

ORDINANCE NO. 8990-92

AN ORDINANCE  
APPROVING AND AUTHORIZING THE  
EXECUTION OF A REDEVELOPMENT AGREEMENT

WHEREAS, the City of Urbana, Champaign County, Illinois (the "City") has determined that it is desirable and in its best interest to enter into an agreement with University Park Investment Corporation, an Illinois corporation (the "Developer") for the purpose of providing certain tax increment finance incentives from the City to assist the Developer to acquire, construct, extend, improve, rehabilitate and install (or cause to be done) a hotel and office complex in the City under such terms and conditions set forth therein; and

WHEREAS, a copy of such proposed agreement, entitled Redevelopment Agreement (University Executive Centre) (the "Redevelopment Agreement"), has been presented to and is now before this meeting.

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

Section 1. That the terms and provisions of the Redevelopment Agreement, in substantially the form thereof now presented to and before this meeting, be and the same are hereby approved.

Section 2. That the Mayor be and the same is hereby authorized and empowered to execute and deliver the Redevelopment Agreement, and the City Clerk be and the same is authorized and empowered to attest to such execution thereof, with such non-material changes therein as are not inconsistent therewith and herewith and as may be approved by the officers of the City executing the same, their execution or acceptance thereof, as the case may be, to constitute conclusive evidence of such approval of any and all such nonmaterial changes or revisions therein from the form of the Agreement now before this meeting.

Section 3. From and after the effective date of this Ordinance, the proper officials, employees and agents of the City are hereby authorized, empowered and directed to do all such acts and things and to execute and deliver all such documents as may be necessary to carry out the intent and accomplish the purposes of this Ordinance and the Redevelopment Agreement according to its terms.

Section 4. This Ordinance shall become effective immediately upon its passage and approval as required by law.

This ordinance is hereby passed by the affirmative vote, the "ayes" and "nays" being called, of a majority of the members of the City Council of the City of Urbana, Illinois, at a regular meeting of said City Council.

1990.

PASSED by the City Council this 19~~th~~ day of March

Ruth S. Brookens  
Ruth S. Brookens, city clerk

1990.

APPROVED by the Mayor this 22<sup>nd</sup> day of March

Jeffrey T. Markland  
Jeffrey T. Markland, Mayor



THIS IS THE ATTACHMENT WHICH IS REFERRED TO IN  
ORDINANCE NO. 8990-92 AND IS INCORPORATED  
THEREIN BY REFERENCE.

Ruth S. Brookens  
Ruth S. Brookens, City Clerk

March 21, 1990  
Date



REVISED DRAFT: 3/12/90  
SUBJECT TO REVISION PRIOR TO  
EXECUTION

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REDEVELOPMENT AGREEMENT  
(UNIVERSITY EXECUTIVE CENTRE)

by and between the

CITY OF URBANA, CHAMPAIGN COUNTY, ILLINOIS

and

UNIVERSITY PARK INVESTMENT CORPORATION,  
AN ILLINOIS CORPORATION

Dated as of March \_\_, 1990

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EXHIBIT A-1	Legal Description of Redevelopment Site One
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EXHIBIT A-3	Legal Description of Redevelopment Site Three
EXHIBIT A-4	Legal Description of Redevelopment Site Four
EXHIBIT A-5	Legal Description of Redevelopment Site Five
EXHIBIT A-6	Legal Description of Redevelopment Site Six
EXHIBIT A-7	Legal Description of Redevelopment Site Seven
EXHIBIT B	Legal Description of Redevelopment Project Area
EXHIBIT C	Legal Description of Development Area
EXHIBIT D	Project Budget
EXHIBIT E	Revenue Bond Ordinance
EXHIBIT F	Public Improvements
EXHIBIT G	Private Development Site Plan (Preliminary)

## REDEVELOPMENT AGREEMENT

THIS REDEVELOPMENT AGREEMENT (including attachments and exhibits, the "Agreement") dated as of the \_\_\_\_ day of March, 1990, by and between the City of Urbana, an Illinois home-rule municipality, in Champaign County, Illinois (the "City"), and University Park Investment Corporation, an Illinois corporation (the "Developer").

