

**LOAN AGREEMENT  
FOR REDEVELOPMENT OF RESTAURANT SPACE OF TERMINAL BUILDING  
2 N. BROADWAY IN THE CITY OF AURORA, ILLINOIS**

This **LOAN AGREEMENT FOR REDEVELOPMENT OF THE RESTURANT SPACE IN THE TERMINAL BUILDING, 2 N. BROADWAY IN THE CITY OF AURORA, ILLINOIS** ("Agreement") is made and entered into as of the \_\_\_\_\_ day of March, 2025 ("Effective Date") by and between the City of Aurora, Illinois, an Illinois home rule municipal corporation ("City") and LJ Hospitality Group LLC, an Illinois business limited liability company ("Developer/Restaurateur") and Jamie Gilmore, in her individual capacity, ("Guarantor"). The City and the Developer/Restaurateur are sometimes referred to herein individually as a "Party," and collectively as the "Parties."

**WITNESSETH:**

IN CONSIDERATION of these preliminary statements, the mutual covenants herein contained, and other good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, the Parties hereto agree as follows:

**I. PRELIMINARY STATEMENTS**

Among the matters of mutual inducement which have resulted in this Agreement are the following:

- A. The City is a home rule unit of government in accordance with Article VII, Section 6 of the Constitution of the State of Illinois, 1970.
- B. The City has the authority, pursuant to the laws of the State of Illinois, to promote the health, safety and welfare of the City and its inhabitants, to prevent the presence of blight, to encourage private development in order to enhance the local tax base and increase additional tax revenues realized by the City, to foster increased economic activity within the City, to increase employment opportunities within the City, and to enter into contractual agreements with third parties for the purpose of achieving the aforesaid purposes, and otherwise take action in the best interests of the City.
- C. The City is authorized under 65 ILCS 5/8-1-2.5 to appropriate and expend funds for economic development purposes, including making grants and loans to commercial enterprises that the City deems necessary or desirable for the promotion of economic development within the City.
- D. New restaurants, bars and hospitality businesses in the City, and especially in the Downtown Area, have been a longstanding goal for the City.
- E. The Developer/Restaurateur leases certain vacant real property located on the ground floor of the Terminal Building, 2 N. Broadway, Aurora, Illinois,

legally described and depicted in **EXHIBITS A** and **B**, respectively, attached hereto and made a part hereof (the "Property"). The Property requires significant improvements to make it a viable restaurant space.

- F. This Agreement will facilitate improvements and renovations to the make it suitable for the Developer-Restauranteur's new business.
- G. The Developer/Restauranteur intends on redeveloping the Property by to make it suitable for the proposed restaurant, subject to approval in accordance with the City Code. The restaurant use subject to this Agreement shall be a bar and restaurant called Lizzy J. Diner (the "Restaurant"), to be located on the Property, all as depicted and described on the business plans and depictions attached hereto as **EXHIBIT C**, and made part hereof, and as described in further detail, including the *pro forma*, financial projections and timeline, in **EXHIBIT D** attached hereto and made part hereof ("Project"), with total capital investment of approximately Nine Hundred Thousand and 00/100 Dollars (\$900,000.00). The Project is being financed as provided herein through:

Jamie Gilmore's contribution:	up to \$50,000
Lizzy J/Finish Line Grant:	\$50,000
UEP's equity:	\$350,000
COA's Loan to UEP:	up to \$200,000 (at 5.5% interest)
City Loan to Lizzy J Cafe:	\$250,000

- H. The Developer/Restauranteur has entered into a lease for the Property.
- I. Consistent with other similar projects, the City has recognized the City's financial assistance provided herein to the Developer/Restauranteur as a reasonable financial gap that can be advanced by the City because it will receive these monies back with interest within a short timeframe from a combination of sales taxes and food and beverage taxes.
- J. This Agreement is in furtherance of the City's goals to eliminate blighting factors, encourage growth and promote economic development and increased employment in and to ensure that the Property is redeveloped in accordance with the City's desires and in a way that serves the public's health, safety and welfare.
- K. The redevelopment of the Property with the Project would significantly assist in the stabilization and revitalization of the Property, the area in the vicinity of the Property and the City as a whole.
- L. The City is desirous of having the Property rehabilitated, developed and redeveloped in accordance with the Agreement, and particularly the Project as a part thereof, in order to serve the needs of the City, arrest physical decay and decline in the area of the Property, increase employment opportunities, stimulate

commercial growth and stabilize the tax base of the City and, in furtherance thereof, the City is willing to undertake certain incentives, under the terms and conditions hereinafter set forth, to assist such development.

