



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: July 9, 2015
SUBJECT: **An Ordinance Approving a Redevelopment Agreement for 401 North Broadway Avenue***

AND

An Ordinance Revising the Annual Budget Ordinance, FY2015-16 (401 N Broadway Ave Redevelopment)

*LLC name to be provided before final consideration by the City Council

Introduction

The City of Urbana has been approached by Matthew Cho of Cake Design Development LLC regarding his interest in a proposed redevelopment project at 401 North Broadway Avenue involving renovation of the former 4 Season Garage Sale building into an indoor market space which will feature multiple restaurant and retail tenants. The “Broadway Market” would be designed to complement and interface with the City’s adjacent Boneyard Creek Improvement Area. Cake Design would serve as the developer for the project and is representing a group of investors who have a purchase agreement for the property. A Redevelopment Agreement with the City has been requested in order to facilitate the proposed \$1.2 million redevelopment project (**Exhibit A: Draft Enabling Ordinance with Attached Agreement**).

Approval of this agreement would also require the approval of an amendment to the FY2015-16 budget in the amount of \$345,000 (**Exhibit B: Draft Budget Amendment Ordinance**). The proposed agreement would provide the developer with a redevelopment loan which would be forgiven upon the satisfaction of the conditions of the agreement. Loan advances would be disbursed only as reimbursements for eligible project expenditures.

The property is located in Downtown Urbana on the west side of North Broadway Avenue between the Station Theatre and the eastern entrance to the Boneyard Creek Improvement Area

(Exhibit C: Property Location Map). The proposed redevelopment would include demolition of the eastern frontage of the building and the creation of a parking lot, improvements to the building exterior, the establishment of a shared commercial kitchen, creation of outdoor seating overlooking the Boneyard Creek, and full commercial activation of the building by multiple tenants **(Exhibit D: Developer’s Proposal).**

Overview of the Proposed Redevelopment Agreement at 401 North Broadway

The redevelopment agreement the City Council is considering will activate the building for an indoor market, restaurant and retail space. It is anticipated that the anchor tenants will include a restaurant, beer hall, bakery/café and a coffee roaster with additional seasonal tenants. At full tenancy Broadway Market is anticipated to employ up to 30 full time employees and 20 part time employees. Annual gross sales are optimally projected by the developer at \$2 million. The developer’s intended timeline is to begin construction this fall with the intention of completing the project in time to open the business before the start of summer in 2016.

The proposed redevelopment agreement requires:

- (i) demolition of a portion of the building;
- (ii) construction of a paved parking lot;
- (iii) construction of a certified commercial kitchen;
- (iv) finishing the building interior using contemporary materials, finishes and fixtures to meet the needs of commercial tenants;
- (v) creation of additional openings in the building for improved interior visibility;
- (vi) activation of the building facades, including such features as glass windows, doorways, adding signage and creating outdoor/patio seating on west side of building; and
- (vii) programming space for multiple users to include retail and restaurant tenants in a market-like atmosphere.

In addition, the agreement would require several conditions precedent to the issuance of any redevelopment loan advances including fee simple ownership of the property, an itemized project budget, evidence of ability to pay, a construction schedule, and the issuance of all applicable City permits.

As illustrated in the attached developer’s proposal, the concept for the redevelopment is centered on the property’s proximity to the Boneyard Creek Improvement Area. The remodeled building would offer outdoor seating overlooking the creek, egress points near the creek walk, and signage that invites pedestrians to approach the building by passing through the improved creek area.

TIF incentive is required to actuate this proposed sale and redevelopment of 401 North Broadway Avenue. A purchase agreement for the property was originally entered into by Green Thumb Holdings LLC with the intent of redeveloping the site into a medical cannabis

dispensary. However, Green Thumb was not successful in its bid for one of the limited number of dispensary licenses issued by the State of Illinois. Subsequently, the original intent behind the purchase is no longer a feasible option. A subset of the original group of investors has since partnered with Cake Design as the developer to explore alternative options for reuse of the site. Cake Design's Broadway Market concept would generate significant commercial activity and in order to accomplish this end a major redevelopment project is required.

The adaptive reuse of the existing building at 401 North Broadway Avenue is most likely the highest and best use for the property. New construction at this site would likely be cost prohibitive due to its proximity to the Boneyard Creek and on account of the building's positioning over a sanitary sewer line. The existing building is also severely limited with regard to parking and access. Demolition of a 3,000 square foot portion of the building would also require would also require relocation of all utilities in order to serve the remainder of the building. These expenses are extraordinary to the site and present unique obstacles to full commercial reactivation. Consequently, the proposed agreement under consideration was structured to offer a 90 percent reimbursement for these extraordinary site preparation costs up to a maximum of \$135,000, while the remainder of the project would receive a more customary 20 percent reimbursement rate up to a maximum of \$210,000. Together, these two incentives would account for a total City investment in the project of \$435,000.

By commercially reactivating the property to a variety of high-volume commercial uses, it is expected that the project would significantly expand pedestrian oriented business activity within the recently improved Boneyard Creek area as well as along North Broadway Avenue and customer activity into the northern end of Downtown Urbana.

Proposal Compliance with City Plans, Policies and Goals

The proposal for redevelopment of 401 North Broadway Avenue is strongly responsive to the planning framework established by the applicable City plans covering this area including the goals and objectives outlined in the 2012 Downtown Urbana Plan. Specifically, the goals to *strengthen economic activity in Downtown Urbana* and *increase Downtown's vitality by attracting more visitors* would be well served. Customer traffic at Broadway Market would be anticipated to make use of recent municipal investments in streetscaping and public arts along Broadway Avenue, Race Street, and the Boneyard Creek Improvement Area. The space is also expected to augment established Downtown festivals such as the Boneyard Arts Festival and the CU Folk & Roots Festival.

Additionally, the Tax Increment Finance District #2 Plan specifically identifies the need to control blighting factors such as building deterioration and obsolescence which, when present, can preclude intensive private investment in the district. The proposed uses are also consistent with the needs identified by the survey results and findings of the 2011 Downtown Market Study in that the proposed development would provide multiple reasons to be a destination to patrons and employees alike while adding unique character to Downtown Urbana.