### RECITALS

WHEREAS, in accordance with and pursuant to the Tax Increment Allocation Redevelopment Act (Paragraph 11-74.4-1 et seq. of Chapter 24 of the Illinois Revised Statutes, as supplemented and amended, 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, collectively, the "Act"), the City has designated the North Campus and King Park Neighborhood Redevelopment Project Area (as more particularly described in Exhibit B hereto, the "Redevelopment Project Area") and approved a related redevelopment plan (entitled "North Campus and King Park Neighborhood Redevelopment Plan") and project (the "Redevelopment Plan" and "Redevelopment Project"); and

WHEREAS, in connection with the Redevelopment Project, Plan and Area, the City Council on December 18, 1989, has adopted Ordinance No. 8990-59, An Ordinance Approving a Redevelopment Plan and Redevelopment Project; Designating a Redevelopment Project Area; and Adopting Tax Increment Allocation Finance (the "TIF Ordinance"), which has been duly filed with the County Clerk of Champaign, County, Illinois, who has certified the



property tax increment base to the City; and

**WHEREAS**, as contemplated by the Redevelopment Plan and the Redevelopment Project, the Developer proposes to acquire, construct, extend, improve, rehabilitate and install (or cause to be done) a hotel and office complex, presently anticipated to be known as **University Executive Centre** (including the related real estate and appurtenant facilities, the "**Centre**") in the City, substantially as depicted in Exhibit G hereto (the "**Private Development**"); and

**WHEREAS**, acting through its planning staff, the City's Department of Community Development Services (the "**Planners**"), has reviewed and studied the conditions in the Redevelopment Project Area with a view toward analyzing those area conditions that exist or reasonably could be expected to exist that are deleterious to the development, operation and maintenance of the Redevelopment Project Area and which constitute such Redevelopment Project Area a "conservation area" under the Act; and

**WHEREAS**, the Developer is unwilling to undertake the Private Development without certain tax increment finance ("**TIF**") incentives from the City, which the City is willing to provide, and 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 and as this Agreement may be supplemented and amended.

REDEVELOPMENT 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:

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

ARTICLE I

DEFINITIONS

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

"Bond Ordinance" means An Ordinance of the City of Urbana, Champaign County, Illinois, Providing for the Issuance of up to \$1,400,000 Tax Increment Revenue Bonds, Series 1990, and Related Matters, substantially as set forth in Exhibit E hereto.

"Bonds" means the \$1,400,000 Tax Increment Revenue Bonds, Series 1990, to be issued under and pursuant to the Bond Ordinance.

"Corporate Authorities" means the City Council of the City of Urbana, Illinois.

"Development Area" means the real estate described in Exhibit C hereto, upon or within which the Private Development is to be located.

"Eligible Costs" means those Redevelopment Project Costs authorized to be paid from Bond proceeds as provided in this Agreement.

"Incremental Property Taxes" or "Pledged Taxes" means incremental real property taxes derived from the Redevelopment Project Area under Section 11-74.4-8 of the Act.

"Inspecting Agent" shall have the meaning given that term in Section 5.1 of this Agreement.

"Net Proceeds" means the amount of money available from the issuance of any Bonds after deducting all costs relating to the preparation of this Agreement and costs of issuing the Bonds, including but not limited to attorneys' fees and expenses.

"Option Agreements" means the agreements or contracts between Developer and the applicable seller granting Developer the right to acquire the Redevelopment Sites.

"Parties" means, collectively, the City and the Developer.

"Pledged Taxes" means the Incremental Property Taxes derived from the Redevelopment Project Area under and pursuant to the Act.

"Project" means the acquisition, construction and installation of Public Improvements and the acquisition of land for 100% write-down disposition to the Developer pursuant to and in accordance with this Agreement.

"Project Budget" means the costs of the Project (subject to negotiation) generally described in Exhibit D hereto.

"Public Improvements" means the public facilities and improvements, if any, described in Exhibit F hereto.

"Redevelopment Project Costs" shall mean all qualifying redevelopment project costs authorized by the Act.