- M. It is necessary for the successful completion of the Project that the City enter into this Agreement with Developer/Restaurateur to provide for the redevelopment of the Property.
- N. Developer/Restaurateur is unable to undertake the redevelopment of the Property with the Project, but for certain incentives, to be provided by the City in accordance its statutory and home rule powers, which the City is willing to provide under the terms and conditions contained herein. The Parties acknowledge and agree that but incentives contained herein, to be provided by the City, Developer/Restaurateur cannot successfully and economically develop the Property with the Project, in a manner satisfactory to the City. The City has determined that it is desirable and in the City's best interests to assist Developer/Restaurateur in the manner set forth herein and as this Agreement may be supplemented and amended from time to time.
- O. The City, in order to stimulate and induce development of the Property with the Project, has agreed to finance certain development costs through and otherwise assist with the development of the Project, all in accordance with the terms and provisions of State law and the City's home rule authority, and this Agreement.
- P. This Agreement has been submitted to the Corporate Authorities of the City (as defined below) for consideration and review, the Corporate Authorities have taken all actions required to be taken prior to the execution of this Agreement in order to make the same binding upon the City according to the terms hereof, and any and all actions of the Corporate Authorities of the City precedent to the execution of this Agreement have been undertaken and performed in the manner required by law.
- Q. This Agreement has been submitted to the board of directors, corporate officers, shareholders, members and/or managers of the Developer/Restaurateur for consideration and review, the Developer/Restaurateur's board of directors, corporate officers, shareholders, members and/or managers have taken all actions required to be taken prior to the execution of this Agreement in order to make the same binding upon the Developer/Restaurateur according to the terms hereof, and any and all action of the Developer/Restaurateur's board of directors, corporate officers, shareholders, members and/or managers, as the case may be, precedent to the execution of this Agreement have been undertaken and performed in the manner required by law.
- R. The City finds that this Agreement is in the best interests of the City, its residents and the public.

## II. DEFINITIONS

For the purposes of this Agreement, unless the context clearly requires otherwise, words and terms used in this Agreement shall have the meanings provided from place to place herein, and as follows:

- A. **“Change in Law”** means the occurrence, after the Effective Date, of an event described below in this definition, provided such event materially changes the costs or ability of the Party relying thereon to carry out its obligations under this Agreement and such event is not caused by the Party relying thereon:

Change in Law means any of the following: (1) the enactment, adoption, promulgation or modification of any federal, State or local law, ordinance, code, rule or regulation (other than by the City or with respect to those made by the City, only if they violate the terms of this Agreement); (2) the order or judgment of any federal or State court, administrative agency or other governmental body (other than the City); or (3) the adoption, promulgation, modification or interpretation in writing of a written guideline or policy statement by a governmental agency (other than the City, or, with respect to those made by the City, only if they violate the terms of this Agreement). Change in Law, for purposes of this Agreement, shall also include the imposition of any conditions on, or delays in, the issuance or renewal of any governmental license, approval or permit (or the suspension, termination, interruption, revocation, modification, denial or failure of issuance or renewal thereof) necessary for the undertaking of the actions to be performed under this Agreement (except any imposition of any conditions on, or delays in, any such issuance or renewal by the City, except as provided herein).

- B. **“City Code”** means the City of Aurora Municipal Code, as amended.
- C. **“Corporate Authorities”** means the Mayor and City Council of the City of Aurora, Illinois.
- D. **“Day”** means a calendar day.
- E. **“Effective Date”** means the day on which this Agreement is executed by the City and the Developer/Restaurateur, with said date appearing on page 1 hereof.
- F. **“F&B Taxes”** means the tax imposed by the City pursuant to Chapter 44, Article 44-VII of the City Code actually received by the City from the Restaurant.

