

AN ORDINANCE AUTHORIZING THE MAYOR TO EXECUTE A REDEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY OF URBANA, AND SHELBY'S IN URBANA, INC.

WHEREAS, it is desirable and in the best interests of the City of Urbana, Illinois to enter into a Redevelopment Agreement with Shelby's in Urbana, Inc.; and

WHEREAS, a written copy of such Redevelopment Agreement is now before this meeting.

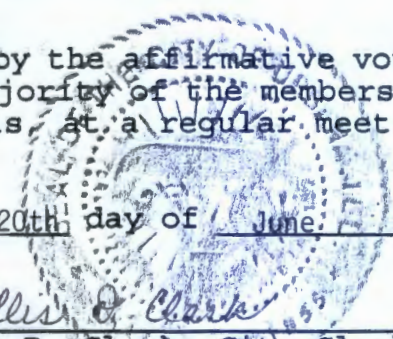
NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS, as follows:

Section 1. That the Council hereby approves the City entering into a Redevelopment Agreement with Shelby's in Urbana, Inc..

Section 2. That the Mayor is hereby authorized to execute and deliver such Redevelopment Agreement on behalf of the City. The agreement shall be in substantially the form of the Agreement which is before this Council, a copy of which is attached hereto and incorporated herein. The City Clerk is authorized to attest to such execution thereof.

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

PASSED by the City Council this 20th day of June, 1994.


Phyllis D. Clark
Phyllis D. Clark, City Clerk
by Sharon Merges, Deputy Clerk

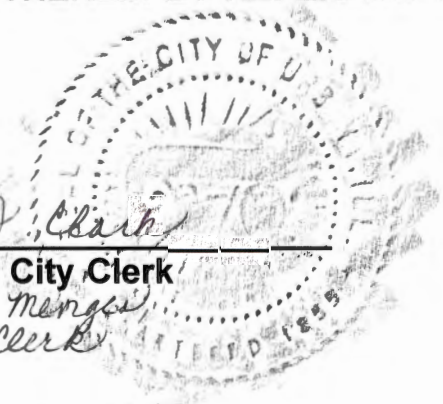
APPROVED by the Mayor this 24th day of June, 1994.

Tod Satterthwaite
Tod Satterthwaite, Mayor

THIS IS THE ATTACHMENT WHICH IS REFERRED TO IN ORDINANCE
NO. 9394-108 AND IS INCORPORATED THEREIN BY REFERENCE.

Phyllis D. Clark

Phyllis D. Clark, City Clerk
by Sharon Manges
Deputy Clerk



June 21, 1994

Date

RELEASE

WHEREAS, in an agreement dated June 30, 1994, and approved by the City Council in Ordinance No. 9394-108 and signed by the Mayor on June 24, 1994, the City of Urbana, a municipal corporation, and Shelys in Urbana, Inc., an Illinois corporation (hereinafter called simply "Developer"), and William Larry Shelby, individually, entered into a Redevelopment Agreement (hereinafter called simply "Redevelopment Agreement") among the purposes of which were to secure the razing of the former Charter House Inn, an old motel complex which had become blighted and the haven for criminal activity, and the retention of the Shelby automobile dealership in Urbana, the term of which Development Agreement was to extend to June 30, 2002; and

WHEREAS, under the Agreement, the City was obligated to pay to Developer certain monies as TIF eligible reimbursements and subsidies, which payments were to either stop if certain contingencies occurred or if other contingencies occurred, the Developer was obliged to repay certain sums to the City; and

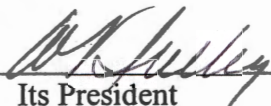
WHEREAS, in 1997, the Developer sold the automobile dealership to another entity (hereinafter referred to simply as "O'Brien"), which event was not anticipated by the parties and for which the Development Agreement had no provisions, however, as of the date hereof, all of the expectations of the City were in fact fulfilled by O'Brien, so the City ended up in substantially the same position as it had bargained for and is willing to release the remaining term of the Developer's continuing obligations under the Agreement; and

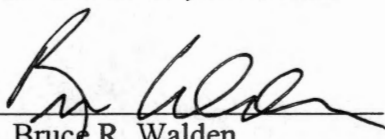
WHEREAS, the Development Agreement also provided that the City would vacate certain rights-of-way adjacent to the Shelby automobile dealership. The City has vacated or agrees to vacate in the next three (3) months all of such right of way that it is legally capable of vacating, the remainder of which right of way is under the jurisdiction of the Illinois Department of Transportation and the City has no rights to vacate such.

And thus, all parties acknowledge that substantially all obligations set forth in the Redevelopment Agreement have been satisfied, or nearly so. And as to any obligations under the Redevelopment Agreement which have not been completed, such obligations are of no consequence any longer, so NOW THEREFORE, FOR AND IN CONSIDERATION of the mutual waiver and release of any further obligations that may be due from each party or parties to the other under the Redevelopment Agreement, each of the parties hereto hereby release, acquit and further discharge each of the other parties and the other parties' heirs, executors, assigns, agents, servants and successors of and from any and all claims, actions, causes of action, demands, rights, damages, costs, expenses, fees and any at all liability or obligation whatsoever known or unknown, accrued or not yet accrued, arising or out of or related in any manner to the Redevelopment Agreement.

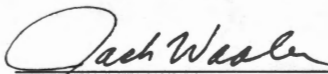
This release is intended to be complete and unconditional .

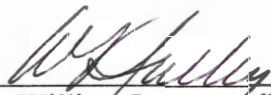
DATED at Urbana, Illinois this 14 day of JANUARY, ²⁰⁰² 2001.
SHELBY IN URBANA, INC. CITY OF URBANA, ILLINOIS

By: 
Its President

By: 
Bruce R. Walden
Chief Administrative Officer

Its Secretary


Jack Waaler, City Attorney


William Larry Shelby

REDEVELOPMENT AGREEMENT

by and between the

CITY OF URBANA
Champaign County, Illinois

and

SHELBYS IN URBANA, INC.
an Illinois Corporation

Dated June 20, 1994

Prepared by:
City of Urbana

ARTICLE I	Definitions
ARTICLE II	Representations and Warranties
ARTICLE III	City Covenants and Agreements
ARTICLE IV	Developer Covenants
ARTICLE V	Payment For Eligible Project Costs
ARTICLE VI	Defaults
ARTICLE VII	Miscellaneous

LIST OF EXHIBITS

- A. "Ordinance 8687-45"
- B. "Legal Description of Development Area"
- C. "Site Plan and Elevation Drawings of proposed Shelby Improvements"
- D. "Escrow Agreement and Instructions to Bank One"
- E. "Plat and Legal Description of Public Right-of-Way to be Vacated"
- F. "Request for Proposal and Notice"

This Redevelopment Agreement (including any attachments and exhibits, collectively, the "Agreement"), dated as of the 20th day of June, 1994, by and between the City of Urbana, an Illinois home-rule municipality, in Champaign County, Illinois (the "City"), and Shelbys in Urbana, Inc. an Illinois Corporation (the "Developer"), and William Larry Shelby, owner of the land, purchaser of Charter House property, and primary shareholder of Shelbys in Urbana, Inc. ("Shelby").

RECITALS

WHEREAS, in accordance with and pursuant to the Tax Increment Allocation Redevelopment Act (Section 5/11-74.4-1 et seq. of Chapter 65 of the Illinois Compiled Statutes), 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 has designated the Central Business District as a conservation/redevelopment area ("TIF II Downtown Area No. 2 Conservatory/ Redevelopment Plan & Projects"); and

WHEREAS, in connection with the Redevelopment Project, Redevelopment Plan and Redevelopment Project Area, the City Council of the City (the "Corporate Authorities"): (i) on December 15, 1986, adopted Ordinance No. 8687-45 "An Ordinance Approving a Redevelopment Plan and Redevelopment Project; Designating a Redevelopment Project Area; and Adopting Tax Increment Allocation Finance," which has been duly filed with the County Clerk of Champaign County, Illinois, a copy of which is attached hereto as Exhibit "A;" and

WHEREAS, a "Request for Proposals and Notice" (Exhibit F) was published on or before June 20, 1994, pursuant to the requirements of Section 11-74.4-4 of the TIF Act (Section 5/11-74.4-4 of Chapter 65 of the Illinois Compiled Statutes), and

WHEREAS, as contemplated by the Redevelopment Plan and the Redevelopment Project, the Developer proposes the retention and expansion of the existing automobile dealership at the subject location within the redevelopment project area.

WHEREAS, acting through its planning staff, the City's Department of Community Development Services has reviewed and studied the conditions in the Redevelopment Project Area to determine 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 as a "conservation area" under the Act; and

WHEREAS, Shelby and Shelbys In Urbana, Inc., are unwilling to undertake the Private Development without certain guarantees and warranties, including, but not limited to, 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 them in the manner set forth herein and as this Agreement may be supplemented and amended; and

WHEREAS, Shelbys in Urbana and Charter House Inn are located within the redevelopment project area, said location described in a copy of which is attached hereto as Exhibit "B"; and

WHEREAS, Shelby is the owner of record of certain real property commonly known as Shelbys in Urbana; and

WHEREAS, certain direct incentives are required by Shelby to acquire the Charter House Inn property; and

WHEREAS, Shelby and Shelbys in Urbana, Inc. will incur certain Redevelopment Project Costs including, but not limited to, the cost of acquisition of land and other property, demolition, site clearance, remodeling, and repair of the Charter House Inn property; and

WHEREAS, the City and Developer entered into a redevelopment agreement on March 23, 1992, (Ordinance No. 9192-85 "Shelby Redevelopment Agreement No. 2) and mutually consent and agree to rescind that agreement because this agreement

contains all matters in the former agreement that the parties deem essential to preserve.