"Redevelopment Site One," "Redevelopment Site Two", "Redevelopment Site Three", "Redevelopment Site Four", "Redevelopment Site Five", "Redevelopment Site Six" and "Redevelopment Site Seven" means the real estate legally described in Exhibits A-1, A-2, A-3, A-4, A-5, A-6 and A-7 hereto (collectively, the "Redevelopment Sites").

"Requisition" shall have the meaning given that term in Section 5.1 of this Agreement and in Section 11 of the Bond Ordinance in Exhibit E hereto.

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. Exhibit G constitutes a Preliminary Private Development Site Plan which is subject to change.

[End of Article I]

## 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:

Section 2.1.1 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.

Section 2.1.2 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.

Section 2.1.3 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.

Section 2.1.4 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.

**Section 2.1.5 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:

**Section 2.2.1 Organization.** The Developer is a corporation duly organized, validly existing and in good standing under the laws of the State of Illinois, and is duly qualified to transact business in, and in good standing under the laws of each of the United States where the Developer is required to be qualified to do business.

**Section 2.2.2 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. In connection therewith and with respect to the Bonds, the Developer shall provide an appropriate opinion of counsel at the time any Bonds are issued.

**Section 2.2.3 Authorization and Enforceability.** The execution, delivery and performance of this Agreement have been duly and validly authorized by all necessary corporate action on the part of the Developer's board of directors. This Agreement is a legal, valid and binding agreement, obligation and undertaking of the Developer, enforceable against the Developer in accordance with its terms.

**Section 2.2.4 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.

**Section 2.2.5 Consents.** No consent or approval by any governmental authority or other person is required in connection with the execution and delivery by the Developer of this Agreement or the performance thereof by the Developer.

**Section 2.2.6 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 (a) to which the Developer is a party and (b) which will, or could, prevent the Developer's performance of its obligations under this Agreement.

**Section 2.2.7 Accuracy of Project Budget.** The Project Budget in Exhibit D hereto is hereby stipulated to be an accurate summary of the present best estimate of the total costs of the Project.

**Section 2.2.8 Related Agreements.** Upon execution thereof, true, complete and correct copies of all option, development, construction, financing, franchise, lease and loan agreements in connection with the Private Development shall be



provided to the City. All such agreements now executed are in full force and effect and have not been cancelled or terminated. The Developer is not aware of any of its obligations under any of such existing agreements required to be performed on or before the date hereof which have not been performed by the Developer or the other parties thereto.

**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 Centre, express or implied, including, without limitation, any implied warranty of fitness for a particular purpose or merchantability.

[End of Article II]

## ARTICLE III

### CITY'S COVENANTS

**Section 3.1 Acquisition and Conveyance of Redevelopment Sites.** Upon assignment to the City of the options, contracts and agreements, as applicable, to acquire the Redevelopment Sites described in Exhibits A-1, A-2, A-3, A-4, A-5, A-6 and A-7 and upon the purchase of the Bonds to finance such acquisition, at one time or from time to time, the City agrees to acquire the Redevelopment Sites and to convey such Redevelopment Sites to the Developer in accordance with and pursuant to this Agreement. Redevelopment Site One shall be the first acquisition pursuant to this Agreement. Thereafter there shall be no priority of order in the acquisition of Redevelopment Sites, and such acquisitions shall be as directed by the Developer, subject to the availability of Bond proceeds therefor.

**Section 3.2 City's Financial Obligations.** The City shall have the obligations set forth in this Section 3.2 relative to financing Eligible Costs. The City covenants and agrees to apply and allocate the Pledged Taxes to the debt service on the Bonds in the manner, at the times and with the effect set forth in the Bond Ordinance in Exhibit E hereto. Upon arrangements to be made by the Developer for the purchase of Bonds, the City agrees to timely issue Bonds, at one time or from time to time, to finance the Eligible Costs provided herein and in the Bond Ordinance. From proceeds of Bonds the City agrees to construct the specified Public Improvements.