- G. **“Party / Parties”** means the City, the Developer/Restaurateur and/or the Developer/Restaurateur, individually/collectively, and their respective successors and/or assigns as permitted herein, as the context requires.
- H. **“Person”** means any individual, corporation, partnership, limited liability company, joint venture, association, trust, or government or any agency or political subdivision thereof, or any agency or entity created or existing under the compact clause of the United States Constitution.
- I. **“State”** means the State of Illinois.
- J. **“Sales Taxes”** means, in relation to the Restaurant: (1) the portion of the taxes imposed by the State under the Retailers' Occupation Tax Act, 35 ILCS 120/1 et seq., which are collected by the Illinois Department of Revenue and actually received by the City and (2) the City's actual receipt of home rule sales taxes imposed pursuant to Chapter 44, Article 44-XI of the City Code.
- K. **“Uncontrollable Circumstance”** means any event which:
1. is beyond the reasonable control of and without the fault of the Party relying thereon; and
  2. is one or more of the following events:
    - a. a Change in Law;
    - b. insurrection, riot, civil disturbance, sabotage, act of the public enemy, explosion, fire, nuclear incident, war or naval blockade;
    - c. epidemic, pandemic, hurricane, tornado, landslide, earthquake, lightning, fire, windstorm, other extraordinary or ordinary weather conditions or other similar act of God;
    - d. governmental condemnation or taking (other than by the City with respect to the City's obligations hereunder);
    - e. strikes or labor disputes, or work stoppages not initiated by the Developer/Restaurateur or the City;
    - f. unreasonable delay in the issuance of building or other permits or approvals by the City or other governmental authorities having jurisdiction (other than the City with respect to the City's obligations hereunder) including but not limited to IDOT, FWRD, and/or the IEPA;
    - g. shortage or unavailability of essential materials, which materially change the ability of the Party relying thereon to carry out its obligations under this Agreement;
    - h. unknown or unforeseeable geo-technical or environmental conditions;

- i. major environmental disturbances;
- j. vandalism; or
- k. terrorist acts.

Uncontrollable Circumstance shall not include: economic hardship; unavailability of materials (except as described in Subsection 2.g. above); or a failure of performance by a contractor (except as caused by events which are Uncontrollable Circumstances as to the contractor).

For each day that the City or the Developer/Restaurateur is delayed in its performance under this Agreement by an Uncontrollable Circumstance, the dates set forth in this Agreement shall be extended by one (1) day without penalty or damages to either Party.

### **III. CONSTRUCTION OF TERMS**

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

- A. Definitions include both singular and plural.
- B. Pronouns include both singular and plural and cover all genders.
- C. The word "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation".
- D. Headings of Sections herein are solely for convenience of reference and do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.
- E. All exhibits attached to this Agreement shall be and are operative provisions of this Agreement and shall be and are incorporated by reference in the context of use where mentioned and referenced in this Agreement. In the event of a conflict between any exhibit and the terms of this Agreement, the Agreement shall control.
- F. Any certificate, letter or opinion required to be given pursuant to this Agreement means a signed document attesting to or acknowledging the circumstances, representations, opinions of law or other matters therein stated or set forth. Reference herein to supplemental agreements, certificates, demands, requests, approvals, consents, notices and the like means that such shall be in writing whether or not a writing is specifically mentioned in the context of use.
- G. The City Mayor, unless applicable law requires action by the Corporate Authorities, shall have the power and authority to make or grant or do those

things, certificates, requests, demands, notices and other actions required that are ministerial in nature or described in this Agreement for and on behalf of the City and with the effect of binding the City as limited by and provided for in this Agreement. Developer/Restaurateur is entitled to rely on the full power and authority of the Persons executing this Agreement on behalf of the City as having been properly and legally given by the City.

- H. In connection with the foregoing and other actions to be taken under this Agreement, and unless applicable documents require action by Developer/Restaurateur in a different manner, Developer/Restaurateur hereby designates Jamie Gilmore as its authorized representative, who shall individually have the power and authority to make or grant or do all things, supplemental agreements, certificates, requests, demands, approvals, consents, notices and other actions required or described in this Agreement for and on behalf of the Developer/Restaurateur and with the effect of binding the Developer/Restaurateur in that regard (such individual being designated as an "Authorized Developer/Restaurateur Representative"). The Developer/Restaurateur shall have the right, subject to approval by the City's Director of the Mayor's Office of Economic Development, to change its Authorized Developer/Restaurateur Representative by providing the City with written notice of such change from both authorized representatives which notice shall be sent in accordance with Section XVI.C. of this Agreement. The new Authorized Developer/Restaurateur Representative will be approved if the City's Director of the Mayor's Office of Economic Development determines the person to be a competent replacement with sufficient experience and expertise to serve as the Authorized Developer/Restaurateur Representative.

#### **IV. COOPERATION OF THE PARTIES**

The City and the Developer/Restaurateur agree to cooperate in implementing the Project in accordance with the Parties' respective obligations set forth in this Agreement. This cooperation shall not extend to the involvement of the City in any way in the acquiring of private financing by the Developer/Restaurateur, including, but not limited to, the guaranty of any funds other than the commitment listed specifically in this Agreement.