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, Shelby and the Developer hereby agree as follows:

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:

"Charter House Inn" means the land and the improvements located within the Development Area and referred to as Tract B in the legal description attached herein as Exhibit "B".

"City" means the City of Urbana, Champaign County, Illinois.

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

"Developer" shall mean Shelbys in Urbana, Inc., (an Illinois corporation).

"Development Area" means the real estate upon or within which the Private Development is to be located, which has the common street address of 104 East University Avenue, 212 East University Avenue, 214 East University Avenue, and 505 North Cunningham Avenue, and is identified by Champaign County parcel index

numbers 91-21-08-405-016, 91-21-08-405-024, 91-21-08-405-025, and 91-21-08-405-029. The map and legal description of Development Area is attached hereto as Exhibit "B".

"E.A.V." means equalized assessed valuation as determined and authorized by the Champaign County Supervisor of Assessments in accordance with the procedures set forth in Section 95, 108 a and 146 of the Revenue Act of 1939, (Sections 205/95, 205/108a and 205/146 of Chapter 35 of the Illinois Compiled Statutes) as supplemented and amended.

"Eligible Expense" means those Redevelopment Project Costs authorized to be paid from tax increment finance (TIF) proceeds as provided in this Agreement.

"Fund" means the "Special Tax Allocation Fund for Redevelopment Project Area Number Two" established under Section 5/11-74.8 of the TIF Act and Ordinance 8687-45.

"Interest Subsidy Payment" means an amount equal to or less than 30% of the annual amount of interest paid by the Developer on the principal amount of a loan or loans used for TIF-eligible expenses for the Private Development.

"New Vehicle" means automobiles sold as new trucks, vans and automobiles as defined by the Illinois Department of Revenue for the purpose of reporting and collecting State and local sales tax. Used cars shall not be construed by this agreement to be new cars.

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

"Private Development," for the purpose of this agreement, means the accomplishment of the following: acquisition of the Charter House Inn property, demolition of certain buildings except the Charter House Inn office building and

adjacent 18-unit structure, the clearing and grading of land, remodeling the Charter House Inn office building as an automobile showroom, and construction of bituminous-surfaced car lot, an expenditure of approximately \$250,000 for a new building addition and/or renovation as depicted in the site plan attached as Exhibit "C".

"Property Tax Appeal" means any appeal to the Champaign County Board of Review under the procedures set forth in the Revenue Act of 1939 (Section 205/1 et. seq. of Chapter 35 of the Illinois Compiled Statutes), as supplemented and amended, or any appeal to the Cunningham Township Assessor.

"Redevelopment Project Costs" shall mean Developer and Shelby costs as set forth in 65 ILCS 5/11-74.4-3. Such costs include the costs of acquisition of land and other property, demolition of buildings, the clearing and grading of land, rehabilitation, reconstruction, repair, or remodeling of existing public or private buildings and fixtures or other eligible costs.

"Shelby" means William Larry Shelby.

"Shelbys In Urbana" means the land and the improvements located within the Development Area and referred to as Tract A in the legal description attached herein as Exhibit "B".

"TIF Act" shall mean the Tax Increment Allocation Redevelopment Act (Section 5/11-74.4-1 et. seq. of Chapter 65 of the Illinois Compiled Statutes).

ARTICLE II

REPRESENTATIONS AND WARRANTIES

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

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 the State of Illinois, and is in good standing under, the laws of each of the other 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.

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. 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 law, rulings and decisions affecting remedies, insolvency, reorganization, moratorium or other laws affecting the enforceability of debtors' or creditors' rights, and by equitable principles.

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 to the best of the Developer's knowledge, 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. To the best of the knowledge of the Developer, 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 2.3 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. Nothing has come to the attention of the Developer to question the assumptions or conclusions or other terms and the Developer assumes all risks in connection with the practical realization of any such private development.

ARTICLE III
CITY'S COVENANTS AND AGREEMENTS

Section 3.1 Payment for Partial Redevelopment Project Costs The City agrees to reimburse the Developer for redevelopment project costs including but not limited to the costs of demolition, surveys, development plans, professional services, clearing grading and the costs of rehabilitation of the main lobby building and the north building in an amount of \$150,000 in accordance with the following payment schedule:

<u>Date of Payment</u>	<u>Amount of Payment</u>
July 1, 1994	\$75,000
July 1, 1995	\$50,000
July 1, 1996	\$25,000

The City shall make the above payments to the extent that the Developer submits documentation for eligible project costs in accordance with the procedures established in Article V of this Agreement. In the event there are not sufficient revenues within the Fund to make timely payments hereunder, such amount shall be paid from other funds of the City. This payment is guaranteed by the full faith and credit of the City of Urbana.

Section 3.1.2 All Amounts paid under this paragraph 3.1 shall be paid into escrow with the escrow provision that the first payment must be provided for the demolition. Upon the demolition being completed, the escrow agent may pay other authorized items up to \$75,000 in 1994, \$50,000 on July 1, 1995, and \$25,000 on July 1, 1996.

Section 3.2 Payment of Interest Subsidy The City shall have the obligation to annually pay to the Developer, as a TIF-eligible expense, the amounts set forth in Section 3.2.1.

Section 3.2.1 Procedure for Payment of Interest Subsidy Upon documentation that the conditions and terms of Section 3.2 have been satisfied, the Chief Administrative Officer is authorized to, and shall, disburse the interest subsidy payments, pursuant to Section 3.2 and Article V of this Agreement, from the TIF Two Allocation Fund in accordance with the following payment schedule.

<u>Date of Payment</u>	<u>Interest Subsidy Payment</u>
June 30, 1994	\$14,300
July 1, 1994	\$25,300
July 1, 1995	\$25,300
July 1, 1996	\$35,100

In the event the interest subsidy payment amount listed above exceeds the statutory interest subsidy cap, or any other limitation, or in the event that there are not sufficient revenues within the Fund to make a timely payment hereunder, such amount shall be paid from other funds of the City. This payment is guaranteed by the full faith and credit of the City of Urbana.

Section 3.3 Street Vacation The Corporate Authorities have preliminarily found and determined that the public interests will be subserved by the vacation and use at no cost to Shelby or Developer of those portions of the University Avenue right-of-way as shown on the vacation plat attached hereto as Exhibit E. Such vacation

ordinance, when adopted, shall not become effective until the Developer has completed the acquisition of the Charter House Inn property.

The Parties further agree and acknowledge that any ordinance vacating any part of such streets by the Corporate Authorities shall contain provisions that the vesting of title in such part of such street so vacated shall be subject to all existing easements or those easements proposed to be dedicated by the Developer or Shelby for all public utilities (including any of the City with respect to sewer lines and electrical conduit for street lighting, if any). Easement holder(s), their successors and assigns will retain the right to operate, maintain, renew, and construct their facilities within the portion of right-of-way so vacated unless the Developer shall compensate such utilities or the City for such reasonable expense as shall be incurred by such utilities or the City in connection with the rearrangement, removal or relocation of such facilities, and that any such ordinance shall also reserve the City rights which shall survive the passage of such ordinance to enter upon any part of such street for the purpose of removing street lights and any other equipment or materials of the City that the City may choose to remove. It is expressly understood that the Developer may use the vacated right-of-way for parking, drives and the display of vehicles. The Developer shall maintain and retain any locust trees which now exist within the right-of-way to be vacated and shall be responsible for adequately mowing the right-of-way to be vacated and the remaining University Avenue right-of-way directly adjacent to the vacation but north of University Avenue street pavement. When the City takes any action to move or relocate facilities, it will do so in a reasonable manner and shall repair and replace any disturbed surface improvements. In the event that the vacation ordinance is not approved by the Corporate Authorities in accordance with this Agreement, the obligations of the Developer and Shelby pursuant to Section 4.6 are nullified.

ARTICLE IV
DEVELOPER'S COVENANTS

Section 4.1 Agreement to Purchase Real Estate. The Developer agrees to purchase the Charter House Inn property described as Tract B in the legal description attached hereto as Exhibit "B" on or before June 28, 1994. Upon acquisition the Developer will cease to operate said property as a motel no later than August 1, 1994.

Section 4.2 Demolition and Site Clearance. The Developer agrees to enter into a binding demolition contract for the demolition and clearance of the western motel units on or before September 1, 1994. Said demolition and clearance shall be completed by December 1, 1994.

Section 4.3 Building Renovation and Addition Construction. The Developer agrees to commence the construction of an addition and commence building renovation of the Charter House lobby building and north building per the plans attached herein as Exhibit "C" no later than December 1, 1994 and complete the Private Development Project by June 1, 1995. The Developer agrees to invest approximately \$250,000 in the construction and remodeling of the Private Development. Developer agrees for the term of this agreement that principal use of the Charter House property shall be new or used car sales.

Section 4.4 Documentation of Redevelopment Project Costs. The Developer shall submit to the City evidence of redevelopment project costs and other necessary documents to evidence compliance with the Developer's obligations as requested by the Chief Administrative Officer.

Section 4.5 Documentation of Annual Interest on Developer's Loan(s) On or before May 1st of each year the interest subsidy payment is due according to Section 3.2.1, the Developer shall provide the Chief Administrative Officer with documentation as to new sales taxes paid above the \$23,000 baseline tax and documentation as to total interest costs associated with the principal amount of TIF-

eligible expenditures used for the Private Development for the previous twelve month period. The City Comptroller is authorized to independently verify such new sales taxes through the Illinois Department of Revenue.

