

ORDINANCE NO. 2016-09-094

AN ORDINANCE APPROVING A SUPPLEMENT TO THE
REDEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY OF URBANA,
CHAMPAIGN COUNTY, ILLINOIS AND 129 NORTH RACE LLC IN
CONNECTION WITH THE REDEVELOPMENT PROJECT AREA NUMBER TWO

WHEREAS, the City of Urbana, Champaign County, Illinois (the "Municipality") and 129 North Race LLC (the "Developer") have entered into a certain Redevelopment Agreement dated as of March 1, 2015, including as amended to extent the Completion Date until June 30, 2017 (the "Redevelopment Agreement") concerning redevelopment incentives and assistance related to the development and redevelopment of a part of Redevelopment Project Area Number Two at 129 North Race Street; and

WHEREAS, the City and the Developer now find it necessary, desirable and in their respective mutual best interests to supplement the Redevelopment Agreement in order to make provision for the payment or reimbursement of certain additional Redevelopment Projects Costs; and

WHEREAS, there has been presented to and there is now before the meeting of the City Council of the Municipality at which this Ordinance is adopted the form of a certain Supplement to Redevelopment Agreement (the "Supplement") by and between the City and the Developer regarding such payments and reimbursements under the Redevelopment Agreement.

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

Section 1. That the Supplement by and between the City and the Developer, in substantially the form thereof which has been presented to and is now before the meeting of the City Council of the City at which this Ordinance is adopted, be and the same is hereby authorized and approved.

Section 2. That for and on behalf of the City, the Mayor is hereby authorized to execute and deliver the Supplement, and the City Clerk is hereby authorized to attest thereto, with such insertions, corrections and technical revisions in the form of such Supplement as may be approved by the Mayor, such execution or acceptance thereof, as the case may be, to constitute conclusive evidence of such approval of any and all such insertions, corrections or technical revisions therein from the form of the Supplement now before the meeting of the City Council at which this Ordinance is adopted.

Upon motion by Council Member Charles Smyth, seconded by Council Member Dennis Roberts, adopted at a regular meeting this 3rd day of October, 2016, by roll call vote, as follows:

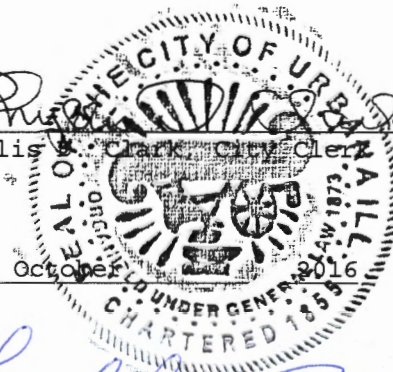
AYES: Brown, Jakobsson, Marlin, Roberts, Smyth

NAYS:

ABSTAINED:

PASSED BY THE CITY COUNCIL this 3rd day of October, 2016.

APPROVED BY THE MAYOR this 6th day of _____


Phyllis O. Clark
Phyllis O. Clark, City Clerk
October 2016
Laurel Lunt Prussing
Laurel Lunt Prussing, Mayor

**SUPPLEMENT TO
REDEVELOPMENT AGREEMENT**

THIS SUPPLEMENT TO REDEVELOPMENT AGREEMENT, including Exhibit A hereto (collectively, this "**Supplement**") is made as of the 1st day of October, 2016, by and between the City of Urbana, Champaign County, Illinois, an Illinois municipal corporation (the "**City**"), and 129 North Race LLC (the "**Developer**"), with respect to that certain Redevelopment Agreement dated as of March 1, 2015, including as amended to extend the Completion Date (as defined in the Redevelopment Agreement) to June 30, 2017 (the "**Redevelopment Agreement**"), by and between the City and the Developer. Except as otherwise specifically defined in Section 1 of this Supplement or elsewhere herein, all capitalized words, terms and phrases as used in this Supplement shall have the same meanings as respectively ascribed to them in the Redevelopment Agreement.

RECITALS:

The City and the Developer each now find and determine that it is necessary, desirable and appropriate to supplement the Redevelopment Agreement by this Supplement in order to make provision for supplemental Redevelopment Loan financing to the Developer under the covenants and conditions of the Redevelopment Agreement and this Supplement.