#### **V. DEVELOPMENT OF THE PROPERTY**

The Developer/Restaurateur shall develop the Project per the schedule in **EXHIBIT E** and as set forth in this Agreement.

- A. **Application for Permits and Approvals.** The Developer/Restaurateur has applied for and shall obtain, by no later than \_\_\_\_\_, 2025, at its sole cost and expense, all necessary permits and approvals from all

governmental agencies having jurisdiction over the Project as may be required to commence construction of the Project ("Permit Approvals").

- B. **Funding Contingency.** The City's obligation to fund the Funding Escrow (as defined below) is contingent on the Developer/Restaurateur satisfying all the following conditions (the "Funding Contingency"):

1. The Developer/Restaurateur has executed this Agreement.
2. The Developer/Restaurateur has provided the City with an executed copy of the lease for the Restaurant as required by this Agreement.
3. The Developer/Restaurateur has provided the City with a budget for the Project in a form satisfactory to the City's Chief Financial Officer.
4. The Developer/Restaurateur has established the Funding Escrow (as defined below), which shall be done at the Developer/Restaurateur's sole cost and expense.

In the event that the Developer/Restaurateur fails to satisfy the Funding Contingency (as may be extended), then this Agreement shall terminate and the Parties shall have no further obligations or responsibilities hereunder.

- C. **Commencement of Construction.** The Developer/Restaurateur commenced construction of the Project by no later than \_\_\_\_\_, 2025.

- D. **Completion of Project.** Within thirty (30) days after written request from the Developer/Restaurateur, and provided that Developer/Restaurateur has not received any notice of default under this Agreement or notice of non-compliance with any City codes with respect to Developer/Restaurateur's construction obligations, any of which have not been cured, and after the City has issued the final certificate of occupancy for the Project and has confirmed that a lease agreement is in place for the operation of the Restaurant of sufficient length so as to allow Developer/Restaurateur to repay the City Loan, and has confirmed that the related proposed improvements on the Property have been constructed in compliance with all City Code and this Agreement, the City shall deliver a certificate of completion and satisfaction of all construction terms, covenants and conditions contained in this Agreement ("Certificate of Project Completion") or, if not complete or satisfied, a written statement as to what deficiencies exist. The Developer/Restaurateur shall submit its request to the City for a Certificate of Project Completion, subject to Uncontrollable Circumstances by no later than December 31, 2025, with the Restaurant opening by no later than that date.



**Budget to As-Built Report Requirement.** Prior to the issuance of the Certificate of Project Completion, the Developer shall submit a Budget to As-Built Report to the City's Chief Financial Officer ("CFO"). This report must include a detailed comparison of the approved project budget to the actual costs incurred during construction ("As-Built Costs"). The report shall:

- Be presented in a form and level of detail acceptable to the CFO, including a line-item breakdown of costs for all major components of the Project;
- Identify any variances between budgeted and actual costs, with explanations for significant deviations;
- Include all supporting documentation requested by the CFO, such as invoices, receipts, or contractor payment requests; and
- Be signed and certified as accurate by the Developer or its authorized representative.

The City shall not issue the Certificate of Project Completion until the CFO has reviewed and approved the Budget to As-Built Report as satisfactory.

- E. **Limited Covenant for No Tax-Exemptions.** The Developer/Restaurateur and its respective successors shall not assert a property tax-exempt status for the Property during its respective periods of ownership of, or having an interest in, the Property or the Project. The prohibition on asserting a property tax-exempt status of the Property includes portions owned, leased or operated by not-for-profit entities. This prohibition shall run with the land.
- F. **Approval of Contractors.** Prior to contract award and no less than one week prior to the commencement of construction, the Developer shall name the general and subcontractors for the Project for City review and written approval. These contractors' credentials, participation in a training program, references and use specific experience will be evaluated along with any City history of passing inspection percentage to determine each trades capacity to finish the Project.
- G. **Project Schedule and Reports.** Prior to commencement of construction of the Project the Developer and general contractor shall submit to the City a Project schedule of values and Project milestones broken down by trade in the form of a weekly or daily Gantt chart. This Gantt chart shall be updated and presented to the city project contact weekly through the life cycle of the Project. The architect or (design professional in responsible charge) shall prepare and countersign pay requests attesting to their concurrence of percentage of completion as well as contract modifications and code

conformance. Prior to any reimbursements these items will be verified by City staff.