Section 4.6 Developer's Car Sales Performance Requirement. The Developer covenants and agrees to repay to the City of Urbana, within thirty (30) days of written notice, pursuant to the repayment schedule, all payments provided to the Developer by Section 3.1.2 and Section 3.2 of this Agreement and terminate any further City payments under Section 3.2.1 if the Developer fails to maintain the Urbana location as the point of sale for a minimum of \$30,000,000 in new and used car sales in each twelve (12) month period commencing July 1, 1994 and prorata portion until June 30, 2002. In any twelve (12) month period from July 1 to June 30 where there is no economic growth for two consecutive quarters as determined by the Federal government, the \$30,000,000 threshold shall not be effective. During the term of this Agreement the Developer agrees that the \$30,000,000 in sales will not be exclusively used cars by at all times maintaining at least two (2) major new car franchises in Urbana.

Repayment Schedule

6/30/94 to 6/30/99 - 100%
6/30/99 to 6/30/2000 - 75%
6/30/2000 to 6/30/2001 - 50%
6/30/2001 to 6/30/2002 - 25%

Section 4.7 Compliance With 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.

Section 4.8 Property Tax Appeal. The Developer agrees, as long as this Agreement is in effect, not to file any property tax appeal, protest, dispute or otherwise take any action, including, but not limited to, participating in or funding in whole or in part any tax appeal, protest, dispute, which would have the direct or

indirect effect of reducing, for any given year, the total E.A.V. of the properties within the Development Area to a level below the \$650,000 for the term of this Agreement

Section 4.9 Financial Reporting. The Developer agrees to provide retail sales tax information upon request of the City. To the extent permitted by law, such information shall be treated by the City as confidential.

ARTICLE V

PAYMENT FOR ELIGIBLE PROJECT COSTS

Section 5.1 Payment Procedures. The City, Shelby and the Developer agree that the obligation of the City to reimburse Shelby and the Developer as provided in Article III of this Agreement shall be disbursed by the Comptroller of the City for payment to Shelby or the Developer according to the procedures set forth in this Section 5.1 of this Agreement.

The City hereby designates the City's Chief Administrative Officer, or the designee thereof, (the "CAO") as its representative to coordinate the authorization of disbursement of such amount as may be due to Shelby or the Developer from the City as Redevelopment Project Costs. Payments to Shelby or the Developer shall be made upon request therefor and shall include a statement as to the total Redevelopment Project Costs as incurred during the applicable calendar year.

Section 5.2 Approval and Resubmission of Documentation. If disapproved, the CAO shall give the Developer written notice of such disapproval of the documentation within ten (10) days after receipt thereof. Approval cannot be unreasonably withheld. If disapproved, the notice shall contain reasons for such disapproval.

Section 5.3 Time of Payment. The City shall pay the amount due to the Developer or Shelby from the City within thirty (30) days of the payment schedules herein upon approval of the Chief Administrative Officer of documentation as set forth in Section 3.1 and 3.2.1 above.

ARTICLE VI
DEFAULTS AND REMEDIES

Section 6.1 Defaults - Rights to Cure. Failure or delay by any Party to timely perform any term or provision of this Agreement, or taking an action a party agreed not to take, shall constitute a default under this Agreement. The Party who so fails or delays, or takes an action forbidden by this Agreement, 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 defaulting Party. Except as required to protect against immediate, irreparable harm, the Party asserting a default may not institute proceedings against the defaulting 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 Party in default states its reasons why the default is one which cannot be cured within such thirty (30) day period, such thirty (30) day period shall be extended, in writing, for such time as is reasonably necessary for the curing of such default, 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 Cessation of Business. It is expressly understood that if the Developer shall cease to operate its business within the Development Area for any reason, except for the purpose of repair due to fire, casualties or interruptions beyond the reasonable control of Shelys in Urbana, Inc., during the term of this Agreement, all City obligations pursuant to Article III of this Agreement will automatically cease upon

such cessation of business unless otherwise agreed by the Corporate Authorities of City and Shelby in Urbana shall reimburse the City in an amount equal to the payments set forth in Section 4.6 based upon the date of business cessation.

Section 6.3 Remedies. The remedy of any Party in the event of a default by the other Party under any of the terms and provisions of this Agreement may not include specific performance but may include other appropriate equitable relief. The Developer or Shelby shall be subject to monetary damages pursuant to this Agreement, not to exceed the cost of payments to the Developer in Section 3.1 and 3.2.1. and reasonable attorney's fees. Should the City violate this Agreement, the City shall pay reasonable attorney's fees to the Developer.

ARTICLE VII

MISCELLANEOUS PROVISIONS

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

Section 7.1.1 Prior Agreement Rescinded. The City and Developer hereby mutually agree to rescind the prior redevelopment agreement between the parties approved by City Council on March 23, 1992, (Ordinance No. 9192-85 "Shelby Redevelopment Agreement No. 2") as of the date this Agreement is approved by the City Council.

Section 7.2 Third Parties. Except as otherwise provided herein, 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, Shelby 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, Shelby or the Developer, nor shall any provision give any third parties any rights of subrogation or action over or against either the City, Shelby 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 Legally Valid and Binding. This Agreement shall constitute a legally valid and binding obligation of the City according to the terms hereof.

Section 7.5 Time and Force Majeure. Time is of the essence of this Agreement; provided, however, the Developer, Shelby 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 disturbances (whether legal or illegal, with respect to which the Developer, Shelby or 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, Shelby 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, Shelby 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, pledging, assigning and confirming unto the City, Shelby and the Developer all and singular the rights, property and revenues covenanted, agreed, conveyed, assigned, transferred and pledged under this Agreement.

Section 7.8 Notices. All notices, demands, requests, 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:

Shelby's In Urbana, Inc.
104 East University Avenue
Urbana, IL 61801
Attention: Larry Shelby
Tel: (217) 367-1233

To Shelby:

William Larry Shelby
104 East University Avenue
Urbana, IL 61801
Tel: (217) 367-1233

With an Informational Copy to:

Carl M. Webber
202 Lincoln Square
Urbana, IL 61801
Tel: (217) 367-1126

To the City:

Chief Administrative Officer
400 South Vine Street
Urbana, IL 61801
Tel: (217) 384-2454
Fax: (217) 384-2426

With a Copy to:

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

Section 7.9 Assignment and Successors in Interest. This Agreement shall be binding on all successors and assigns. This Agreement may be assigned with the written consent of the Corporate Authorities, which consent may not be unreasonably withheld. If payments are required pursuant to Section 4.6 or Section 6.2, such payments shall also be the personal obligation of Shelby. Approval is hereby granted to transfer this Agreement to Shelby's daughter or to any person who on the date hereof is a party to a shareholder's agreement for shareholders of Shelby's in Urbana, Inc.

Section 7.10 No Joint Venture, Agency, or Partnership Created. Nothing in this Agreement nor any actions of the Parties to this Agreement shall be construed by the parties hereto or any third person to create the relationship of a partnership, agency, or joint venture between or among such Parties.

Section 7.11 Illinois Law. This Agreement shall be construed and interpreted under the laws of the State of Illinois.

Section 7.12 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 Corporate Authorities 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 7.13 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 7.14 Term. This Agreement shall remain in full force and effect until June 30, 2002.

Section 7.15 Contingency This Agreement is contingent on Developer or Shelyty purchasing, and closing the purchase of the Charter House Inn.

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

CITY OF URBANA, ILLINOIS

(SEAL)

By: *Tom Sattuthwaite*
Mayor

ATTEST:

 Phyllis D. Clark
City Clerk

SHELBY IN URBANA, INC.

(SEAL)

By: *W. Kelly*

Its: *Pres*

SHELBY

ATTEST:

By: *W. Kelly*
William Larry Shelby

 Nanette Lee Fisher
Secretary

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

EXHIBIT A
"Ordinance 8687-45"

AN ORDINANCE

APPROVING A REDEVELOPMENT PLAN AND REDEVELOPMENT PROJECT; DESIGNATING A REDEVELOPMENT PROJECT AREA; ADOPTING TAX INCREMENT ALLOCATION FINANCING; AND AUTHORIZING THE ILLINOIS DEPARTMENT OF REVENUE TO ANNUALLY CERTIFY AND CAUSE TO BE PAID TO THE CITY OF URBANA, ILLINOIS AN AMOUNT EQUAL TO THE INCREASE IN THE AGGREGATE AMOUNT OF STATE SALES TAXES PAID BY RETAILERS AND SERVICEMEN ON TRANSACTIONS AT PLACES OF BUSINESS LOCATED WITHIN THE REDEVELOPMENT PROJECT AREA

WHEREAS, the City of Urbana, Champaign County, Illinois (the "City") desires to adopt tax increment allocation financing pursuant to the Tax Increment Allocation Redevelopment Act of the State of Illinois, as amended and supplemented from time to time, (Ill.Rev.Stats. ch. 24, §§11-74.4-1 et. seq.), (the "Act"); and

WHEREAS, pursuant to §11-74.4-5 of the Act, the City held a public hearing relative to the approval of a proposed Redevelopment Plan and Redevelopment Project and the designation of a proposed Redevelopment Project Area, such public hearing being duly held at 3:00 p.m. on October 15, 1986, at the City Council Chambers, City Building, 400 South Vine Street, Urbana, Illinois; and

