of subrogation or action over or against either the City or the Developer. This Agreement is not intended to and does not create any third party beneficiary rights whatsoever.

Section 9.3. Counterparts. Any number of counterparts of this Agreement may be executed and delivered and each shall be considered an original and together they shall constitute one agreement.

Section 9.4. Special and Limited Obligation. This Agreement shall constitute a special and limited obligation of the City according to the terms hereof. This Agreement shall never constitute a general obligation of the City to which its credit, resources or general taxing power are pledged. The City pledges to the payment of its obligations under Section 4.1 hereof only such amount of the Incremental Property Taxes as is set forth in Section 4.1 hereof, if, as and when received, and not otherwise.

Section 9.5. Time and Force Majeure. Time is of the essence of this Agreement; provided, however, neither the Developer nor the City shall be deemed in Default with respect to any performance obligations under this Agreement on their respective parts to be performed if any such failure to timely perform is due in whole or in part to the following (which also constitute “unavoidable delays”): any strike, lock-out or other labor disturbance (whether legal or illegal, with respect to which the Developer, the City and others shall have no obligations hereunder to settle other than in their sole discretion and business judgment), civil disorder, inability to procure materials, weather conditions, wet soil conditions, failure or interruption of power, restrictive governmental laws and regulations, condemnation, riots, insurrections, acts of terrorism, war, fuel shortages, accidents, casualties, acts of God or third parties, or any other cause beyond the reasonable control of the Developer or the City.

Section 9.6. Waiver. Either party to this Agreement may elect to waive any right or remedy it may enjoy hereunder, provided that no such waiver shall be deemed to exist unless such waiver is in writing. No such waiver shall obligate the waiver of any other right or remedy hereunder, or shall be deemed to constitute a waiver of other rights and remedies provided pursuant to this Agreement.

Section 9.7. Cooperation and Further Assurances. The City and the Developer covenant and agree that each will do, execute, acknowledge and deliver or cause to be done, executed and

delivered, such agreements, instruments and documents supplemental hereto and such further acts, instruments, pledges and transfers as may be reasonably required for the better assuring, mortgaging, conveying, transferring, pledging, assigning and confirming unto the City or the Developer or other appropriate persons all and singular the rights, property and revenues covenanted, agreed, conveyed, assigned, transferred and pledged under or in respect of this Agreement.

Section 9.8. Notices and Communications. All notices, demands, requests or other communications under or in respect of this Agreement shall be in writing and shall be deemed to have been given when the same are (a) deposited in the United States mail and sent by registered or certified mail, postage prepaid, return receipt requested, (b) personally delivered or (c) sent by a nationally recognized overnight courier, delivery charge prepaid in each case, to the City and the Developer at their respective addresses (or at such other address as each may designate by notice to the other), as follows:

- (i) In the case of the Developer, to:
Kelly Dillard
700 County Road 2175N
Champaign, IL 61822
Tel: (217) 840-3120 / Fax: (217) _____
- (ii) In the case of the City, to:
City of Urbana, Illinois
400 South Vine Street
Urbana, IL 61801
Attn: Community Development Director
Tel: (217) 384-2439 / Fax: (217) 384-0200

Whenever any party hereto is required to deliver notices, certificates, opinions, statements or other information hereunder, such party shall do so in such number of copies as shall be reasonably specified.

Section 9.9. Assignment. The Developer agrees that it shall not sell, assign or otherwise transfer any of its rights and obligations under this Agreement without the prior written consent of the City, except that: (i) any assignment of this Agreement as collateral, or (ii) any related sale, assignment or transfer of this Agreement in whole to a legal entity having common ownership with the Developer, may be made without the prior written consent of the City. Except as authorized in this Section above, any assignment in whole or in part shall be void and shall, at the option of the City, terminate this Agreement. No such sale, assignment or transfer as authorized in this Section, including any with or without the City's prior written consent, shall be effective or binding on the City, however, unless and until the Developer delivers to the City a duly authorized, executed and delivered instrument which contains any such sale, assignment or transfer and the assumption of all the applicable covenants, agreements, terms and provisions of this Agreement by the applicable parties thereto.