H. **Penalty for Late Project Completion.**

1. The Developer shall achieve the issuance of the Certificate of Project Completion for the entire Project by the deadline specified in this Agreement (the "Completion Deadline").
2. A grace period of one hundred twenty (120) days following the Completion Deadline shall apply, during which no penalties will accrue.
3. If the Developer fails to achieve the issuance of the Certificate of Project Completion within the 120-day grace period, the Developer shall be assessed a late fee of Five Hundred and No/100 Dollars (\$500.00) per calendar day beyond the grace period until the Certificate of Project Completion is issued by the City.
4. Late fees shall be paid by the Developer to the City within thirty (30) days of receiving written notice of the amount due. If the Developer fails to pay the late fees within the specified time, the City may deduct the unpaid amount from any TIF Incentive payments owed to the Developer under this Agreement.
5. The imposition of late fees shall not preclude the City from exercising any other rights or remedies available under this Agreement for delays in Project completion.

- I. **Mayor's Authority to Extend Development Timeline.** The City's Mayor shall have the authority, within the Mayor's sole and unrestricted discretion, to grant extensions to the development timelines specified under this Agreement. Requests for extensions must be submitted in writing to the Mayor's office at least thirty (30) days prior to the expiration of the current deadline. The Mayor's authority to grant extensions under this Section shall be limited to extending the original Project Completion Date of December 31, 2025 by no more than one year, although more than one extension may be granted. Any extension request seeking to extend the original Project Completion Date beyond one year, must be approved by City Council.

VI. **UNDERTAKINGS ON THE PART OF THE CITY**

- A. **City Cooperation.** The City agrees to cooperate with the Developer/Restaurateur in the Developer/Restaurateur's attempts to obtain all necessary approvals from any governmental or quasi-governmental entity other than the City and, upon request of Developer/Restaurateur, will promptly execute any applications or other documents (upon their approval by the City)

which the Developer/Restaurateur intends to file with such other governmental or quasi-governmental entities in regard to the Project (excluding any such activities that would involve the private financing of the Project). The City shall further promptly respond to, and/or process, and consider reasonable requests of the Developer/Restaurateur for applicable permits necessary for the construction and operation of the Project. Approval of any building permit applications and/or engineering plans shall be contingent on the Developer/Restaurateur providing all required and requested documentation including but not limited to engineering reports, calculations, plans, engineering fees and security required to substantiate that said improvements fully conform with all applicable state statutes and all City ordinances and codes, as well as receipt of all required approvals from any federal, State, regional or county agencies having applicable jurisdiction. Subject to providing all applications, and all required and requested related documentation, the City agrees to issue a liquor license to the Developer/Restaurateur or its operator for the Restaurant, subject to the Local Liquor Control Commissioner's receipt, review and approval of a proper liquor license application by the operator of the Restaurant and a determination that the operator is qualified for a liquor license under the City Code. City Cooperation specifically excludes any commitment in the provision of Developer/Restaurateur financing except as provided for in this Agreement for the City Loan.

**B. City Loan.**

1. **Conditions for City Loan.** The Developer/Restaurateur's right to be reimbursed Eligible Project Costs through the City Loan under this Agreement is conditioned on the Developer/Restaurateur's ongoing compliance with the following conditions, in addition to the conditions elsewhere in this Agreement:
  - a. The Developer/Restaurateur is in compliance with its obligations in this Agreement and all timelines required in this Agreement.
  - b. The Developer/Restaurateur is in compliance with all federal, State, Kane County, City and other local laws, ordinances, codes, rules, regulations and directives.
  - c. Prior to the Effective Date, the Developer/Restaurateur shall provide the City with a copy of a binding lease agreement in place between the owner of the Property and the Developer/Restaurateur that is acceptable to the City.
  - d. The Developer/Restaurateur is in compliance with its obligations to its lenders, subject to all applicable notice and cure rights with such lenders.

- e. The Developer/Restaurateur is not in default under its lease for the Property.
- f. The Developer/Restaurateur has no debt due and owing the City.