WHEREAS, due notice in respect to said public hearing was given by the City in accordance with §§ 11-74.4-5 and 11-74.4-6 of the Act, said notice being given: by certified mail to taxing districts having property in the proposed Redevelopment Project Area and to the Illinois Department of Commerce and Community Affairs on September 11, 1986, a date not less than thirty (30) days prior to such date set for said public hearing; by publication in the Champaign-Urbana News-Gazette, a newspaper of general circulation within such taxing districts, on October 1 and October 8, 1986, respectively, such first publication being not more than thirty (30) nor less than ten (10) days prior to such date set for said public hearing; by certified mail to the person or persons in whose name the general taxes for the last preceding year were paid on each lot, block, tract or parcel of land lying within the proposed Redevelopment Project Area on September 24, 1986, a date not less than ten (10) days prior to such date set for said public hearing; and by certified mail to corporations owning railroad rights-of-way within the proposed Redevelopment Project Area on October 3, 1986, a date not less than ten (10) days prior to such date set for said public hearing; and

WHEREAS, the proposed Redevelopment Plan sets forth the factors constituting the proposed Redevelopment Project Area as a "Conservation Area" within the meaning of the Act. The

City Council has fully reviewed such factors in connection with such other information concerning the same as was presented at the public hearing, and has further reviewed other studies and is generally informed of the conditions in the proposed Redevelopment Project Area; and

WHEREAS, the City Council has reviewed the conditions pertaining to investment by private enterprise in the proposed Redevelopment Project Area as a whole to determine whether growth and development would take place therein without the adoption of the proposed Redevelopment Plan; and

WHEREAS, the City Council has reviewed the proposed Redevelopment Plan in connection with the comprehensive plan for development of the City as a whole to determine whether the proposed Redevelopment Plan and Redevelopment Project conform to such comprehensive plan of the City; and

WHEREAS, the City Council has reviewed the area of which the proposed Redevelopment Project Area is comprised to determine its aggregate acreage and to determine whether the contiguous parcels of real property and improvements thereon would be substantially benefitted by the proposed Redevelopment Project improvements; and

WHEREAS, the City Council of the City has determined that it is necessary and in the best interests of the City to authorize the Department of Revenue, pursuant to §11-74.4-8a(1) of the Act, to annually certify and cause to be paid to the City an amount equal to the increase in the aggregate amount of state sales taxes paid by retailers and servicemen on transactions at places of business located within the Redevelopment Project Area.

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

Section 1. Definitions. That the following words and terms used in this Ordinance shall have the following meanings unless the context or use indicates a different meaning:

a) "Act" means the Tax Increment Allocation Redevelopment Act of the State of Illinois, as amended and supplemented from time to time, and as formerly known and cited as the Real Property Tax Increment Allocation Redevelopment Act (Ill.Rev.Stats., Ch. 24, §11-74.4-1 et seq.).

b) "City" means the City of Urbana, Champaign County, Illinois, and its successors and assigns.

c) "City Code" means the Code of Ordinances, City of Urbana, Illinois, as amended and supplemented from time to time.

d) "Fund" means the special fund called the "Special Tax Allocation Fund for Redevelopment Project Area Number Two" established pursuant to §11-74.4-8 of the Act and Section 5 of this Ordinance.

e) "Ordinance" means this Ordinance as originally adopted and as the same may from time to time be amended or supplemented.

f) "Redevelopment Project Area" means the Redevelopment Project Area designated pursuant to §11-74.4-4 of the Act and by Section 4 of this Ordinance, also more specifically herein known and referred to as "Redevelopment Project Area Number Two."

g) "Redevelopment Plan" means the comprehensive program of the City for the Project Area established pursuant to §11-74.4-4 of the Act and as approved by Section 3 of this Ordinance.

h) "Redevelopment Project" means the Redevelopment Project, including any project or projects in furtherance of the objectives of the Redevelopment Plan, established pursuant to §11-74.4-4 of the Act and as adopted and approved by Section 3 of this Ordinance.

Section 2. Findings. That the City Council hereby specifically finds and determines as follows:

a) That the matters hereinabove set forth in the recitals to this Ordinance are adopted as facts.

b) That conditions exist which qualify the proposed Redevelopment Project Area to be classified as a "Conservation Area" within the meaning of §11-74.4-3(b) of the Act, and that the tax bases of the taxing districts which extend into the proposed Redevelopment Project Area will be enhanced by implementation of the Redevelopment Plan.

c) That the proposed Redevelopment Project Area on the whole has not been subject to growth and development through investment by private enterprise and would not be reasonably anticipated to be developed without the adoption of the Redevelopment Plan.

d) That the Redevelopment Plan and Redevelopment Project conform to the comprehensive plan for the development of the City as a whole.

e) That the estimated date for completion of the Redevelopment Project shall not be later than December 1, 2009.

f) That the estimated date for retirement of obligations, if any, incurred by the City to finance the costs incurred in connection with the Redevelopment Project shall not be later than December 1, 2009.

g) That the proposed Redevelopment Project Area is not less in the aggregate than 1 1/2 acres and includes only those contiguous parcels of real property and improvements thereon which will be substantially benefitted by the proposed Redevelopment Project improvements.

h) That no changes have been made in the proposed Redevelopment Plan or Redevelopment Project or the proposed Redevelopment Project Area which alter the exterior boundaries of the proposed Redevelopment Project Area, which substantially affect the general land uses established in the Redevelopment Plan, or which substantially change the nature of the Redevelopment Project.

i) That the Redevelopment Project Area would not reasonably be developed without the use of such incremental revenues as are authorized pursuant to §11-74.4-8a(1) of the Act and Section 6 of this Ordinance.

j) That such incremental revenues described in subsection (i) above will be exclusively utilized for the development of the Redevelopment Project Area pursuant to §§11-74.4-3(i) and 11-74.4-8a(3)(f) of the Act and Section 7 of this Ordinance.

k) That the City imposes the maximum tax allowed by law under each of the following:

(1) the Municipal Retailers' Occupation Tax Act of the State of Illinois pursuant to §22-16, Article II of Chapter 22 of the City Code;

(2) the Municipal Use Tax Act of the State of Illinois pursuant to §22-82, Article IV of Chapter 22 of the City Code; and

(3) the Municipal Service Occupation Tax Act of the State of Illinois pursuant to §22-30, Article III of Chapter 22 of the City Code.

l) That this Ordinance was introduced within fourteen (14) to ninety (90) days from completion of the public hearing specified in §11-74.4-5 of the Act.

Section 3. Adoption of Redevelopment Plan and Redevelopment Project. That the proposed Redevelopment Plan and Redevelopment Project, entitled "DOWNTOWN URBANA TAX INCREMENT AREA TWO CONSERVATION REDEVELOPMENT PLAN AND PROJECTS", a copy of which has been presented to and is now before this meeting, be and the same is hereby adopted and approved pursuant to §11-74.4-4 of the Act as the Redevelopment Plan and Redevelopment Project for the proposed Redevelopment Project Area.

Section 4. Designation of Redevelopment Project Area.
That the proposed Redevelopment Project Area, which is more particularly described in Exhibit A attached hereto and hereby incorporated by reference, be and the same is hereby designated pursuant to §11-74.4-4 of the Act as the Redevelopment Project Area. Such Redevelopment Project Area as described and designated herein shall hereafter be known as, referred to, and identified as the "Redevelopment Project Area Number Two."

Section 5. Adoption of Tax Increment Allocation Financing. That tax increment allocation financing be and the same is hereby adopted pursuant to §11-74.4-8 of the Act in respect to the Redevelopment Plan and Redevelopment Project for the Redevelopment Project Area known as, referred to, and identified herein as the "Redevelopment Project Area Number Two." In connection with such adoption of tax increment allocation financing, the ad valorem taxes, if any, arising from the levies upon taxable real property in the Redevelopment Project Area by taxing districts and tax rates determined in the manner provided in §11-74.4-9(c) of the Act each year after the effective date of this Ordinance until the costs of the Redevelopment Project and City obligations financing the costs of the Redevelopment Project incurred under the Act and this Ordinance, if any, have been paid, shall be divided as follows:

(a) That portion of taxes levied upon each taxable lot, block, tract or parcel of real property which is attributable to the lower of the current equalized assessed value or the initial equalized assessed value of each such taxable lot, block, tract or parcel of real property in the Redevelopment Project Area shall be allocated to and when collected shall be paid by the county collector to the respective affected taxing districts in the manner required by law in the absence of the adoption of this tax increment allocation financing.

(b) That portion, if any, of such taxes which is attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract or parcel of real property in the Redevelopment Project Area over and above the initial equalized assessed value of each property in the Redevelopment Project Area shall be allocated to and when collected shall be paid to the City Comptroller, who shall deposit said taxes into the Fund for the purpose of paying the costs of the Redevelopment Project and the obligations, if any, incurred in the payment thereof.

The Fund, to be used for the purposes as herein provided, be and the same is hereby established.

Section 6. Authorization of Department of Revenue.
That pursuant to §11-74.4-8a(1) of the Act, the City hereby authorizes the Department of Revenue to annually certify and cause to be paid to the City an amount equal to the increase in the aggregate amount of taxes paid by retailers and servicemen on transactions at places of business located within the

Redevelopment Project Area pursuant to the Municipal Retailers' Occupation Tax Act, the Municipal Service Occupation Tax Act, the Retailers' Occupation Tax Act, the Use Tax Act, the Service Use Tax Act, and the Service Occupation Tax Act for as long as the Project Area exists, over and above the aggregate amount of such taxes as certified by the Department of Revenue and paid under such Acts by retailers and servicemen on transactions at places of business located in the Redevelopment Project Area during the base year, which shall be the calendar year of 1985 (that being the calendar year immediately prior to the year in which the City adopted tax increment allocation financing pursuant to the Act and this Ordinance), less 1.6% of such amounts generated under the Retailers' Occupation Tax Act, Use Tax Act and Service Use Tax Act and the Service Occupation Tax Act, which sum shall be retained by the State Treasurer to cover the costs incurred by the Department of Revenue in administering and enforcing Section 11-74.4-8a(1) of the Act.