NOW, THEREFORE, in consideration of the covenants and agreements by the City and the Developer as parties to the Redevelopment Agreement, including those as contained in this Supplement to the Redevelopment Agreement, the City and the Developer hereby agree to supplement the Redevelopment Agreement by this Supplement, subject to all the covenants and conditions expressed in the Redevelopment Agreement and this Supplement as follows:

Section 1. Section 4.1 of the Redevelopment Agreement is hereby supplemented to add a new Section 4.1.S. thereto, such Section 4.1.S. to provide as follows:

Section 4.1.S. City's Supplemental TIF Funded Financial Obligations. The City shall have the supplemental obligations set forth in this Section 4.1.S. relative to financing Eligible Redevelopment Project Costs for mechanical, electrical and plumbing work in connection with the Project (the "**Supplemental Work**"). Upon the submission to the City by the Developer of a Requisition for the costs of the Supplemental Work incurred and paid and the approval thereof by the City in accordance with Article VI of the Agreement, the City, subject to the terms, conditions and limitation set forth in this Section 4.1.S. immediately below, agrees to reimburse the Developer, or to pay as directed by the Developer, from the Fund the supplemental Loan Advances related to the Supplemental Work at the Property as follows:

- (a) **Redevelopment Loan Financing.** Upon the execution and delivery of the Supplemental Promissory Note (attached hereto as Exhibit A) by the Developer, the City shall provide to the Developer the supplemental Redevelopment Loan. The supplemental Redevelopment Loan shall be a straight line of credit in the principal amount of up to \$44,000.00, shall bear interest at a non-default rate of -0%- per annum, and shall be due and payable upon demand on the day immediately following the Completion Date. The proceeds of the supplemental Redevelopment Loan shall be made available to the Developer at the times specified in Section 6.4 of

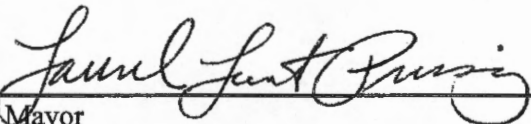
the Agreement in the form of supplemental Loan Advances payable to or at the direction of the Developer not more frequently than weekly in an amount or amounts equal to 80% of the costs of the completed Supplemental Work up to a maximum amount of \$44,000.00.

- (b) **Loan Forgiveness.** Anything to the contrary in the Supplemental Promissory Note notwithstanding, in the event the Developer completes the Supplemental Work on or before the Completion Date and no "Default" under Section 7.1 of the Agreement by the Developer has then occurred and is continuing, the supplemental Redevelopment Loan shall be deemed fully paid and discharged.

Section 2. Except as expressly supplemented as provided in Section 1 of this Supplement above, all other provisions of the Agreement shall be applicable with respect to the supplemental Redevelopment Loan under this Supplement. The provisions of the Redevelopment Agreement, as now supplemented by this Supplement, are hereby ratified, confirmed and approved by both the City and the Developer.

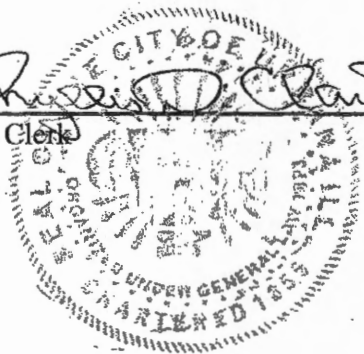
IN WITNESS WHEREOF, each of the parties hereto have executed or caused this Supplement to be executed by proper officers duly authorized to execute the same as of the 1st day of October, 2016.

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

By: 
Mayor

ATTEST:

By: 
City Clerk



129 NORTH RACE LLC

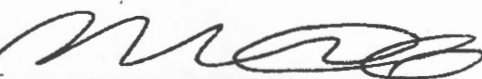
By: 
Its Manager

EXHIBIT A

**SUPPLEMENTAL
PROMISSORY NOTE**

Borrower: 129 North Race LLC
206 W. Main Street
Urbana, IL 61801

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

Principal Amount: \$44,000.00

Interest Rate: -0-%

Date of Note: October 6th, 2016

PROMISE TO PAY. 129 North Race LLC, an Illinois limited liability company (the "**Borrower**") promises to pay to City of Urbana, Champaign County, Illinois ("**Lender**"), or order, in lawful money of the United States of America, the principal amount of Forty-Four Thousand Dollars (\$44,000.00), or so much as may be outstanding, together with interest at the rate of -0-% per annum on the unpaid principal balance of each advance. Interest shall be calculated from the date of each advance until repayment of such advance.

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

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

The annual interest rate for this Supplemental Promissory Note (this "**Note**") is computed on the basis of 360 days or twelve 30-day months. Borrower will pay Lender at Lenders address shown above or at such other place as Lender may designate in writing. Unless otherwise agreed or required by applicable law, payments will be applied first to accrued unpaid interest, then to principal, and any remaining amount to any unpaid collection costs and late charges.

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

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

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

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

PROMISSORY NOTE
(Continued)

trial in any action, proceeding, or counterclaim brought by either Lender or Borrower against the other. This Note shall be governed by and construed in accordance with the laws of the State of Illinois.

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

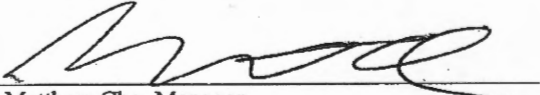
LINE OF CREDIT. This Note evidences a straight line of credit. Once the total amount of principal has been advanced, Borrower is not entitled to further loan advances. Advances under this Note may be requested by Borrower or by an authorized person in accordance with the Redevelopment Agreement. The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

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

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

BORROWER:

129 North Race LLC

By: 
Matthew Cho, Manager