The subject property is currently zoned B-4 Central Business District which permits by-right a wide variety of food sales, recreation, and retail uses that encapsulate all of the proposed uses.

Anticipated Fiscal Impacts of the Proposal

The agreement would provide the developer with loan advances on a reimbursement basis for eligible expenses upon the satisfaction of the conditions precedent up to a limit of \$345,000. This portion of the total incentive would likely be expended in FY2015-2016 and would therefore require an amendment to the current fiscal year budget. The total anticipated cost of the project's reimbursement-eligible expenses is expected to be \$1.2 million. However this amount excludes non-eligible private investment, such as equipment, furniture, and the purchase price of the property, as well as the investments of any tenant in finishing their leaseholds. Therefore, the total anticipated private investment in the project is likely to exceed \$1.8 million. The ratio of maximum public incentive to anticipated private investment under the proposed agreement would be 19 cents to the dollar.

The proposed redevelopment is also anticipated to increase the equalized assessed value of the property by approximately \$140,000. By the end of the life of the TIF 2, this increase would produce over \$90,000 in incremental tax revenue. If performing optimally over this same period of time, the indoor market, beer hall, bakery/café and coffee roastery at this site are expected to cumulatively generate at least \$240,000 in local sales tax to the city, school district and county. Approximately \$110,000 of this estimated total local sales tax would go to the City of Urbana over the six year period. If the developer were to realize the full \$345,000 in estimated reimbursement from the TIF district over the seven year period, it is estimated that the TIF district and the local taxing entities would collectively recoup an equivalent amount of property and sales tax revenue within six years of project completion.

The costs associated with this redevelopment agreement would be funded by TIF District #2 which has sufficient funds between the TIF's fund balance and the increment expected to be generated as a result of this proposed project. The projected TIF 2 Fund Balance at the end of FY15-16 is expected to be at least \$1,382,596. As has been mentioned above, the total TIF reimbursement to the developer over the life of the agreement is expected to be \$345,000 and the property is expected to generate at least \$90,000 in TIF increment over that same time period. Due to the expiration of TIF 2 in 2022, the TIF itself will not be able to recoup its investment in the proposed project. However, the local tax revenues from TIF along with the sales tax and property taxes being paid directly to the taxing partners after the close of TIF 2 are expected to exceed the value of the full redevelopment incentive within six years. In addition, the intent of the TIF District will be fulfilled by reducing blighting factors, eliminating the dilapidation of the urban fabric, generating positive business activity in the area, encouraging additional future investment in property, and attracting new visitors and patrons to a new area of Downtown Urbana.

Options

1. Approve the draft redevelopment agreement ordinance and budget amendment ordinance as presented.
2. Approve the draft redevelopment agreement ordinance and budget amendment ordinance with changes. It should be noted that any changes will need to be agreed upon by the developer.
3. Deny the draft redevelopment agreement ordinance and budget amendment ordinance.

Recommendation

This agreement will result in the commercial activation of an underutilized property with unique restrictions to redevelopment in TIF District #2, facilitate greater economic vibrancy in northern Downtown Urbana, generate a positive fiscal impact for the City and its taxing partners within six years, and contribute to the City's public investment in the Boneyard Creek Improvement Area.

Staff recommends that the City Council approve the attached draft redevelopment agreement ordinance and accompanying budget amendment ordinance.

Prepared by:

Brandon S Boys, Economic Development Manager

Exhibits:

- A: Draft Enabling Ordinance with Attached Agreement
- B: Draft Budget Amendment Ordinance
- C: Property Location Map
- D: Developer's Proposal

REDEVELOPMENT AGREEMENT

by and between the

CITY OF URBANA, CHAMPAIGN COUNTY, ILLINOIS

and



Dated as of August 1, 2015

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EXHIBIT B	Description of Property

REDEVELOPMENT AGREEMENT

THIS REDEVELOPMENT AGREEMENT (including any exhibits and attachments hereto, collectively, this “**Agreement**”) is dated for reference purposes only as of August 1, 2015, but actually executed by each of the parties on the dates set forth beneath their respective signatures below, by and between the **City of Urbana, Champaign County, Illinois**, an Illinois municipal corporation (the “**City**”), and [REDACTED], an Illinois limited liability company (the “**Developer**”). This Agreement shall become effective upon the date of the last of the City and the Developer to execute and date this Agreement and deliver it 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. 8081-61, 8081-62 and 8081-63 on December 22, 1980) including as supplemented and amended by certain ordinances (Ordinance No. 8637 on October 6, 1986, Ordinance No. 9394-100 on May 16, 1994, Ordinance No. 2003-12-148 on December 15, 2003, and Ordinance No. 2004-09-132 on October 4, 2004) (collectively, the “**TIF Ordinances**”); and

WHEREAS, under and pursuant to the TIF Act and the TIF Ordinances, the City designated the Urbana Downtown Tax Increment 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 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 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 herein in this Agreement.

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:

“Completion Date” means, subject to “unavoidable delays” as described in Section 9.5 of this Agreement, the date on which the Project is completed as evidenced by the issuance by the City of a certificate of occupancy for the entire renovated building upon the Property, which such date shall not be later than June 30, 2017.

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

“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 a loan as provided in Section 5/11-74.4-3(q) (2) and (3) of the TIF Act, including the rehabilitation, reconstruction, repair or remodeling of an existing building upon the Property.

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

“Fund” means, collectively, the “Special Tax Allocation Fund” for the Redevelopment Project Area established under Section 5/11-74.4-8 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 each taxable lot, block, tract or parcel of real estate within the Redevelopment Project Area over the equalized assessed value of each taxable lot, block, tract or parcel of real estate within 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 Finance Director for deposit by the Finance Director 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.

“Loan Advances” means, collectively, the amount of proceeds to be advanced by the City in connection with the Redevelopment Loan to or at the direction of the Developer under and pursuant to Section 4.1(a) of this Agreement.

“Prevailing Wage Act” means the Prevailing Wage Act (820 ILCS 130/0.01 *et seq.*) of the State of Illinois, the material terms of which require all contractors and subcontractors to pay all laborers, workers and mechanics performing work on any “public works” (as therein defined) no less than the current “prevailing rate of wages” (hourly cash wages plus fringe benefits) applicable to the county where performed and to comply with all notice, recordkeeping and filing duties.