Section 7. Allocation and Payment to Fund;

Accounting. That in addition to the City incremental real property tax revenues from the Redevelopment Project Area, which have heretofore been allocated and directed to be paid and deposited to the Fund pursuant to Section 5 of this Ordinance, all incremental revenues from the Municipal Retailers' Occupation Tax Act and the Municipal Service Occupation Tax Act derived from the Redevelopment Project Area shall be allocated to and when collected shall be paid to the City Comptroller who shall deposit said funds in the Fund. Any payments of incremental revenues of the State of Illinois caused to be paid to the City by the Department of Revenue from the Retailers' Occupation Tax Act, the Use Tax Act, the Service Use Tax Act, and the Service Occupation Tax Act pursuant to §11-74.4-8a(1) of the Act and this Ordinance shall likewise be deposited by the City Comptroller in the Fund. For accounting purposes, the City Comptroller shall identify the source of each payment as Municipal Retailers' Occupation and Service Occupation Tax, State Retailers' and Service Occupation Tax, and Use and Service Use Tax.

Section 8. Use of Incremental Revenues. That the City shall pursue the implementation of the Redevelopment Plan in an expeditious manner. All incremental revenues created pursuant to §11-74.4-8a(1) of the Act and Section 6 of this Ordinance shall be exclusively utilized for the development of the Project Area and shall be used exclusively to pay the costs of the Redevelopment Project as defined in §11-74.4-3(1) of the Act.

Section 9. Transmittal. That within thirty (30) days after the adoption of this Ordinance, the City Clerk be and the same is hereby directed to transmit to the Department of Commerce and Community Affairs and the Department of Revenue the following:

a) a certified copy of this Ordinance accompanied by a complete list of street names and the range of street numbers of each street located within the Project Area for which payments are to be made under §11-74.4-8a(1) of the Act and this Ordinance in both the base year and in the year preceding the payment year; and the addresses of persons registered with the Department of Revenue; and, the name under which each such retailer or serviceman conducts business at that address, if different from the corporate name; and the Illinois Business Tax Number of each such person, updated as required under §11-74.4-8a(3) of the Act;

b) a copy of the Redevelopment Plan as herein approved by the City;

c) an opinion of legal counsel to the City that the City has complied with the requirements of the Act; and

d) a certification by the Mayor of the City that with regard to the Project Area: (1) the City has committed all of the municipal tax increment created pursuant to the Act for deposit in the Fund; (2) the Redevelopment Projects described in the Redevelopment Plan would not be completed without the use of State incremental revenues pursuant to the Act; (3) the City will pursue the implementation of the Redevelopment Plan in an expeditious manner; (4) the incremental revenues created pursuant to §11-74.4-8a(1) of the Act will be exclusively utilized for the development of the Project Area; and (5) the increased revenue created pursuant to §11-74.4-8a(1) of the Act shall be used exclusively to pay Redevelopment Project Costs as defined in the Act.

Section 10. Annual Submission of Information. That in the event the City receives any payments as authorized under §11-74.4-8a(1) of the Act and this Ordinance, the Administrator of the Community Development Services Department of the City shall submit to the City Council of the City and to the Illinois Department of Commerce and Community Affairs annually and within 180 days after the close of the fiscal year of the City such information for the immediately preceding fiscal year of the City as may be required by §11-74.4-8a(6) of the Act and any rules and regulations of the Department of Revenue issued pursuant thereto.

Section 11. Further Authorization. That from and after the effective date of this Ordinance, the proper officers, agents and employees of the City are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out the intent and accomplish the purposes of this Ordinance.

Section 12. Effective Date. That this Ordinance as hereby adopted shall be in full force and effect as of December 31, 1986.

1986.

PASSED by the City Council this 15th day of December.

Ruth S. Brookens
Ruth S. Brookens, City Clerk

1986.

APPROVED by the Mayor this 23rd day of December.

Jeffrey T. Markland
Jeffrey T. Markland, Mayor

The Urbana Tax Increment II Redevelopment Project Area boundaries are shown on the Tax Increment II District Boundary Map in Appendix A.

The project area is generally bounded by Crystal Lake Drive on the North, Maple Street on the East, California Street on the South and Orchard Street on the West.

The exact legal description of the Urbana Tax Increment II Project Area boundaries is as follows:

A portion of Section 8 and 17, Township 19 North, Range 9 East of the Third Principal Meridian, situated in the City of Urbana, Champaign County, State of Illinois, further described as follows:

Beginning at the intersection of the West right-of-way line of Orchard Street and the North line of the Consolidated Railway Corporation's railroad right-of-way; thence Easterly along said railroad right-of-way to an extension of the East line of the Big Wheel Survey; thence Northerly 90 feet, more or less, to a property line; thence Easterly along said property line 150 feet, more or less, to the West line of Leal Park; thence Northerly along said Park to the North right-of-way line of University Avenue; thence Easterly along University Avenue to the West right-of-way line of Lake Street; thence Northerly along Lake Street 144 feet to the North line of an east-west alley; thence Easterly along said alley to the East right-of-way line of Race Street; thence Southerly along Race Street 13.6 feet to a property line; thence Easterly along said property line 181 feet to the center of a vacated alley; thence Northerly along the center of said vacated alley 4.2 feet, more or less, to a property line; thence Easterly along said property line to the West right-of-way line of Broadway Avenue; thence Northerly along Broadway Avenue to the extension of the South line of Crystal Lake Park Addition; thence Easterly along said South line to the West line of Lot 29 of said Addition; thence Northerly along said Lot 29 to the North right-of-way line of Crystal Lake Drive; thence Easterly along Crystal Lake Drive 47.05 feet; thence Southerly along the extension of the East line of said Lot 29 a distance of 248.76 feet to a property line; thence Southeasterly along said property line 284.31 feet to the West right-of-way line of Cunningham Avenue; thence Northeasterly along Cunningham Avenue to a point 196 feet North of the centerline of Crystal Lake Drive; thence Easterly to the intersection of the East right-of-way line of Cunningham Avenue with the South property line of a 0.95 Acre parcel having its North property line on the East 1/4 Section line of said Section 8; thence Easterly along said South property line to the West line of Lot 2 of Webber Estate Subdivision; thence Southerly along said Lot 2 a distance of 548.6 feet to a property line; thence Westerly along said property line to the East right-of-way line of Maple Street; thence Southerly along Maple Street to the centerline of the University Avenue pavement; thence Easterly along said centerline to the extension of the East right-of-way line of Maple Street