**Section 3.3 Conditions Precedent.** The City's agreements, obligations and undertakings set out in this Agreement are subject to the Developer having obtained options or contracts for the Redevelopment Sites and having arranged the purchase of the Bonds as set forth above in Section 3.2 to pay Eligible Costs.

If for any reason on or before December 18, 1990 (time being of the essence), the Developer: (i) shall not have entered a redevelopment agreement with a hotel developer for the construction of an 8-story, 168-room Raddison (or other nationally recognized first class, full service hotel approved by the Corporate Authorities) and such hotel developer on or before such date shall not have entered into a fixed price bonded contract for such construction and shall not have obtained a financing commitment for such development and shall not have commenced construction, in a form satisfactorily assuring such hotel development to be completed on or before August 1, 1992; and (ii) shall not have entered into a fixed price bonded contract for the construction of an approximately 70,000 square-foot office building and shall not have obtained a financing commitment for such building and shall not have commenced construction, in a form satisfactorily assuring such office building construction to be completed on or before August 1, 1992, in either case the Developer hereby covenants and agrees to repurchase from the City all Redevelopment Sites purchased with Bond proceeds at a purchase price equal to the City's purchase upon exercise of the option or contract therefor plus the City's costs of any such options plus interest at the

interest rate borne by the Bonds issued to finance such purchase (there shall be no additional cost for "gap" financing provided by the Developer), and otherwise the City is to convey each such Redevelopment Site to the Developer for \$1.00 consideration.

**Section 3.4 Refunding Bonds.** The City hereby agrees to issue revenue or general obligation bonds to refund the Bonds (including obligations to refund such bonds, the "Refunding Bonds"), subject to certain terms and conditions, as follows:

(a) The Developer shall request the issuance of such Refunding Bonds, which request shall not be submitted earlier than August 1, 1990, and shall certify that there has been full compliance under and no default with respect to the terms and provisions of this Agreement, including on the part of the hotel developer as set forth in Section 3.3 above, together with supporting documentation evidencing such compliance and non-default.

(b) The Developer shall submit at the time of such request a report of a recognized independent consultant (acceptable to the City) knowledgeable as to urban development and municipal finance which includes a statement that, in such independent consultant's opinion, based upon review of executed development agreements and such other documents as such consultant reasonably deems pertinent, Incremental Property Taxes to be generated will be equal to at least 150% of the average annual principal and interest requirements for all succeeding years on the Refunding Bonds proposed to be issued. Such report and Incremental Property Taxes projects shall be based upon then existing construction contracts and/or leases and related

financing in place.

(c) With respect to the projections of Incremental Property Taxes in (b) above, the Developer hereby covenants and agrees, and stipulates, to pay liquidated damages to the City for each day of delay in meeting any projected completion date in connection with the report in (b) above equal to: 10% of the principal of outstanding Refunding Bonds plus 10% of the interest accruing with respect to such Refunding Bonds, based upon the next occurring 18 month period, divided by 180, for an aggregate period of not to exceed 180 days of such liquidated damage payments.

(d) The request in (a) above shall be conclusively deemed to give effect to the agreements in (b) and (c) above.

**Section 3.5 Defense of Redevelopment Project Area.** In the event that any court or governmental agency having jurisdiction over enforcement of the Act and the subject matter contemplated by this Agreement shall determine that this Agreement, any conveyance to any redeveloper of a Redevelopment Site, or payments to be made under the Bonds are 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 the Pledged Taxes otherwise required deposited from time to time in the Principal and Interest Account under the Bond Ordinance, if available, to be redirected to reimburse the City for its defense costs, including without limitation attorneys' fees and expenses.