“Project” means, collectively, the rehabilitation, reconstruction, repair or remodeling of the building upon the Property to include:

- (i) demolition of a portion of the building;
- (ii) construction of a paved parking lot;
- (iii) construction of a certified commercial kitchen;
- (iv) finishing the building interior using contemporary materials, finishes and fixtures sufficient to meet the needs of commercial tenants;
- (v) creation of additional openings in the building for improved interior visibility;
- (vi) activation of the building facades, including such features as glass windows, doorways, adding signage and creating outdoor/patio seating on west side of building; and
- (vii) programming space for multiple users to include retail and restaurant tenants in a market-like atmosphere.

“Project Commencement Dates” means, May 1, 2016, the date on or before which construction of the Project is to commence.

“Promissory Note” means the form of the Promissory Note attached hereto as Exhibit A.

“Property” means, the real estate consisting of the parcel commonly known as 401 North Broadway Avenue, Urbana, Illinois and legally described on Exhibit B hereto, upon or within which the Project is to be undertaken and completed.

“Redevelopment Loan” means a loan to be provided by the City to the Developer which amount shall not exceed principal amount, at the interest rate and due and payable on or before the Completion Date as specified in Section 4.1(a) of this Agreement.

“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.

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 other 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 limited liability company, duly organized, validly existing and in good standing under the laws of the State of Illinois.

(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.** The execution, delivery and performance of this Agreement have been duly and validly authorized by all necessary action on the part of the **Developer's manager**. 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.

(g) **Maintenance of Existence.** During the term of this Agreement, the Developer shall do or cause to be done all things necessary to preserve and keep in full force and effect its existence as an Illinois limited liability company.

Section 2.3. Disclaimer of Warranties. 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.

Section 2.4. Incorporation of Exhibits. This Agreement and any exhibits appended hereto shall be deemed and construed as a single Agreement. In the case of any duly elected **Promissory Note**, said executed **Promissory Note** and this Agreement shall be deemed and construed as a single agreement between the parties.

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

Section 3.1. Conditions Precedent. The undertakings on the part of the City as set forth in this Agreement are expressly contingent upon each of the following:

- a. The Developer shall have acquired fee simple title to the Property.
- b. The Developer shall have delivered to the City an itemized list of any and all estimated costs to complete the Project (the "**Project Budget**") in accordance with such final development plans as may be approved by the City;
- c. The Developer shall have provided evidence, in a commercially reasonable form

satisfactory to the City, of its ability to pay for the costs of the Project, as itemized in the Project Budget;

- d. The Developer shall have delivered to the City a detailed construction schedule for the commencement and completion of each significant task for competing the Project which shall include the Completion Date; and
- e. The Developer shall have obtained approval of the Project in accordance with all applicable laws, codes, rules, regulations and ordinances of the City, including without limitation all applicable subdivision, zoning, environmental, building code or any other land use regulations (collectively, the “**City Codes**”), including the issuance of all required permits, it being understood that the City in its capacity as a municipal corporation has discretion to approve the issuance of any such permits.

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 on or before the Project Commencement Date, 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, 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 thereto.

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 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 the **Loan Advances** related to Project at the Property as follows:

- (a) **Redevelopment Loan Financing.** Upon satisfaction by the Developer of all of the conditions precedent as set forth in Section 3.1 of this Agreement and the execution and delivery of the Promissory Note by the Developer, the City shall provide to the Developer the Redevelopment Loan as hereinafter provided and as further provided in Article VI of this Agreement. The Redevelopment Loan shall be a straight line of credit in the principal amount of up to \$345,000, shall bear interest at a non-default rate of -0%- per annum, and shall be due and payable upon demand on the day immediately following the Completion Date. The proceeds of the Redevelopment Loan shall be made available to the Developer at the times specified in Section 6.3 of this Agreement in the form of Loan Advances payable to or at the direction of the Developer, but not more frequently than weekly.
- (b) **Loan Forgiveness.** Anything to the contrary in the Promissory Note notwithstanding, in the event the Developer completes the Project on or before the Completion Date and no “Default” under Section 7.1 of this Agreement by the

Developer has then occurred and is continuing, the Redevelopment Loan shall be deemed fully paid and discharged. Notwithstanding the immediate foregoing, the Developer shall be obligated for any state and/or federal income tax consequences, if any, which arise or may arise by reason of any Redevelopment Loan forgiveness.

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 payment of the Loan Advances 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.

ARTICLE V **DEVELOPER'S COVENANTS**

Section 5.1. Commitment to Undertake and Complete the Project. The Developer covenants and agrees to commence the Project on or before the Project Commencement Date and to have the Project completed on or before the Completion Date. The Developer recognizes and agrees that the City has sole discretion with regard to all approvals and permits relating to the Project, including but not limited to approval of any required permits and any failure on the part of the City to grant or issue any such required permit shall not give rise to any claim against or liability of the City pursuant to this Agreement. The City agrees, however, that any such approvals shall be made in conformance with the City Codes and shall not be unreasonably denied, withheld, conditioned or delayed.

Section 5.2. Compliance with Agreement and Laws During Construction The Developer shall at all times undertake the Project, including any related activities in connection therewith, in conformance with this Agreement and all applicable federal and state laws, rules and regulations and all City Codes.

Section 5.3. Prevailing Wages. The Developer acknowledges that, even though the Illinois Department of Labor currently takes the position as a matter of its enforcement policy, the TIF financing of the Project under this Agreement does not subject the Project to the Prevailing Wage Act unless the Project also receives funding from another public source, some legal uncertainty may still exist as to the application of the Prevailing Wage Act to the Project. The City makes no representation as to any such application, and any failure by the Developer to comply with the Prevailing Wage Act, if and to the extent applicable, shall not be deemed a "Default" under this Agreement. Notwithstanding the foregoing sentence, the Developer agrees to assume all responsibility for any such compliance (or noncompliance) with the Prevailing Wage Act in connection with the Project under this Agreement in the event of any action by any party to enforce its provisions. In connection herewith, the Developer agrees to indemnify, defend and hold harmless the City, its elected and appointed officials and employees from any claim, suit, action, cause of action, judgment, decree, order, liability, or defense which may be brought, sought or entered against the City in any court or administrative proceeding concerning any alleged or actual violation of the Prevailing Wage Act by the City or any of its elected or appointed officials and/or employees.