Section 9.10. Successors in Interest. Subject to Section 9.9 above, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respectively authorized successors, assigns and legal representatives (including successor Corporate Authorities).

Section 9.11. No Joint Venture, Agency, or Partnership Created. Nothing in this Agreement nor any actions of either of the City or the Developer shall be construed by either of the City, the Developer or any third party to create the relationship of a partnership, agency, or joint venture between or among the City and any party being the Developer.

Section 9.12. Illinois Law; Venue. This Agreement shall be construed and interpreted under the laws of the State of Illinois. If any action or proceeding is commenced by any party to enforce any of the provisions of this Agreement, the venue for any such action or proceeding shall be in Champaign County, Illinois.

Section 9.13. Term. Unless earlier terminated pursuant to the terms hereof, this Agreement shall be and remain in full force and effect from and after the Effective Date and shall terminate upon the date of the last payment or reimbursement to the Developer as provided in Section 4.1(a)2 and Section 6.4(b) of this Agreement.

Section 9.14. Construction of Agreement. This Agreement has been jointly negotiated by the parties and shall not be construed against a party because that party may have primarily assumed responsibility for preparation of this Agreement.

IN WITNESS WHEREOF, the City and the Developer have caused this Agreement to be executed by their duly authorized officers or manager(s) as of the date set forth below.

**CITY OF URBANA, CHAMPAIGN COUNTY,
ILLINOIS**

By: _____
Mayor

ATTEST:

By: _____
City Clerk

Date: _____

KELLY DILLARD

By: _____
Kelly Dillard

Date: _____

[Exhibit A follows this page and is an integral part of this Agreement in the context of use.]

EXHIBIT A

Description of Property

Lot 1 of Bradley Park Subdivision, as per Plat recorded March 10, 2003 as Document Number 2003R10039, in Champaign County, Illinois.

EXHIBIT E

ORDINANCE NUMBER 2014-11-105

AN ORDINANCE REVISING THE ANNUAL BUDGET ORDINANCE, FY2014-15 (Redevelopment Agreement with Kelly Dillard, 2408 N Cunningham Avenue)

WHEREAS, the Annual Budget Ordinance of and for the City of Urbana, Champaign County, Illinois, for the fiscal year beginning July 1, 2014, and ending June 30, 2015, (the "Annual Budget Ordinance") has been duly adopted according to sections 8-2-9.1 et seq. of the Illinois Municipal Code (the "Municipal Code") and Division 2, entitled "Budget", of Article VI, entitled "Finances and Purchases", of Chapter 2, entitled "Administration", of the Code of Ordinances, City of Urbana, Illinois (the "City Code"); and

WHEREAS, the City Council of the said City of Urbana finds it necessary to revise said Annual Budget Ordinance by deleting, adding to, changing or creating sub-classes within object classes and object classes themselves; and

WHEREAS, funds are available to effectuate the purpose of such revision; and

WHEREAS, such revision is not one that may be made by the Budget Director under the authority so delegated to the Budget

Director pursuant to section 8-2-9.6 of the Municipal Code and section 2-133 of the City Code.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS, as follows:

Section 1. That the Annual Budget be and the same is hereby revised to provide as follows:

FUND: Tax Increment Financing District Four Fund		
ADD EXPENSE :	Hanford Inn Demo Costs	\$60,000
REDUCE :	Fund Balance	\$60,000

Section 2. This Ordinance shall be effective immediately upon passage and approval and shall not be published.

Section 3. This Ordinance is hereby passed by the affirmative vote of two-thirds of the members of the corporate authorities then holding office, the "ayes" and "nays" being called at a regular meeting of said Council.

PASSED by the City Council this _____ day of _____, _____.

AYES:
NAYS:
ABSTAINED:

Phyllis D. Clark, City Clerk

APPROVED by the Mayor this _____ day of _____, _____.

Laurel Lunt Prussing, Mayor