[End of Article III]

**ARTICLE IV**  
**DEVELOPER'S COVENANTS**

**Section 4.1 Agreement to Construct the Private Development.** The Developer covenants and agrees to install and construct, or cause to be installed and constructed, including by the hotel developer in Section 3.3 and 3.4, the Private Development at the times, in the manner and with the effect set forth in this Agreement, substantially in accordance with the Private Development Site Plan set forth in Exhibit G hereto and any projections of Incremental Property Taxes in Section 3.4(b). Without limiting the forgoing, the development time table for the Private Development shall be (time being of the essence), as follows:

<u>Private Development</u>	<u>Commencement</u>	<u>Completion</u>
Hotel Development	December 18, 1990	August 1, 1992
University Executive Center	December 18, 1990	August 1, 1992

**Section 4.2 Maintenance of Project.** The Developer shall at all times acquire, install, construct, operate and maintain the Centre in conformance with all applicable laws, rules and regulations. All agreements of the Developer related to the acquisition, installation, construction, development, operation and maintenance of the Centre shall contain such a provision with the other parties to the agreements in Exhibit G. In the acquisition, construction, installation, operation and maintenance of the hotel and the Centre, there shall be compliance with all applicable federal, state and local laws, rules, regulations and codes.

**Section 4.3 Real Estate Taxes.** The Developer agrees to pay and discharge, promptly as and when the same shall become due and payable, all general real estate taxes, and all applicable interest and penalties thereon, if any, that at any time shall be or become due and payable upon or with respect to, or which shall be or become liens upon, any portion of the Centre and the Private Development or other improvements existing or constructed thereon. The Developer, and all persons claiming through it, including the hotel developer described above in Section 3.3, hereby covenant and agree not to contest any real estate valuation for purposes of general real estate taxation which would or could result in the projections of Incremental Property Taxes falling below the levels projected by the independent consultant as set forth in Section 3.3 above. This shall be a covenant that runs with the land while any Refunding Bonds are outstanding.

**Section 4.4 Approvals.** The Developer shall use its best efforts to obtain approval from the Illinois Department of Transportation ("IDOT") for motor vehicle exits. The City and Developer agree to cooperate with each other to make any changes in the plat of subdivision, including any right of ways required in order to obtain IDOT approval. The Developer shall comply with all subdivision, zoning, environmental or other land use requirements of the City and other jurisdictions with regulating authority. The City agrees to provide zoning sufficient for the Private Development uses and a Class AA liquor license for the hotel development. The City hereby covenants and agrees to give such further notices and hold such further hearings and consider

such proceedings supplemental hereto and to the TIF Ordinance in connection with such further TIF financial assistance to the Developer as shall be agreed upon by the Developer and the City to effect the Private Development contemplated by this Agreement. The City covenants and agrees to cooperate with the Developer with respect to the vacation of such streets, alleys and other public right of ways within its jurisdiction to vacate as may be necessary for effecting the Private Development contemplated by this Agreement in accordance with a final site plan as may be mutually agreed upon by the Developer and the City.

**Section 4.5 Developer's Financial Obligations.** The Developer agrees to undertake certain financial obligations relating to the Private Development, as follows:

(a) The Developer shall assign to the City each option or other agreement with respect to a Redevelopment Site before the acquisition of such Redevelopment Site to the extent that the Developer expects to have the City pay for such acquisition as an Eligible Cost, and concurrently with such assignment the Developer shall arrange the purchase of Bonds for such purpose. With respect to any option for a Redevelopment Site obtained by the City, the Developer shall not be obligated to purchase any Bonds in connection therewith without its consent.

(b) To the extent that the City obtains an option with respect to a Redevelopment Site and the Developer approves such option, the Developer shall pay the cost of each such option.

(c) The Developer shall diligently and continuously proceed to negotiate and enter into the arrangements described above in



Section 2.2.8, and upon entering into any such agreement to immediately provide the City a copy thereof as executed.

(d) The Developer shall arrange the purchase of all Bonds contemplated by the Bond Ordinance, if any Bonds are issued, the City having no obligations with respect to any difficulties or failures in connection with the sale of such Bonds.

(e) The Developer shall pay all costs of issuance of the Bonds, which may be paid from Bond proceeds.

(f) Within 30 days of demand therefor, the Developer shall purchase Redevelopment Sites and repay certain option costs of the City pursuant to and in accordance with the last paragraph of Section 3.3 above. Before the City issues any Bonds under this Agreement, the Developer shall arrange in a form acceptable to the City a guaranty by ServantCor, an Illinois not for profit corporation, of the Developer's purchase obligations under this subsection (f) and Section 3.3 above.