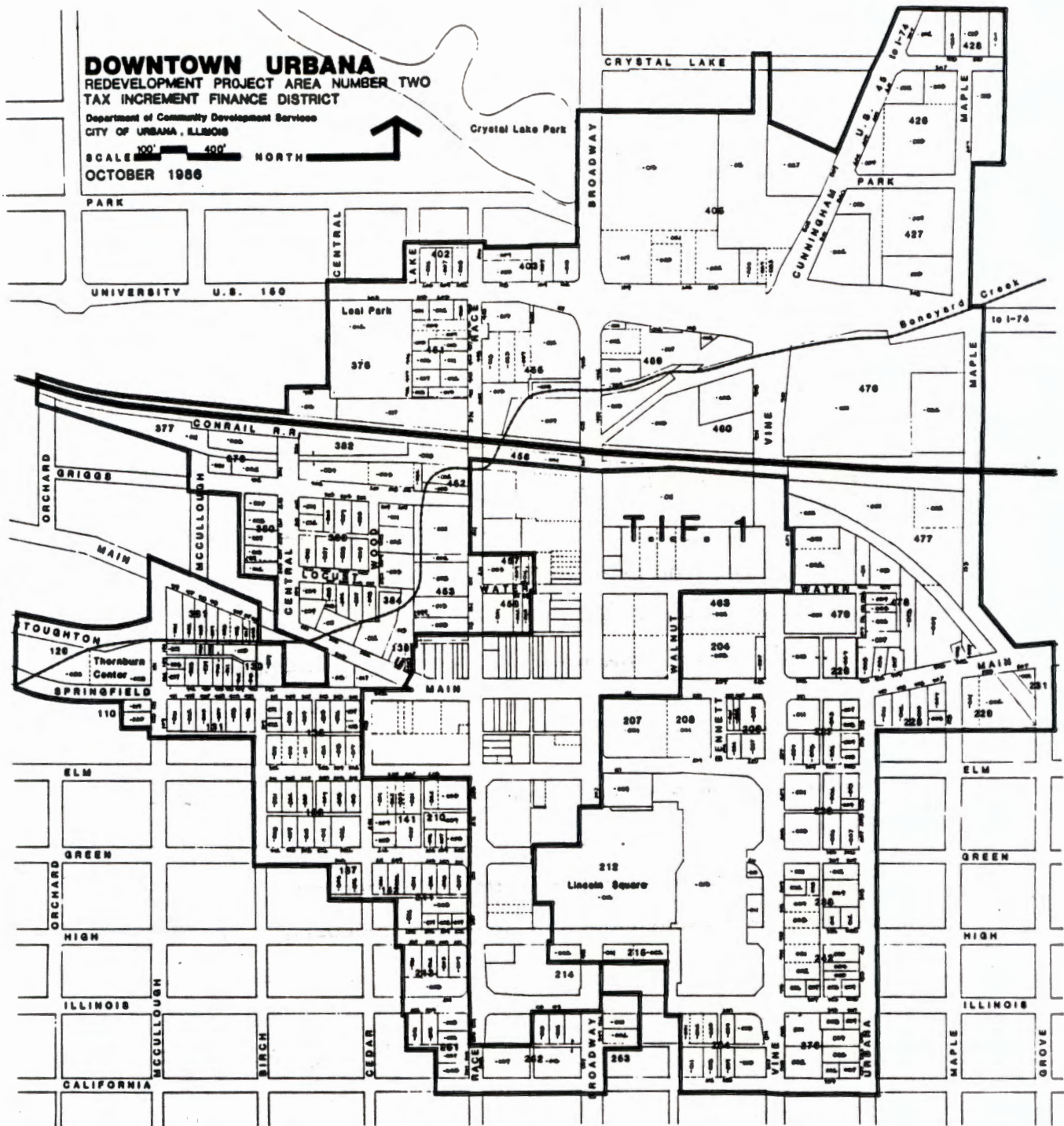
South of University Avenue; thence Southerly along the East right-of-way line of Maple Street to the North right-of-way line of Main Street; thence Easterly along Main Street to the extension of the East right-of-way line of Grove Street; thence Southerly along Grove Street to the extension of the South line of an alley commonly known as Fish Alley; thence Westerly along Fish Alley to a point 138 feet West of the West right-of-way line of Grove Street; thence Northerly 6 feet to the center of Fish Alley; thence Westerly along the centerline of the vacated portion of Fish Alley to the East right-of-way line of Maple Street; thence Southerly along Maple Street 6 feet; thence Westerly along the South line of Fish Alley to the East right-of-way line of Urbana Avenue; thence Southerly along Urbana Avenue to the South right-of-way line of California Avenue; thence Westerly along California Avenue to the East right-of-way line of Vine Street; thence Westerly to the intersection of the West right-of-way line of Vine Street with the South right-of-way line of California Avenue; thence Westerly along California Avenue to the West right-of-way line of Walnut Street; thence Northerly along the East line of Beck's Addition to the Southeast corner of Lot 4 of said Addition; thence Easterly to the Southwest corner of Lot 4 of Myers & Besores Addition; thence Northerly along the West line of said Lot 4 to the South right-of-way line of Illinois Street; thence Westerly along Illinois Street to the East line of Beck's Addition; thence Northerly along the West line of Walnut Street to a property line 132.9 feet North of the North right-of-way line of Illinois Street; thence Westerly along said property line to the East right-of-way line of Broadway Avenue; thence Southerly along Broadway Avenue to the South line of Illinois Street; thence Easterly along Illinois Street 127.5 feet; thence Southerly to the Northwest corner of Lot 5 of Beck's Addition; thence Westerly along the South line of Cedar Alley to the East right-of-way line of Broadway Avenue; thence Southerly along Broadway Avenue to the South right-of-way line of California Avenue; thence Westerly along California Avenue to a point 132 feet West of the West right-of-way line of Race Street; thence Northerly along a property line 165.5 feet to the south line of Cedar Alley; thence Westerly along Cedar Alley 103 feet, more or less; thence Northerly along a property line 127.5 feet to the South right-of-way line of Illinois Street; thence Westerly along Illinois Street 8 feet, more or less; thence Northerly along a property line 249.6 feet to the South right-of-way line of High Street; thence Westerly along High Street 28.875 feet; thence Northerly along a property line 75.5 feet to the South line of High Alley; thence Westerly along High Alley to the West right-of-way line of Cedar Street; thence Northerly 6 feet to the centerline of vacated High Alley; thence Westerly along said centerline 111.5 feet; thence Northerly along Birch Street to the South line of Fish Alley; thence Westerly along Fish Alley to the West line of McCullough Street; thence Northerly along McCullough Street 30.14 feet to a property line; thence Westerly along said property line 101.71 feet; thence Northerly along the West line of Lot 1 of Sutton's Subdivision to the South right-of-way line of Springfield Avenue; thence Westerly along the South

right-of-way of Springfield Avenue to the extension of the West line of Lot 5 of Block 10 of Sim's Addition; thence Northerly along said Lot 5 a distance of 189 feet, more or less, to the South right-of-way line of Stoughton Street; thence Northeasterly along a line perpendicular to said right-of-way line 66 feet to the North right-of-way line of Stoughton Street; thence Southeasterly along the North right-of-way line of Stoughton Street and along its curve to the left, to its intersection with the West right-of-way line of McCullough Street; thence Northerly along McCullough Street to the North right-of-way line of Main Street; thence Southeasterly along Main Street to the extension of a property line located 82 feet East of the East line of Lot 2 of the Subdivision of Lot A of a Subdivision of the South Part of the Southwest Quarter of said Section 8; thence Southerly across the Main Street right-of-way and along said property line to the South line of said Section 8; thence Easterly along said South line to a property line located 90 feet East of the East line of Porter Replat; thence Southerly along said property line to the North right-of-way line of Springfield Avenue; thence Easterly along Springfield Avenue 179.79 feet to another property line; thence Northerly along said property line to the South right-of-way line of Main Street; thence Northwesterly along the South right-of-way line of Main Street to the West right-of-way line of Central Avenue; thence Northerly along Central Avenue to the Southeast corner of Lot 10 of C.W. Smith's Subdivision; thence Westerly along the South line of said Lot 10 a distance of 139.5 feet to the West line of a north-south alley; thence Northerly along said alley to the South right-of-way line of Griggs Street; thence Westerly along Griggs Street to the East right-of-way line of McCullough Street; thence Westerly to the intersection of the South right-of-way line of Griggs Street with the West right-of-way line of McCullough Street; thence Northerly along McCullough Street to the Northeast corner of Lot 1 of Block 1 of Colonel S.T. Busey's Third Addition; thence Northwesterly along the North line of said Addition and along an extension of said line to the west right-of-way line of Orchard Street; thence Northerly along Orchard Street to the point of beginning;

except the tract of land known as the Downtown Urbana Conservation-Redevelopment District as described in City Ordinance 8081-62, passed on December 15, 1980;

encompassing 173 Acres, more or less, all situated in the South half of Section 8 and the North half of Section 17, Township 19 North, Range 9 East of the Third Principal Meridian in the City of Urbana, Champaign County, State of Illinois.

The Redevelopment Project Area so described above is generally bounded on the North by Saline Ditch, Crystal Lake Drive, and Park Street; on the East by Maple Street and Urbana Avenue; on the South by California Avenue; and on the West by Orchard Street and McCullough Street. The area excludes an area previously designated as a Redevelopment Project Area on December 15, 1980.



MAP OF

PARCEL / ADDRESS MAP

- 201 BLOCK NUMBER
- 007 PARCEL NUMBER
- 712 ADDRESS NUMBER

300 & 400 Block series in Section 08
 100 & 200 Block series in Section 17

Source: 1986 Sidwell tax maps

EXHIBIT B
Legal Description of Development Area

TRACT A - Shelys In Urbana: Said Tract has a common street address of 104 East University Avenue, 212 East University Avenue, and 214 East University Avenue, is identified by Champaign County parcel index numbers 91-21-405-024, 91-21-08-405--025, and 91-21-08-405-029, and is legally described to wit:

Lot 1 of Shelby's Replat of part of Lots 1, 2, 3, 4, 5, and 6 of the Belle Barr Survey, Urbana, Champaign County, Illinois;

Also a tract of land commencing at a point on the West line of Lot 32 of Hiram Shepherd's Addition to the City of Urbana and 169.2 feet North of the Southeast Corner of the Southeast Quarter of the Northwest Quarter of the Southeast Quarter of Section 8, Township 19 North, Range 9 East of the Third Principal Meridian, thence West 100 feet, thence South to the North line of University Avenue, thence East along the North line of University Avenue to the West line of Cunningham Avenue (U. S. Route 45) right-of-way, thence in a Northeasterly direction along the West line of Cunningham Avenue right-of-way to a point on said West line 169.2 feet North of the South line of the Southwest Quarter of the Northeast Quarter of the Southeast Quarter of said Section 8, thence West to the point of beginning, in Champaign County, Illinois.

All tracts being located in Champaign County, Illinois.