Section 5.4. Continuing Compliance with Laws. The Developer agrees that in the continued use, occupation, operation and maintenance of the Property, the Developer will comply with all applicable federal and state laws, rules, regulations and all applicable City Codes and other ordinances.

Section 5.5. Tax and Related Payment Obligations. The Developer agrees to pay and discharge, promptly and when the same shall become due, all general ad valorem real estate taxes and assessments, all applicable interest and penalties thereon, and all other charges and impositions of every kind and nature which may be levied, assessed, charged or imposed upon the Property or any part thereof that at any time shall become due and payable upon or with respect to, or which shall become liens upon, any part of the Property. The Developer, including any others claiming by or through it, also hereby covenants and agrees not to file any application for any form of property tax exemption for any part of the Property or the Project or any part thereof under any applicable provisions of the Property Tax Code of the State of Illinois (35 ILCS 200/1-1 et seq.), as supplemented and amended, unless the City and the Developer shall otherwise have first entered into a mutually acceptable agreement under and by which the Developer shall have agreed to make a payment in lieu of taxes to the City, it being mutually acknowledged and understood by both the City and the Developer that any such payment of taxes (or payment in lieu thereof) by the Developer is a material part of the consideration under and by which the City has entered into this Agreement. This covenant of the Developer shall be a covenant that runs with the land being the Property upon which the Project is undertaken and shall be and remain in full force and effect during the term of this Agreement and following its expiration or termination, as the case may be, until December 31, 2040, upon which date this covenant shall terminate and be of no further force or effect (and shall cease as a covenant binding upon or running with the land) immediately, and without the necessity of any further action by City or Developer or any other party; provided, however, upon request of any party in title to the Property, the City shall execute and deliver to such party an instrument, in recordable form, confirming for the record that this covenant has terminated and is no longer in effect. Nothing contained within this Section 5.5 shall be construed, however, to prohibit the Developer from initiating and prosecuting at its own cost and expense any proceedings permitted by law for the purpose of contesting the validity or amount of taxes, assessments, charges or other impositions levied or imposed upon the Property or any part thereof, provided that the Developer shall first have given to the City written notice of its intent to do so at least forty-five (45) days prior to initiating any such proceedings.

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 constituting the Loan Advances 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 Loan Advances shall be disbursed by the Finance Director 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 Finance Director as its representative to coordinate the authorization of disbursement of the Loan Advances for the Eligible Redevelopment Project Costs. Payments to the Developer of the Loan Advances 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 upon completion of the Eligible Redevelopment Project Costs which have been incurred and paid. Each such Requisition shall be accompanied by appropriately supporting documentation, including, as applicable, receipts for paid bills or statements of suppliers, contractors or professionals, together with required contractors' and materialmen's partial and final affidavits or lien waivers, as the case may be.

Section 6.2. Approval and Resubmission of Requisitions. The Finance Director 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 (i) all or some part of the Requisition does not constitute Eligible Redevelopment Project Costs or has not otherwise been sufficiently documented as specified in Section 6.1 of this Agreement; (ii) any subsequent amendment of the TIF Act or any subsequent decision of a court of competent jurisdiction makes any such payment to not be authorized; or (iii) a "Default" under Section 7.1 of this Agreement by the Developer has occurred and is continuing.. If a Requisition is disapproved by such Finance Director, 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. Time of Payment. Provided that performance of this Agreement has not been suspended or terminated by the City under Article VII hereof, the City shall pay any Loan Advances attributable to the Project which is approved by any one or more Requisitions under this Article to the Developer within twenty-one (21) calendar days after the date of the approval of any such Requisitions but not more frequently than once every week; and

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 any of the Loan Advances 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**”) describing the nature of the Default complained of and the term or provision of this Agreement which the Non-Defaulting Party believes is in default. 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 or has cured or remedied 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 and demand a refund of all Loan Advances actually made by the City to the Developer prior to said Breach 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 and right to demand and seek a refund of all **Loan Advances** made by the City to the Developer prior to said Breach, 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, to compel a refund of all **Loan Advances** made by the City to the Developer prior to said Breach, or other appropriate equitable relief. Notwithstanding anything herein to the contrary, the sole remedy of the Developer upon the occurrence of an 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 and 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 any Loan Advances 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 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, elected and appointed 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, Injury or Death Resulting from Project. The Developer releases from and covenants and agrees that the City and its Corporate Authorities, elected and appointed officials, agents, employees and independent contractors shall not be liable for, and agrees to indemnify, defend, and hold harmless the City, its Corporate Authorities, elected and appointed officials, agents, employees and independent contractors thereof against any loss or damage to property or any injury to or death of any person occurring at or about or resulting from the Project, except as such may be caused by the intentional conduct, gross negligence, negligence or other 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. Damage or Injury to Developer and Others. The City and its Corporate Authorities, elected and appointed 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 8.4. 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, elected or appointed 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 any Loan Advances which may become due and payable under the terms of this Agreement.

Section 8.5. 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 8.6. Actions or Obligations of Developer. The Developer agrees to indemnify, defend and hold harmless the City, its Corporate Authorities, elected and appointed officials, agents, employees and independent contractors, from and against any and all suits, claims and cost of attorneys' fees, resulting from, arising out of, or in any way connected with (i) any of the Developer's obligations under or in connection with this Agreement, (ii) the construction or installation of the Project, (iii) the Developer's compliance with the Prevailing Wage Act if, as, and when applicable to the Project and (iv) the negligence or willful misconduct of the Developer, its officials, agents, employees or independent contractors in connection with the Project, except as such may be caused by the intentional conduct, gross negligence, negligence or breach of this Agreement by the City, its Corporate Authorities, officials, agents, employees or independent contractors.