**Section 4.6 City's Right to Audit Developer's Books and Records.** The Developer agrees that the City or its agents shall have the right and authority to review and audit, from time to time (at the Developer's principal office during normal business hours) the Developer's books and records relating to the Private Development and Eligible Costs for the Project (including, if any, the Developer's general contractor's sworn statements, general contracts, material purchase orders, waivers of lien, paid receipts and invoices) to confirm that the Private Development is proceeding according to this Agreement and any related projections of Incremental Property Taxes and that the

proceeds realized upon issuance and sale of the Bonds are to be or have been expended upon Eligible Costs.

**Section 4.7 Indemnity.** The Developer agrees to indemnify and defend the City from and against any claims, suits, or actions for death or injury to persons or damage to property or breach of contract brought against the City arising from any alleged claims, acts or omissions in connection with the construction of the Private Development or the Public Improvements, whether or not suit is filed.

**Section 4.8 Insurance.** In connection with the construction of the Private Development and the Public Improvements, the Developer shall obtain from companies reasonably acceptable to the City, workmen's compensation and comprehensive general liability insurance coverage in amounts customary in the industry for similar developments, and shall ensure that the City shall be named as an additional insured on such insurance policies. The Developer shall, prior to construction, deliver to the City evidence of all insurance to be maintained as required by this section.

**Section 4.9 Compliance Will All Laws.** The Developer agrees that in the construction of the Private Development and any related Public Improvements, the Developer will comply with all applicable laws with respect to the work to be undertaken under this Agreement.

[End of Article IV]

## ARTICLE V

### PAYMENT FOR ELIGIBLE PROJECT COSTS

**Section 5.1 Payment Procedures.** The City and the Developer agree that the Eligible Costs shall be paid solely, and to the extent available, from proceeds of the Bonds. The City and the Developer intend that the Bonds be issued and that proceeds from the sale of such Bonds be disbursed at such times as the Developer makes application for payment for Eligible Costs according to the procedures set forth in Section 11 of the Bond Ordinance, and not inconsistent with this Agreement.

The City hereby designates the City's Chief Administrative Officer as its representative to coordinate the authorization of disbursement of Bond proceeds for the Eligible Costs. Payments to land owners, contractors, suppliers, professionals and other vendors for Eligible Costs shall be made upon request therefor, in form reasonably acceptable to the City (including as set forth in the Bond Ordinance, each being a "Requisition") submitted from time to time. The City may (but is not obligated to) designate an independent architect or engineer ("Inspecting Agent") to inspect work of the Developer related to the Private Development. The City reserves the right to have its Inspecting Agent or other agents or employees inspect from time to time as work progresses. The Developer consents to such inspection and to providing such Inspecting Agent access to the Development Area and construction sites for such purpose.

**Section 5.2 Approval and Resubmission of Requisitions.** The City's Chief Administrative Officer shall give the Developer

written notice approving or disapproving any of the Requisitions within ten (10) days after receipt thereof. If a Requisition is disapproved by such Chief Administrative Officer the reasons for disallowance will be set forth in writing and the person submitting the Requisition may resubmit such Requisitions with such additional information as may be required. The same procedures set forth herein applicable to approval and disapproval shall apply to such resubmittals.

**Section 5.3 Allocation of Bond Proceeds.** The City shall cause the proceeds of the Bonds to be disbursed for Eligible Costs set forth in the Project Budget and according to the procedure set forth in Article V of this Agreement. Bond proceeds shall first be applied to acquire Redevelopment Site One, and related costs, and thereafter to Redevelopment Site acquisition without priority of any site over any other site. The Developer shall make appropriate refunds of any amounts received as Eligible Costs that are later found to be ineligible.