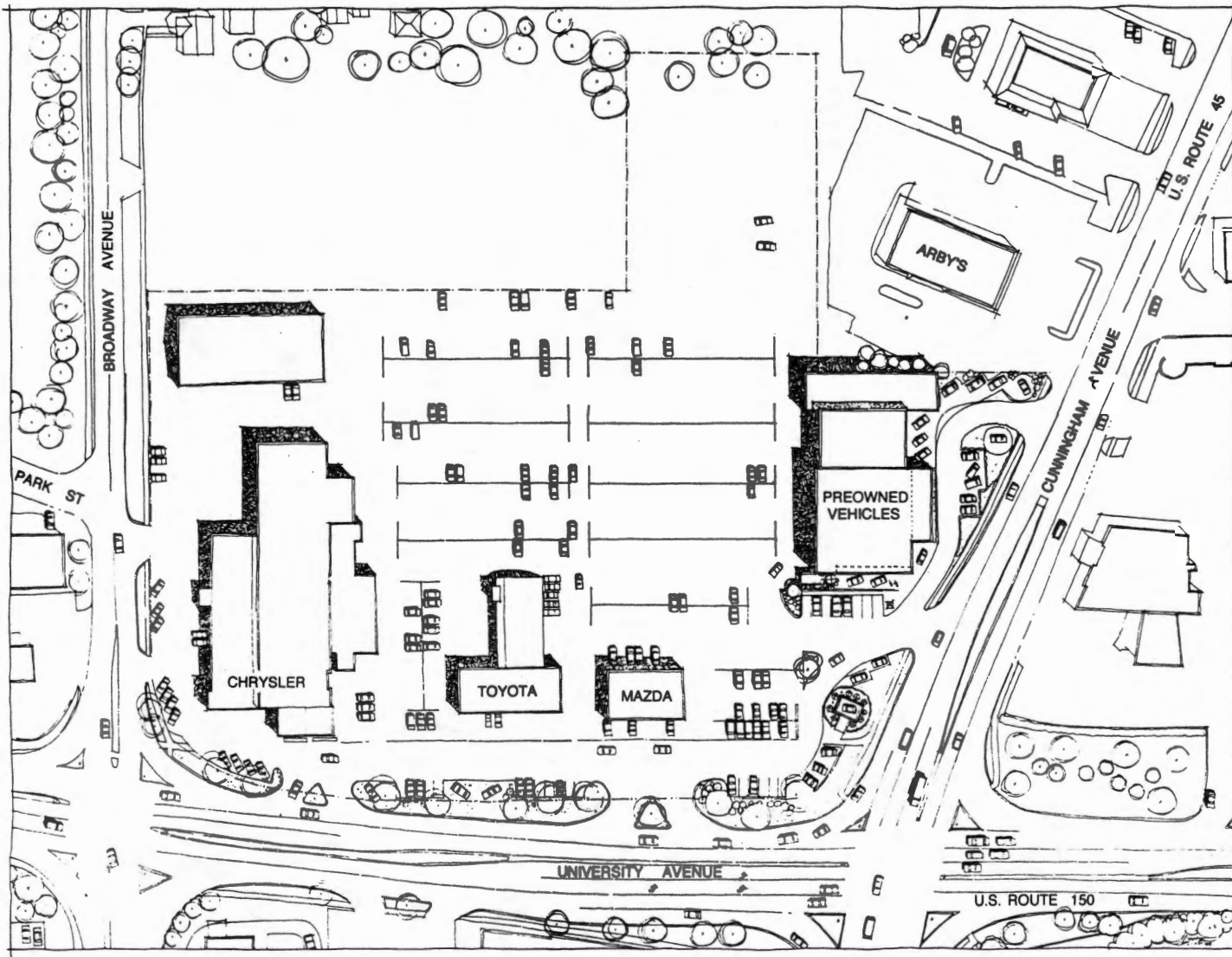
TRACT B - Charter House Inn: Said Tract has a common street address of 505 North Cunningham Avenue, is identified by Champaign County parcel index number 91-21-405-016, and is legally described to wit:

Commencing at the point of intersection of the Easterly line of Lot 32 in Hiram Shepherd's Addition to the City of Urbana with a line which is 169.20 feet North of and parallel with the South line of the North Half of the Southeast Quarter of said Section 8; thence Northeasterly along the Easterly line of said Lot 32 and the Easterly line of Lots 31, 28 and 27 in said Hiram Shepherd's Addition, to the point of intersection with a line which is midway between the North boundary and the South boundary of said Lot 27; thence Westerly along said centerline of Lot 27 to a point in the West line of said Lot, said point being in the West line of Hiram Shepherd's Addition aforesaid; thence North along said West line to a point in the South line of Crystal Lake Park Addition to Urbana; thence West along said South line to a point of intersection with a line which is 183 feet West of and parallel with the said West line of Hiram Shepherd's Addition; thence South along said parallel line to a point which is 169.20 feet North of the South line of the North Half of the Southeast Quarter of said Section 8; thence East along a line parallel with said South line to the place of

beginning, excepting from said described premises such parts, if any, lying South of the North line of Lot 5 and its Easterly and Westerly extension thereof of Belle Barr's Survey of part of the Southeast Quarter of the Northwest Quarter of the Southeast Quarter of said Section 8; also excepting therefrom those parts of Lot 32 heretofore granted to the People of the State of Illinois for highway purposes, as shown in dedication of right-of-way for public road purposes, dated June 20, 1933 and filed June 22, 1933, in Book 229, page 208 as document 263138; also excepting therefrom those parts of said Lots 28, 31 and 27 as have been conveyed to the State of Illinois for highway purposes, as shown in right-of-way deed, dated April 4, 1935 and filed September 18, 1935 in Book 234, page 278 as document 278838; and also excepting therefrom that portion taken by the State of Illinois for highway purposes in Common Law Case 68-L-832 in the Circuit Court of Champaign County, Illinois.

Site Plan and Elevation Drawings of Proposed Shelby Improvements

EXHIBIT C



SHELBY'S IN URBANA

UNIVERSITY & CUNNINGHAM AVENUES

URBANA, ILLINOIS

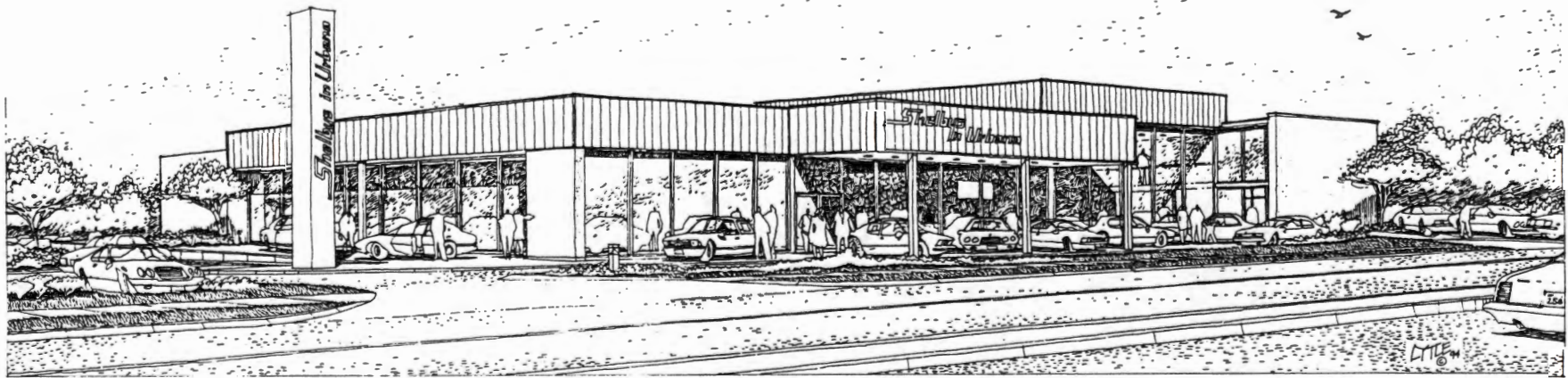
REVISIONS		
NO.	DATE	REMARKS



ISAKSEN • GLERUM PC ARCHITECTS
 ARCHITECTURE • PLANNING • INTERIOR DESIGN
 116A WEST MAIN STREET URBANA ILLINOIS TEL 1217328-1391 FAX 1217328-1451



FILE NO 9480
 DATE 10 JUNE 01
 SHEET

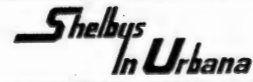


SHELBY'S IN URBANA USED VEHICLE CENTER
UNIVERSITY & CUNNINGHAM AVENUES URBANA, ILLINOIS

REVISIONS			DRWN	APPD
NO	DATE	REMARKS	TRACED	APPD



ISAKSEN • GLERUM PC ARCHITECTS
 ARCHITECTURE • PLANNING • INTERIOR DESIGN
 116A WEST MAIN STREET URBANA, ILLINOIS TEL: (217) 328-1291 FAX: (217) 328-1401



FILE NO 9480
 DATE 10 JUNE 84
 SHEET

EXHIBIT D

Instructions to Bank One, Champaign-Urbana
as Escrow Agent for the
Redevelopment Agreement

The following are instructions to Bank One, Champaign-Urbana, as Escrow Agent for the Redevelopment Agreement by and among the City of Urbana, Champaign County, Illinois (hereinafter referred to as the "City"), Shelbys In Urbana, Inc., an Illinois corporation (hereinafter referred to as "Shelbys In Urbana"), and William Larry Shelby (hereinafter referred to as "Shelby"), passed by the Urbana City Council on June 20, 1994 (hereinafter referred to as the "Agreement").

Sections 3.1 and 3.1.2 of the Agreement provide for payments to be made in order to allow for demolition, surveys, development plans, professional services, clearing, grading and other rehabilitation costs relating to the Agreement. Those expenses are to be paid directly from the Escrow Agent.

The Escrow Agent shall not pay any amounts from the escrow account until such time as the demolition of the western building on the Charter House Inn tract has been substantially completed, and until a bill for substantially all of the demolition has been prepared and presented to the Escrow Agent. Upon such completion, the Escrow Agent may disburse the amounts of the bill after the bill has been approved by Shelbys In Urbana and Shelby. After the demolition bill has been paid, all remaining funds (and funds which are deposited in the escrow account at a later time) are to be used to pay for such listed expenses, as are approved by the City and Shelby.

Dated: June 20, 1994.

SHELBY:

CITY:

CITY OF URBANA,

By: _____

WILLIAM LARRY SHELBY

TOD SATTERTHWAITTE, Mayor

SHELBYS IN URBANA:

SHELBYS IN URBANA, INC.,

By: _____

WILLIAM LARRY SHELBY,
President

EXHIBIT "A" TO
ESCROW AGREEMENT

Bank One, Champaign-Urbana ESCROW AGREEMENT

THIS AGREEMENT, entered into this 20th day of June, A.D. 1994, appoints Bank One, Champaign-Urbana as Escrow Agent under a contract dated June 20, 1994, between the undersigned parties.