Section 8.7. Environmental Covenants. To the extent permitted by law, the Developer agrees to indemnify, defend, and hold harmless the City, its Corporate Authorities, officials, agents, employees and independent contractors, from and against any and all claims, demands, costs, liabilities, damages or expenses, including attorneys' and consultants' fees, investigation and laboratory fees, court costs and litigation expenses, arising from: (i) any release or threat of a release, actual or alleged, of any hazardous substances, upon or about the Property or respecting any products or materials previously, now or thereafter located upon, delivered to or in transit to or from the Property regardless of whether such release or threat of release or alleged release or threat of release has occurred prior to the date hereof or hereafter occurs and regardless of whether such release occurs as a result of any act, omission, negligence or misconduct of the City or any third party or otherwise; (ii) (A) any violation now existing (actual or alleged) of, or any other liability under or in connection with, any environmental laws relating to or affecting the Property, or (B) any now existing or hereafter arising violation, actual or alleged, or any other liability, under or in connection with, any environmental laws relating to any products or materials previously, now or hereafter located upon, delivered to or in transit to or from the Property, regardless of whether such violation or alleged violation or other liability is asserted or has occurred or arisen prior to the date hereof or hereafter is asserted or occurs or arises and regardless of whether such violation or alleged violation or other liability occurs or arises, as the result of any act, omission, negligence or misconduct of the City or any third party or otherwise; (iii) any assertion by any third party of any claims or demands for any loss or injury arising out of, relating to or in connection with any hazardous substances on or about or allegedly on or about the Property; or (iv) any breach, falsity or failure of any of the representations, warranties, covenants and agreements of the like. For purposes of this paragraph, "hazardous materials" includes, without limit, any flammable explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances, or related materials defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. §§ 9601 et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. §§ 5101 et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. §§ 6901 et seq.), and in the regulations adopted and

publications promulgated pursuant thereto, or any other federal, state or local environmental law, ordinance, rule, or regulation.

Section 8.8. 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 Exhibits A and B attached hereto) constitutes the entire agreement by and between the City and the Developer relating to the subject matter hereof. This Agreement supersedes all prior and contemporaneous negotiations, understandings and agreements, whether 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. Any 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 and duly executed by the party giving such waiver. 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 in a properly addressed envelope and sent by registered or certified mail, postage prepaid, return receipt requested, (b) personally delivered, (c) sent by a nationally recognized overnight courier, delivery charge prepaid or (d) transmitted by telephone facsimile, telephonically confirmed as actually received, 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:

Attn: _____
Tel: (____) _____

(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

Notice shall be deemed received (a) four (4) days after placement with the United States Postal Service in the manner provided above, (b) the day following personal delivery, (c) the day following deliver by a national recognized overnight courier service, or (d) the day following transmission by telephone facsimile as provided above. 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 express 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 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, whether in the United States District Court for the Central District of Illinois or the Circuit Court for the Sixth Judicial Circuitry, 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 Completion Date or the termination of the Redevelopment Project Area, whichever occurs first, provided, however, that anything to the contrary notwithstanding, the Developer's obligations under the Promissory Note and Section 5.4 and Article VIII of this Agreement shall be and remain in full force and effect in accordance with the express provisions thereof.

Section 9.14. Recordation of Agreement. Either party may record this Agreement or a Memorandum of this Agreement in the office of the Champaign County Recorder at any time following its execution and delivery by both parties.

Section 9.15. 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: _____

By: _____
Its Manager

Date: _____

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

EXHIBIT A

PROMISSORY NOTE

Borrower: [REDACTED]
[REDACTED]
[REDACTED]

Lender: City of Urbana, Champaign County, Illinois,
an Illinois municipal corporation
400 S. Vine Street
Urbana, IL 61801
Attn: Finance Director

Principal Amount: \$345,000.00

Interest Rate: -0-%

Date of Note: [REDACTED], 2015

PROMISE TO PAY. [REDACTED], an Illinois limited liability company (the “**Borrower**”) promises to pay to City of Urbana, Champaign County, Illinois (“**Lender**”), or order, in lawful money of the United States of America, the principal amount of Three Hundred Forty-Five Thousand Dollars (\$345,000.00), or so much as may be outstanding, together with interest at the rate of -0-% per annum on the unpaid principal balance of each advance. Interest shall be calculated from the date of each advance until repayment of such advance.

PAYMENT. Borrower will pay this loan in accordance with the following payment schedule:

Any and all principal and interest owing hereon is due and payable upon demand by the City in the event that any and all such principal and interest owing hereon is not deemed fully paid and discharged on the day immediately following the “**Completion Date**” as described in that certain Redevelopment Agreement between Lender and Borrower dated as of August 1, 2015 (the “**Redevelopment Agreement**”, including as such quoted terms are defined therein).

PREPAYMENT. Borrower may pay all or a portion of the amount owed earlier than it is due without Lender’s consent.

LATE CHARGE. If a payment is **10 days or more late**, Borrower will be charged **5.000% of the regularly scheduled payment**.

DEFAULT. Borrower will be in default if any of the following happens: (a) Borrower fails to make any payment when due; (b) Borrower breaks any promise Borrower has made to Lender, or Borrower fails to comply with or to perform when due any other term, obligation, covenant, or condition contained in this Note, the related Redevelopment Agreement or other agreement related to this Note, or in any other agreement or loan Borrower has with Lender; (c) any representation or statement made or furnished to Lender by Borrower or on Borrower’s behalf is false or misleading in any material respect either now or at the time made or furnished; (d) Borrower does or becomes insolvent, a receiver is appointed for any part of Borrower’s property, Borrower makes an assignment for the benefit of creditors, or any proceeding is commenced either by Borrower or against Borrower under any bankruptcy or insolvency laws; (e) any creditor tries to take any of Borrower’s property on or in which Lender has a lien or security interest; or (f) any guarantor dies or any of the other events described in this default section occurs with respect to any guarantor of this Note.