[End of Article V]

ARTICLE VI  
DEFAULTS AND REMEDIES

Section 6.1 Defaults - Rights to Cure. Failure or delay by either Party to timely perform any term or provision of this agreement shall constitute a default under this Agreement. The Party who so fails or delays must, upon receipt of written notice of the existence of such default, immediately commence to cure, correct or remedy such default and thereafter proceed with diligence to cure such default. The Party claiming such default shall give written notice of the alleged default to the Party alleged to be in default specifying the default complained of. Except as required to protect against immediate, irreparable harm, the Party asserting a default may not institute proceedings against the other Party until thirty (30) days after having given such notice. If such default is cured within such thirty (30) day period, the default shall not be deemed to constitute a breach of this Agreement. If the default is one which cannot reasonably be cured within thirty (30) day period shall be extended for such time as is reasonably necessary for the curing of the same, so long as there is diligent proceeding to cure such default. If such default is cured within such extended period, the default shall not be deemed to constitute a breach of this Agreement. However, a default not cured as provided above shall constitute a breach of 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 alleged default or breach shall not operate as a

waiver of any such default or breach of any rights or remedies it may have as a result of such default or breach.

**Section 6.2 Remedies.** The sole remedy of either Party in the event of a default by the other Party under any of the terms and provisions of this Agreement shall be to institute legal action against the other Party for specific performance or other appropriate equitable relief. Under no circumstances shall the City be subject to any monetary liability or be liable for damages (compensatory or punitive) under the provisions, terms and conditions of this Agreement. The City covenants and agrees to use its best efforts to authorize, market and sell Refunding Bonds to refund outstanding Bonds as provided in Section 3.4 above, in all cases subject to reasonable discretion in the City with respect to interest rates, market conditions and applicable legal requirements.

[End of Article VII]

## ARTICLE VII

### MISCELLANEOUS PROVISIONS

Section 7.1 Entire Contract and Amendments. This Agreement (together with the Exhibits attached hereto) is the entire contract between the City and the Developer relating to the subject matter hereof, supersedes all prior and contemporaneous negotiations, understandings and agreements, written or oral, between the City and the Developer, and may not be modified or amended except by a written instrument executed by both of the Parties.

Section 7.2 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 the 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 7.3 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 7.4 Special and Limited Obligation.** The Bonds shall constitute special and limited obligations of the City according to their terms and the terms of the Bond Ordinance. The Bonds shall never constitute a general obligation of the City to which its credit and resources are pledged. The City pledges to the payment of the debt service on the Bonds solely and only the Pledged Taxes, if, as and when received, and not otherwise.

**Section 7.5 Time and Force Majeure.** Time is of the essence of this Agreement; provided, however, except with respect to Section 3.4 (b) and (c) and Article IV above, 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 in 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, 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, or for any other reasons not within the Developer's or the City's control.

**Section 7.6 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. 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 7.7 Cooperation and Further Assurances.** The City and the Developer each covenants and agrees 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 (including the holders of any Bonds issued as contemplated by this Agreement, and any related trustees, registrars or paying agents) all and singular the rights, property and revenues covenanted, agreed, conveyed, assigned, transferred and pledged under or in respect of this Agreement.

**Section 7.8 Severability.** If any section, subsection, term or provision of this Agreement or the application thereof to any party or circumstance shall, to any extent, be invalid or unenforceable, the remainder of such section, subsection, term or provision of this Agreement or the application of same to parties or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby.

**Section 7.9 Notices.** All notices, demands, request, consents, approvals or other communications or instruments

required or otherwise given under this Agreement shall be in writing and shall be executed by the party or an officer, agent or attorney of the party, and shall be deemed to have been effective as of the date of actual delivery, if delivered personally or by telecommunication actually received, or as of the third (3rd) day from and including the date of posting, if mailed by registered or certified mail, return receipt requested, with postage prepaid, addressed as follows (unless another address is provided in writing):

To the Developer:

University Park Investment Corporation  
175 S. Wall Street  
Kankakee, IL 60901  
Attention: Raymond E. DeWitte  
Tel: (815) 937-2034  
Fax: (815) 937-3020

with a copy to:

Dennis A. Norden  
Blanke, Norden, Barmann,  
Kramer & Bohlen, P.C.  
189 East Court St., #500  
Kankakee, IL 60901  
Tel: (815) 939-1133  
Fax: (815) 939-0994

and to

University Park  
Investment Corporation  
1400 W. Park Street  
Urbana, IL 61801  
Attention: David L. Line  
Tel: (217) 337-2251  
Fax: (217) 337-2223