When the Bank is called upon to receive payments as Escrow Agent, payments should be made payable to, Bank One, Champaign-Urbana, Escrow Agent.

The Escrow Agent may accept payment tendered by City unless Shelby has given written notice that City has breached this contract.

If the Escrow Agent accepts as payment any check, draft, or other instrument which is not honored when presented maker or drawee for payment, the Escrow Agent will have the right to revoke any credit extended to the

As the collecting Bank for any instruments presented for payment, Bank One, Champaign-Urbana acts only as agent for the parties and will not be liable for losses in transit or negligence or default of other banks or their agents in the collection process.

If the Bank is to receive monthly payments, or be responsible for maintaining a balance or provide a payoff, the following documents are required: Contract with original signatures, Warranty Deed, Real Estate Transfer Declaration (if applicable); and Settlement Statement. The Escrow Agent cannot be responsible for the status of an escrow when other necessary documents are not provided by the parties to the contract. The Bank may request any additional documents which it feels are necessary to act as Escrow Agent.

The Escrow Agent shall not be responsible for notification of non-payment.

Bank One, Champaign-Urbana, as Escrow Agent, will not release any credit information on contracts in escrow without all parties' written authorization.

Changes in disbursements, revised amortization schedules, assumptions, resales of contract or property shall be subject to the then prevailing fees.

Requests must be presented in writing to the Escrow Agent in order to make changes in terms, disbursements, assignments or assumptions. Written approval by both parties may be required if any request alters the original contract or other written agreement.

The Escrow Agent shall not be responsible for maintaining current insurance policies or informing interested parties of delinquent insurance policies. Bank One, Champaign-Urbana accepts responsibility for escrowed tax and/or insurance payments only when bills for such items are presented to the Escrow Department.

If the Escrow Agent has any problem in determining that full payment has been made, the Escrow Agent may request proof in writing that the contract has been satisfied before any escrowed documents will be released.

Bank One, Champaign-Urbana may resign and refuse deposits under this Agreement on thirty (30) days notice to all parties at their last known address. Unless specific written instructions to the contrary are received by the Escrow Department, which are mutually agreeable to all parties, documents will be interpled into Court.

In the event of any suit among the parties where in the Escrow Agent is made a party by virtue of acting as such Escrow Agent hereunder, or in the event of any suit wherein the Escrow Agent interpleads the subject matter of this Escrow, the Escrow Agent shall be entitled to recover a reasonable attorney's fee and costs incurred, said fees and costs to be charged and assessed as Court costs against the non-prevailing party.

Each party must notify the Escrow Department of Bank One, Champaign-Urbana of any change in address.

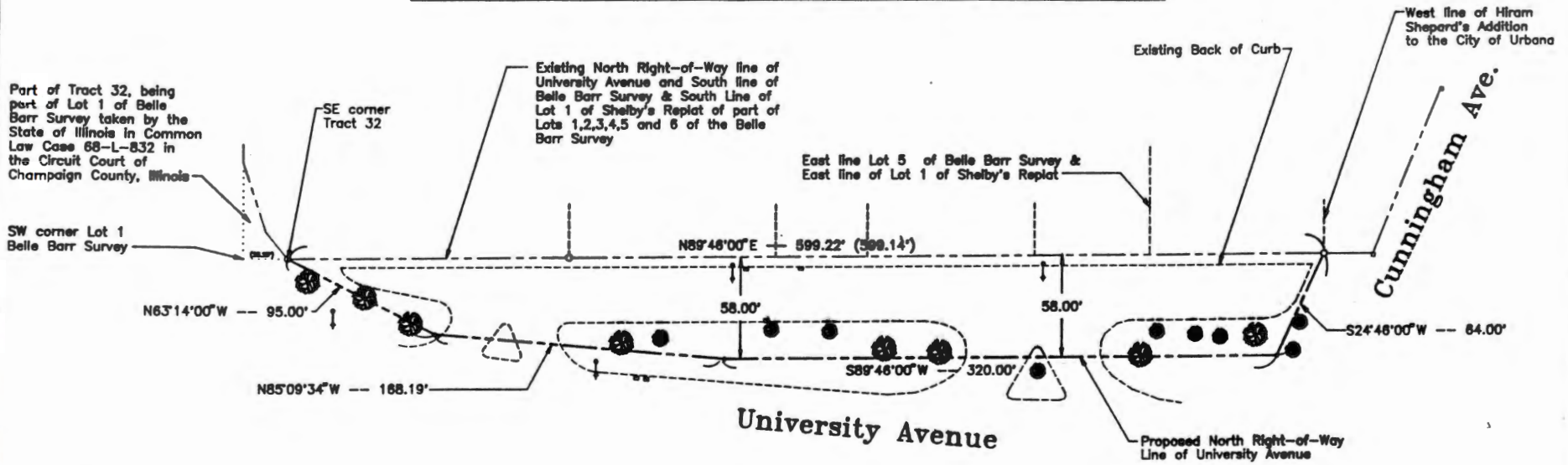
The terms throughout this Agreement shall refer to one or more parties.

(See Exhibit A attached hereto for further instructions.)

CITY:	SHELBY:	DEVELOPER:
CITY OF URBANA,		SHELBY'S IN URBANA, INC.,

By: _____	By: _____
TOD SATTERTHWAITTE, Mayor	WILLIAM LARRY SHELBY President

PROPOSED PLAT OF RIGHT-OF-WAY VACATION



STATE OF ILLINOIS }
 COUNTY OF CHAMPAIGN } S.S. SURVEYOR'S REPORT

I, Benjamin W. Fisher, Illinois Professional Land Surveyor No. 2682, do hereby state that I have caused a survey to be made of a portion of the University Avenue Right-of-Way, being a part of the Southeast Quarter of Section 8, Township 19 North, Range 9 East, of the Third Principal Meridian, Urbana, Champaign County, Illinois, and being more particularly described as follows:

Beginning at the Southeast Corner of Tract 32 as described in Petition for Condemnation No 68-L-832 in the Circuit Court of Champaign County, Illinois; thence N89°-48'-00"E, an assumed bearing, along the North Right-of-Way line of University Avenue, 599.22 feet; thence S24°-46'-00"W, 84.00 feet; thence S89°-48'-00"W, along a line parallel with, and 58.00 feet southerly of, the said North Right-of-Way line of University Avenue, 320.00 feet; thence N85°-09'-34"W, 168.19 feet; thence N63°-14'-00"W, 95.00 feet, to the Point of Beginning. Said tract containing 0.680 acres (29,642.36 S.F.), more or less, all situated in Urbana, Champaign County, Illinois.

I further state that the above described tract is subject to a blanket easement to be retained by the City of Urbana, to facilitate the maintenance of the existing utilities located on said tract.

SIGNED AND SEALED THIS 12TH DAY OF JUNE, 1994.

Benjamin W. Fisher
 Benjamin W. Fisher
 Illinois Professional Land Surveyor No. 2682



LEGEND

- INDICATES IRON PIN SURVEY MONUMENT FOUND THIS SURVEY
 - INDICATES IRON PIN SURVEY MONUMENT SET THIS SURVEY
 - INDICATES CONCRETE RIGHT-OF-WAY MARKER FOUND THIS SURVEY
 - INDICATES LOCATION OF EXISTING TREE
 - INDICATES LOCATION OF EXISTING LIGHT STANDARD
 - INDICATED LOCATION OF EXISTING STORM INLET
- DISTANCES IN PARENTHESIS () ARE THOSE OF RECORD
 ALL DISTANCES ARE IN FEET AND DECIMAL PARTS THEREOF.

CITY OF URBANA
PUBLIC WORKS DEPARTMENT
ENGINEERING DIVISION
 DATE: 6/12/94 DRAWN BY: SWF

EXHIBIT E Plat and Legal Description of Public Right-of-Way to be Vacated

EXHIBIT F
Request for Proposals and Notice

The City of Urbana, Champaign County, Illinois, pursuant to requirements of the Tax Increment Allocation Redevelopment Act (the "Act"), hereby requests proposals with respect to the development and redevelopment of that part of its Redevelopment Project Area Number 2 (Downtown Urbana), designated on December 15, 1986, generally bounded on the north by the Conrail railroad tracks, University Avenue and Kerr Avenue; on the east by Maple Street and Urbana Avenue; on the south by California Avenue; and on the west by an irregular line between Cedar Street and Race Street, and Birch Street and Orchard Street. Such proposals may be submitted from time to time to the City Clerk on or before 5:00 p.m. on June 20, 1994, at the City Building, 400 South Vine Street, Urbana, Illinois. At the City Council meeting of June 20, 1994, or at a later meeting, the City Council may authorize or reauthorize the City to enter into a redevelopment agreement or redevelopment agreements and take other actions related to the development and redevelopment of such area. The City has received a proposal in connection with redevelopment costs related to a project of Shelby's in Urbana, an Illinois corporation, for the partial demolition, reconstruction, repair or remodeling of 505 North Cunningham Avenue, Urbana, Illinois. Interested persons shall have opportunities at or before such June 10, 1994 meeting (or as proposals may be continued from time to time) to submit alternative proposals.

Notice to Publisher:

Please publish this notice one time as soon as possible prior to the meeting date shown above and send two publication certificates and your bill to:

City of Urbana
400 South Vine Street
Urbana, Illinois 61801
Attention: Chief Administrative Officer