LENDER’S RIGHTS. Upon default, Lender may declare the entire unpaid principal balance on this Note and all accrued unpaid interest immediately due, without notice, and then Borrower will pay that amount. Upon default, or if this Note is not paid or deemed paid at final maturity, Lender, at its option, may add any unpaid accrued interest to principal and such sum will bear interest therefrom until paid, at the rate of 8% per annum. Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower also will pay Lender that amount. This includes, subject to any limits under applicable law, Lender’s attorneys’ fees and Lender’s legal expenses whether or not there is a lawsuit, including attorneys’ fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law. **This Note has been delivered to Lender and accepted by Lender in the State of Illinois. If there is a lawsuit, Borrower agrees upon Lender’s request to submit to the jurisdiction of the courts of Champaign County, the State of Illinois. Lender and Borrower hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Borrower against the other. This Note shall be governed by and construed in accordance with the laws of the State of Illinois.**

PROMISSORY NOTE
(Continued)

CONFESSION OF JUDGMENT. Borrower hereby irrevocably authorizes and empowers any attorney-at-law to appear in any court of record and to confess judgment against Borrower for the unpaid amount of this Note as evidenced by an affidavit signed by an officer of Lender setting forth the amount then due, plus attorney's fees as provided in this Note, plus costs of suit, and to release all errors, and waive all rights of appeal. If a copy of this Note, verified by an affidavit, shall have been filed in the proceeding, it will not be necessary to file the original as a warrant of attorney. Borrower waives the right to any stay of execution and the benefit of all exemption laws now or hereafter in effect. No single exercise of the foregoing warrant and power to confess judgment will be deemed to exhaust the power, whether or not any such exercise shall be held by any court to be invalid, voidable, or void; but the power will continue undiminished and may be exercised from time to time as Lender may elect until all amounts owing on this Note have been paid in full.

LINE OF CREDIT. This Note evidences a straight line of credit. Once the total amount of principal has been advanced, Borrower is not entitled to further loan advances. Advances under this Note may be requested by Borrower or by an authorized person in accordance with the Redevelopment Agreement. The following party or parties are authorized to request advances under the line of credit until Lender receives from Borrower at Lender's address shown above written notice of revocation of their authority: [REDACTED]. Borrower agrees to be liable for all sums advanced in accordance with the instructions of an authorized person. The unpaid principal balance owing on this Note at any time shall be evidenced by endorsements on this Note. Lender will have no obligation to advance funds under this Note if: (a) Borrower is in default under the terms of this Note; or any agreement that Borrower has with Lender, including the Redevelopment Agreement made in connection with the signing of this Note; (b) Borrower ceases doing business or is insolvent; or (c) Borrower has applied funds provided pursuant to this Note for purposes other than those authorized by Lender.

GENERAL PROVISIONS. Lender may delay or forego enforcing any of its rights or remedies under this Note without losing them. Borrower, and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waives presentment, demand for payment, protest and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan, or release any party or guarantor or collateral; or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made.

PRIOR TO SIGNING THIS NOTE, BORROWER HAS READ AND UNDERSTANDS ALL THE PROVISIONS OF THIS NOTE. BORROWER AGREES TO THE TERMS OF THE NOTE AND ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THE NOTE.

BORROWER:

[REDACTED]

By: _____
[REDACTED], Manager

EXHIBIT B

Description of Property

Commonly known as 401 North Broadway Avenue, Urbana, Illinois.

PIN: 91-21-08-455-017

Exhibit B to Memo - DRAFT Budget Amendment Ordinance

ORDINANCE NUMBER 2015-07-070

AN ORDINANCE REVISING THE ANNUAL BUDGET ORDINANCE, FY2015-16
(Redevelopment Agreement with)

WHEREAS, the Annual Budget Ordinance of and for the City of Urbana, Champaign County, Illinois, for the fiscal year beginning July 1, 2015, and ending June 30, 2016, (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 Two Fund

ADD EXPENSE : 401 N Broadway Incentive
T10 1 1300-4018 \$345,000

REDUCE : Fund Balance
T10 0 0001-0199 \$345,000

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:

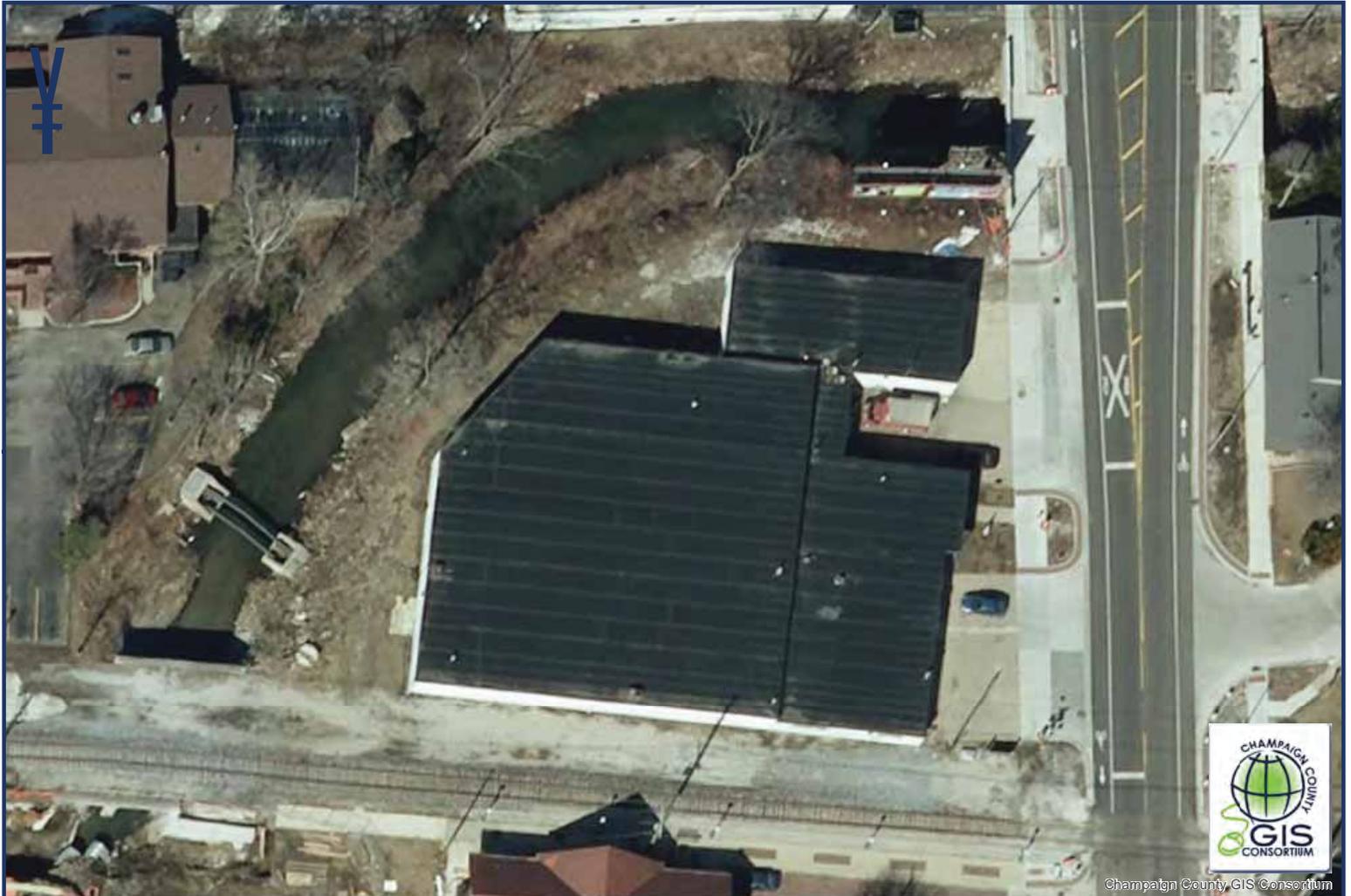
Phyllis D. Clark, City Clerk

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

Laurel Lunt Prussing, Mayor

401 North Broadway Avenue

Exhibit C



This map application was prepared with geographic information system (GIS) data created by the Champaign County GIS Consortium (CCGIS), or other CCGIS member agency. These entities do not warrant or guarantee the accuracy or suitability of GIS data for any purpose. The GIS data within this application is intended to be used as a general index to spatial information and not intended for detailed, site-specific analysis or resolution of legal matters. Users assume all risk arising from the use or misuse of this application and information contained herein. The use of this application constitutes acknowledgement of this disclaimer.

Date: Thursday, July 09, 2015

Exhibit D



BROADWAY MARKET

401 NORTH BROADWAY AVENUE, URBANA ILLINOIS



BERG'N BEER HALL, BROOKLYN NY



PINEWOOD SOCIAL, NASHVILLE TN



DOSE MARKET, CHICAGO IL

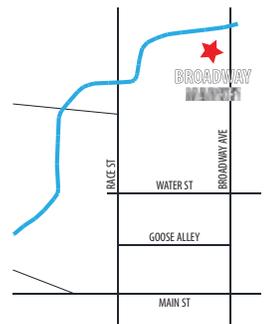


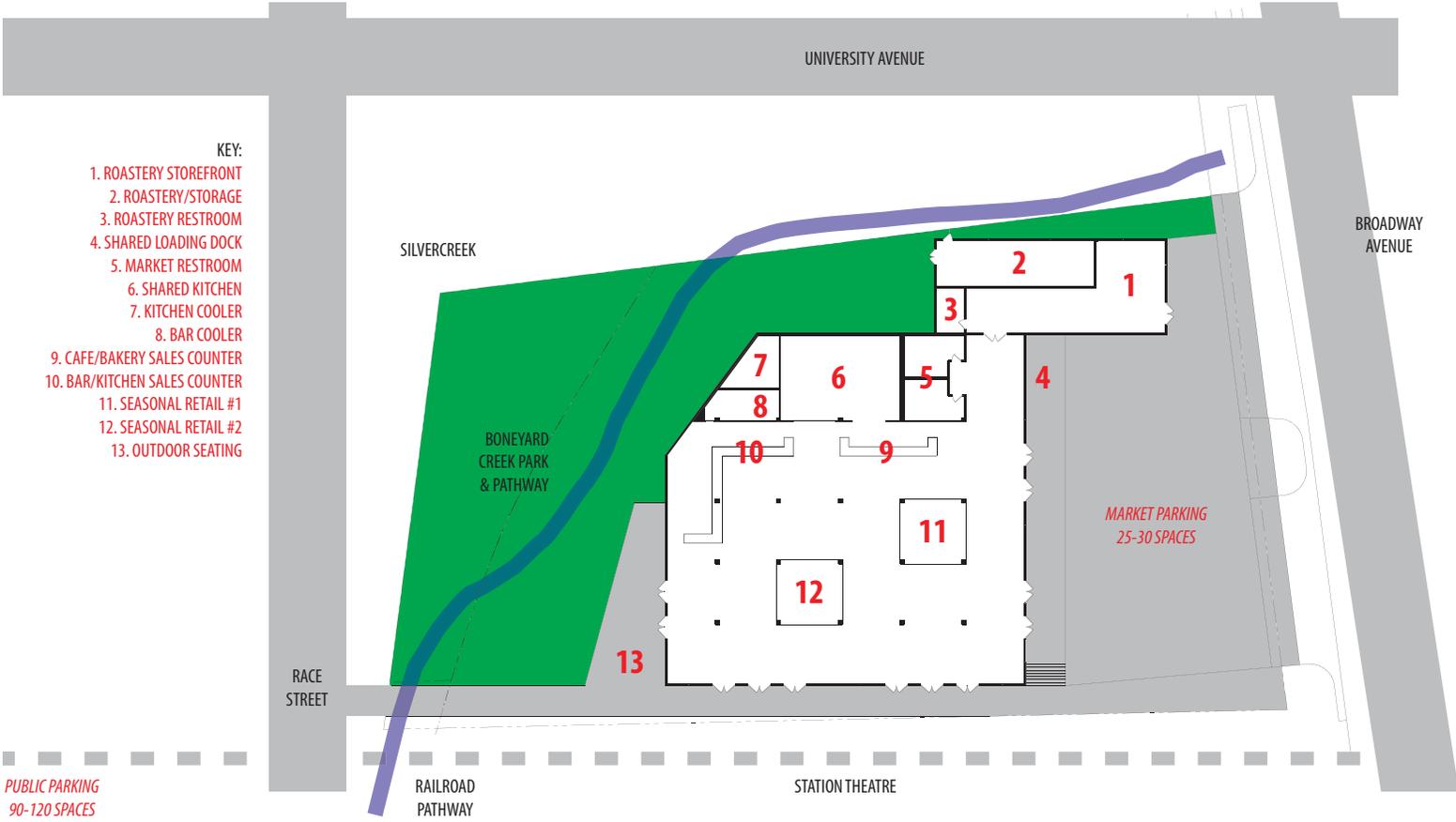
UNION MARKET, WASHINGTON DC

BROADWAY MARKET

401 NORTH BROADWAY AVENUE

Broadway Market is a year-round indoor open format marketplace centered by a gourmet food and beer hall. Located in downtown Urbana near the new Boneyard redevelopment, the former warehouse space will be organized logically for its multiple uses and have a clean industrial vibe with concrete floors, a long bar, and large glass storefronts to bring natural light into the space. Seating options for the 350-person capacity market will range from rows of massive modern picnic tables to an outdoor patio space overlooking the Boneyard. The market has already identified several anchor tenants and artisans that have indicated interest in co-operating the 15,000 square foot space. As Urbana's entrepreneurial identity continues to mature, Broadway Market will serve as an incubator to help bring together all the best makers, bakers, chefs, designers, and artists to encourage a vibrant mix of food/drink and retail concepts. Construction is estimated to start September 2015 with doors opening April 2016.