To the City:

City of Urbana, Illinois  
400 South Vine Street  
Urbana, Illinois 61801  
Attention: City Administrator  
Tel No.: (217) 384-2362  
Fax No.: (217) 384-2363

with a copy to:

Legal Department  
400 South Vine Street  
Urbana, IL 61801  
Tel: (217) 384-2464  
Fax: (217) 384-2363

**Section 7.10 Successors in Interest.** This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective authorized successors and assigns; provided, however, that Developer may not assign its rights under this Agreement prior to completion of the Private Development without the express written approval of the City, except that Developer may assign rights under this Agreement for collateral purposes, but only with the City's written consent which shall not be unreasonably withheld.

**Section 7.11 No Joint Venture, Agency, or Partnership Created.** Except as specifically set forth in Section 5.1, neither anything in this Agreement nor any actions of the Parties to this Agreement shall be construed by the Parties or any third person to create the relationship of a partnership, agency, or joint venture between or among such parties.

**Section 7.12 Verification of Tax Increment.** The City and Developer shall fully cooperate in connection with obtaining certified copies of all real estate tax bills for the taxable property constituting the Centre.

**Section 7.13 Illinois Law.** This Agreement shall be construed and interpreted under the internal laws of the State of Illinois.

**Section 7.14 Costs and Expenses.** If either Party defaults in the performance of its obligations hereunder, the Parties agree that the defaulting Party shall pay the non-defaulting Party's costs of enforcing the defaulting Party's obligations under this Agreement, including but not limited to attorneys' fees and expenses.

**Section 7.15 No Personal Liability of Officials of City.** No covenant or agreement contained in this Agreement shall be deemed to be the covenant or agreement of any official, officer, agent, employee or attorney of the City, in his or her individual capacity, and neither the members of the City Council nor any official of the City shall be liable personally under this Agreement or be subject to any personal liability or accountability by reason of the execution, delivery and performance of this Agreement.

**Section 7.16 Repealer.** To the extent that any ordinance, resolution, rule, order or provision of the City's Code of ordinances or any part thereof is in conflict with the provisions of this Agreement, the provisions of this Agreement shall be controlling.

**Section 7.17 Term.** This Agreement shall remain in full force and effect until December 1, 2003, or until termination of the Redevelopment Project Area or until otherwise terminated pursuant to the terms hereof. However, the provisions of Section 4.7 of this Agreement shall survive termination of this Agreement. This Agreement shall constitute covenants that run with the land in connection with any Redevelopment Site purchased and conveyed to or at the direction of the Developer in accordance with this Agreement.

**IN WITNESS WHEREOF,** the City and the Developer have caused this Agreement to be executed by their duly authorized officers as of the date set forth above.

(SEAL)

CITY OF URBANA, ILLINOIS

By: \_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
City Clerk

UNIVERSITY PARK INVESTMENT  
CORPORATION,  
AN ILLINOIS CORPORATION

By: \_\_\_\_\_  
Its: \_\_\_\_\_

(SEAL)

Attest:

\_\_\_\_\_  
Secretary

[Exhibits A-G, inclusive follow this page and are integral parts  
of this Agreement in the context of use.]

EXHIBIT A

Legal Descriptions of Redevelopment Sites

EXHIBIT B

Legal Description of Redevelopment Project Area

EXHIBIT C

Description of Development Area

The Development Area is the real estate in the City of Urbana, Illinois, bounded by Conrail tracks to the north, Wright Street to the west, University Avenue to the south and Goodwin Avenue to the east.



EXHIBIT D

Project Budget

Land acquisition costs related to Redevelopment Site One and any one or more of the other Redevelopment Sites.

EXHIBIT E

Revenue Bond Ordinance

EXHIBIT F

Public Improvements

None.

EXHIBIT G

Private Development Site Plan (Preliminary)

The attached Private Development Site Plan is preliminary and is subject to change. Such change, however, shall not reduce the size of the hotel development and office building construction described in this Agreement. The Developer reserves the right, for example, to switch the locations of such hotel and office building.