2. **City Loan Terms.**

- a. Subject to the terms and conditions of this Agreement, the City shall reimburse the Developer/Restaurateur or pay the costs directly to a contractor for Eligible Project Costs from one source: (i) a Two Hundred and Fifty Thousand and No/100 Dollars (\$250,000.00) loan from the City's Transformation Fund ("City Loan"). The City shall fund the City Loan through a third-party escrow with Chicago Title & Trust Company (the "Funding Escrow"). The cost of establishing and maintaining the Funding Escrow shall be at the sole cost and expense of the Developer/Restaurateur. As noted in this Agreement, estimated total funding for this Project is \$900,000.00. The total funding through the City Loan is \$250,000.00 and shall in no event exceed this amount. The City shall deposit the City Loan into the Funding Escrow within twenty-one (21) days of the Funding Contingency being satisfied by the Developer/Restaurateur and disbursed to or for the benefit of the Developer/Restaurateur on a pari passu basis with the all other funding for the Project. Therefore, pari passu is defined herein is not more than \$0.2778 of funding through the City Loan for every \$1.00 from all other sources of Project funding.

Immediately upon the Developer/Restaurateur satisfying the Funding Contingency, the Parties shall cause a strict joint order construction escrow for the Project ("Funding Escrow"), with instructions approved by the Parties, with the Chicago Title Insurance Company ("Escrow Agent"), to be created. The Developer/Restaurateur shall pay the costs and fees of establishing the Funding Escrow and of the Escrow Agent.

- b. Disbursement of the City Loan by the Escrow Agent shall be done upon:
  - i. The provision of invoices, waivers of lien of Eligible Project Costs by Developer-Restaurateur for each draw request and other documents necessary for the City's Chief Financial Officer to approve a draw request under this Agreement, as applicable.
  - ii. Approval of said documentation by the City's Chief

Financial Officer.

- iii. Confirmation that sufficient funds are available in the Funding Escrow.
  - iv. Confirmation that the disbursement is *pari passu*.
- c. If this Agreement is no longer in effect for any reason, any amount of the City Loan remaining in the Funding Escrow shall belong to, be owned by, and be released to, the City.

3. **Repayment/Amortization and Additional Terms of the City Loan.**

The City Loan, shall be subject to simple interest accruing at the rate of five and one half percent (5.5%) per annum beginning on the date that the City deposits the City Loan into the Funding Escrow and shall be amortized over a nine (9) year period on an annual basis ("Repayment Period"), and assuming compliance with this Agreement, during such period all accrued interest and principal will be repaid in direct proportion to the F&B Taxes and Sales Taxes actually received by the City related to the Restaurant, as demonstrated in the loan repayment schedule attached hereto as **EXHIBIT F** and made a part hereof. The Repayment Period shall begin on the date that the Restaurant opens to the public, as required by this Agreement. In the event that there is a balance of unpaid principal and/or interest at the end of the Repayment Period, then the unpaid balance of principal and interest shall become due and owing the City as set forth in Subsection 4 immediately below. In the event of a sale of the Restaurant, or any portion thereof, prior to the City Loan being repaid in full:

- a. If the City agrees to the sale, then the City Loan shall transfer to the new owner who will assume all responsibilities of this Agreement; or
- b. If the City does not agree with the sale, then the City Loan shall be due immediately with any unamortized principal and interest payable at the closing.

4. **Deficiency Payment.** In the event that the total amount F&B Taxes and Sales Taxes actually received by the City during the Repayment Period is insufficient to fully satisfy the outstanding principal and accrued interest on the City Loan, the Developer/Restauranteur shall be responsible for payment of the remaining balance (the "Deficiency Amount"). The City shall provide the Developer/Restauranteur with written notice of the Deficiency Amount within thirty (30) days following the conclusion of the Repayment Period.

The Developer/Restauranteur shall remit payment of the Deficiency Amount to the City in full within sixty (60) days of receiving written notice from the City. If the Developer/Restauranteur fails to pay the Deficiency Amount within this timeframe, the unpaid balance shall accrue interest at the rate of five and one-half percent (5.5%) per annum, compounded annually, until paid in full.

The obligations of the Developer/Restauranteur under this Section shall survive the expiration or termination of this Agreement until the City Loan, including all outstanding principal and accrued interest, is paid in full.

In the event of a sale of the Restaurant prior to full repayment of the City Loan, the Deficiency Amount shall be deemed due and payable at the time of closing, unless the City has consented in writing to an assumption of the City Loan by the buyer pursuant to Section V.B.3.a. of this Agreement.