- KEY:
- 1. ROASTERY STOREFRONT
 - 2. ROASTERY/STORAGE
 - 3. ROASTERY RESTROOM
 - 4. SHARED LOADING DOCK
 - 5. MARKET RESTROOM
 - 6. SHARED KITCHEN
 - 7. KITCHEN COOLER
 - 8. BAR COOLER
 - 9. CAFE/BAKERY SALES COUNTER
 - 10. BAR/KITCHEN SALES COUNTER
 - 11. SEASONAL RETAIL #1
 - 12. SEASONAL RETAIL #2
 - 13. OUTDOOR SEATING





PERSPECTIVE FROM BROADWAY AVENUE



INTERIOR PERSPECTIVE

TOTAL INVESTMENT & PROJECTED COSTS:

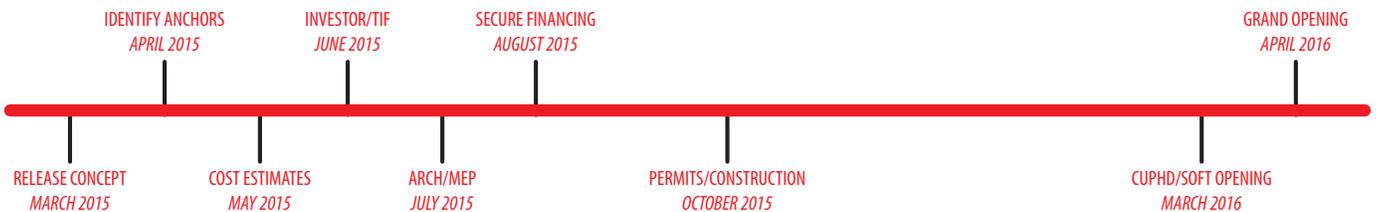
<p>PHASE 1 (SEPTEMBER-OCTOBER): SITE PREPARATION, DEMOLITION, ROOF RECONSTRUCTION</p> <ul style="list-style-type: none"> - DISCONNECT AND RELOCATE ALL UTILITIES, PROVIDE TEMPORARY POWER - DEMO 3000SF FRONTAGE OF 401A (MARKET) AND DEMO INTERIOR OF 401B (ROASTERY) - DEMO EXISTING ROOF, REBUILD INSULATED ROOF W/SKYLIGHTS 	\$300,000
<p>PHASE 2 (OCTOBER-DECEMBER): CONCRETE, INTERIOR FRAMING, MEP</p> <ul style="list-style-type: none"> - POUR SLAB FOR PARKING, EXCAVATE SLAB FOR NEW PLUMB LINES - FRAME DROP CEILINGS, COMMERCIAL KITCHEN, COOLER SPACE, RESTROOMS, AND ROASTERY - START ELECTRICAL AND PLUMBING CONNECTIONS, HANG DUCTWORK 	\$250,000
<p>PHASE 3 (DECEMBER-FEBRUARY): DRYWALL, MEP, FIRE SUPPRESSION</p> <ul style="list-style-type: none"> - ELECTRICAL/PLUMBING INSPECTIONS, HANG DRYWALL, MUD/SAND/PAINT - INSTALL NEW MECHANICAL SYSTEMS ON ROOF, KITCHEN HOOD, RESTROOM EXHAUST - INSTALL PLUMBING FIXTURES, RETROFIT LIGHTING FIXTURES - INSTALL AND TEST FIRE SUPPRESSION SYSTEM 	\$400,000
<p>PHASE 4: (MARCH-APRIL) INTERIOR FINISHES & FIXTURES</p> <ul style="list-style-type: none"> - STOREFRONT INSTALL, COOLER INSTALL - COUNTERTOP BUILDOUT, KITCHEN FINISHES, PATIO BUILDOUT - TEST MEP SYSTEMS, INSTALL/TROUBLESHOOT KITCHEN EQUIPMENT - TABLES AND SEATING, INTERIOR DECOR 	\$225,000

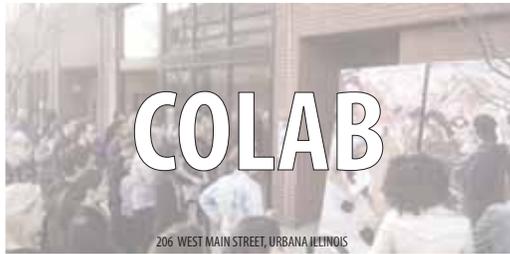
ANCHOR TENANTS: BEER HALL, RESTAURANT, BAKERY & CAFE, ROASTERY
INCUBATOR TENANTS: FOOD (2), RETAIL (4)
EMPLOYMENT BASE: 30 FTE, 20 PART TIME
SALARY RANGE: \$30,000-45,000/YR
ANNUAL GROSS SALES: \$2,000,000

ACQUISITION: \$350,000
WORKING CAPITAL: \$50,000
CONSTRUCTION (TIF ELIGIBLE): \$1,175,000 (\$78/SF)
UNFIXED FURNITURE & EQUIPMENT: \$75,000
TENANT INVESTMENT: \$150,000

TOTAL CAPITAL INVESTMENT: \$1,800,000

PROJECTED TIMELINE:





CONCEPT/DESIGN/DEVELOPMENT:
CAKE DEVELOPMENT GROUP LLC
c/o MATTHEW CHO
206 W MAIN ST, URBANA IL