5. THE CITY'S OBLIGATION TO PAY THE DEVELOPER THE CITY LOAN FROM THE FUNDING ESCROW, IS A LIMITED OBLIGATION PAYABLE SOLELY FROM THE CITY LOAN DEPOSITED IN THE FUNDING ESCROW AND SHALL NOT BE A GENERAL OBLIGATION OF THE CITY OR SECURED BY THE FULL FAITH AND CREDIT OF THE CITY. INSUFFICIENCY OF THE FUNDING ESCROW TO PAY WHEN DUE SHALL NOT BE AN EVENT OF DEFAULT, AND THE DEVELOPER SHALL HAVE NO RECOURSE WHATSOEVER AGAINST THE CITY IN THE EVENT THAT THERE IS AN INSUFFICIENT AMOUNT OF FUNDS IN THE FUNDING ESCROW.
6. Acceleration. Upon the occurrence of an Event of Default, the City may, at its option, without notice, declare the balance of unforgiven principal and interest on the City Loan immediately due and payable in full.

## **VII. DEVELOPER/RESTAURANTEUR'S OBLIGATIONS**

The Developer/Restauranteur shall have the obligations set forth below, in addition to those set forth elsewhere in this Agreement, for the development, construction, financing, completion and furtherance of the Project:

- A. Use of Funds. The Developer/Restauranteur shall use the City Loan only for reimbursement of legitimate costs of the Project (the "Eligible Project Costs"), as set forth in **EXHIBIT G** attached hereto and made a part hereof. As part of the Funding Contingency, the Developer/Restauranteur shall provide the City with the Project budget, which shall detail the Eligible

Project Costs. Further, the City Loan shall not be used to pay down any other third-party financing of the Developer/Restauranteur related to the Project. Distribution of the City Loan to the Developer/Restauranteur shall be governed through the Funding Escrow.

- B. **Construction in Accordance With Approvals and Laws.** The Developer/Restauranteur shall construct the Project in full conformance with the approvals therefor from the City. The Developer/Restauranteur shall at all times acquire, install, construct, operate and maintain the Project in substantial conformance with all applicable laws, rules, ordinances and regulations. All work with respect to the Project shall conform to all applicable federal, State and local laws, regulations and ordinances, including, but not limited to, zoning, subdivision and planned development codes, building codes, environmental laws (including any law relating to public health, safety and the environment and the amendments, regulations, orders, decrees, permits, licenses or deed restrictions now or hereafter promulgated thereafter), life safety codes, property maintenance codes and any other applicable codes and ordinances of the City, or any of its rules or regulations or amendments thereto which are in effect from time to time during the construction and maintenance of the Project and/or during the term of this Agreement.
- C. **Construction Staging and Right-of-Way Work.** During the construction of the Project, the Developer/Restauranteur shall stage its construction of the Project to avoid to the fullest extent possible any community disruption. During construction, the Developer/Restauranteur shall also keep all public streets used by the Developer/Restauranteur clean from construction debris on a daily basis, and for each day in which such construction debris on public streets is not properly clean, the Developer/Restauranteur shall pay the City the sum of Two Hundred Fifty and No/100 Dollars (\$250.00) for each such violation. The Developer/Restauranteur shall park and stage all construction equipment, materials and vehicles to be used in relation to the construction of the Project on the Property. The Developer/Restauranteur shall provide the City with space to perform street and right-of-way improvements and construction at no cost to the City.
- D. **Sufficient Funds.** The Developer/Restauranteur and the Guarantor have submitted written evidence to the Chief Financial Officer of the City (CFO), or his/her designee, in a form and substance satisfactory to the CFO, that Developer/Restauranteur and Guarantor have access to sufficient funds to pay any costs of the Project.

Further, upon reasonable request of the CFO, the Developer/Restauranteur and Guarantor shall submit written evidence to the CFO that Developer/Restauranteur and Guarantor have access to sufficient funds to pay any costs of the Projects.

- E. **Meetings With City.** The Developer/Restaurateur shall meet with the Corporate Authorities and City staff and make presentations to the Corporate Authorities and City staff as reasonably requested by the City Mayor or his designees in order to keep the City apprised of the progress of the Project.
- F. **Requests For Information, Documents and Data.** The Developer/Restaurateur shall timely provide the City, and the City's consultants, with all information, documents and data requested by the City, and the City's consultants, needed to complete the calculations called for in this Agreement.
- G. **Guaranty.** Guarantor hereby absolutely, irrevocably and unconditionally guarantees to the benefit of the City the full and prompt payment of each and all payments required by the Developer/Restaurateur under this Agreement, when the same shall become due and payable in accordance with their terms (collectively, the "Guaranty"). This Guaranty shall constitute a guaranty of payment and performance when due, and not of collection. Guarantor specifically agrees that, in the event of a failure by the Developer/Restaurateur to timely pay or perform any of its obligations, the City shall have the right from time to time to proceed first and directly against Guarantor under this Guaranty, and without proceeding against the Developer/Restaurateur or exhausting any other remedies against the Developer/Restaurateur. Without limiting the foregoing, Guarantor agrees that it shall not be necessary, and Guarantor shall not have the right, and specifically waives any right it may have, to require, as a condition of enforcing this Guaranty, that the City: (a) file suit or proceed to obtain a personal judgment against the Developer/Restaurateur or any other person that may be liable for the obligations or any part of the obligations; (b) make any other effort to obtain payment or performance of the obligations from Developer/Restaurateur other than providing Developer/Restaurateur with any notice of such nonpayment or nonperformance as may be required under the terms of the Agreement; (c) foreclose against or seek to realize upon any security for the outstanding obligations; or (d) exercise any other right or remedy that the City is or may be entitled in connection with the outstanding obligations or any security therefor or any other guarantee thereof. Notwithstanding the right of City to proceed immediately and directly against Guarantor, the City shall not be entitled to more than a single full performance of the obligations regarding any breach or non-performance thereof. Subject to the foregoing, at the City's election, which may be made in its sole judgment, the City may, following demand upon Guarantor hereunder, perform or cause to be performed any and all outstanding obligations on the Developer/Restaurateur's behalf. The City shall not be obligated to undertake any of the foregoing actions, and shall not incur any liability to



Guarantor, the Developer/Restaurateur or any other person because of taking or not taking any of the foregoing actions. No such actions or inactions by the City shall release or limit the liability of Guarantor hereunder, and shall not serve as a waiver of any of the rights of the City pursuant to this Section of this Agreement. The liability of Guarantor shall be effective, and the obligations shall immediately be paid and performed, only upon any failure by Developer/Restaurateur in the timely payment or performance of any obligation and the giving of such notice or demand, if any, to Developer/Restaurateur as may be required under this Agreement, and the failure to cure the same. Guarantor specifically reaffirms the representations and warranties of the Developer/Restaurateur as set forth in this Section. The obligations of Guarantor hereunder are absolute, irrevocable and unconditional and shall remain in full force and effect until the Developer/Restaurateur's obligations have been fully discharged in accordance with their respective terms and not subject to any counterclaim, set-off, deduction or defense (other than full and strict compliance with, or release, discharge or satisfaction of, the obligations or any other defense that Developer/Restaurateur may have) based on any claim that Guarantor may have against the Developer/Restaurateur, the City, or any other person. Without limiting the foregoing, the obligations of Guarantor hereunder shall not be released, discharged or in any way modified. Notwithstanding any provision to the contrary, nothing in this Section limits or waives the City's rights under this Agreement.

- H. **Operation of Restaurant.** During the term of this Agreement and until such time as the City Loan is repaid in full, the Developer/Restaurateur agrees that the Restaurant shall be continuously in operation once the Project is complete. For purposes of this Agreement, the Restaurant shall be considered continuously in operation if the Restaurant or another restaurant of the same or similar quality and character as the Restaurant is open to the public six (6) days per week from 11:00 a.m. to 10:00 p.m., without any interruption in being so open for more than twenty (20) consecutive calendar days. The hours of operation of the Restaurant as required by this Section may be modified at the request of the Developer/Restaurateur with the prior written consent of the Mayor of the City of Aurora, which may be granted or withheld within the sole and absolute discretion the Mayor of the City of Aurora.

I. **Financial Performance and Budget Review.**

1. **Quarterly Financial Review.** During the first two (2) years following the commencement of the Restaurant's operations, the Developer/Restaurateur shall provide the City with quarterly financial statements, including but not limited to profit and loss statements, balance sheets, and any other financial documentation reasonably requested by the City to assess the financial performance of the Business. The City

shall review these statements within thirty (30) days of receipt to determine compliance with the obligations set forth in this Agreement.

2. Annual Financial Review. Provided that no event of default has occurred under this Agreement during the first two (2) years, the Developer/Restaurateur shall thereafter be required to submit financial statements and reports on an annual basis. Such annual financial statements shall be due within ninety (90) days following the end of each fiscal year and shall be reviewed by the City to ensure continued compliance with this Agreement. If an event of default occurs at any time, the City may reinstate the quarterly financial review requirement until such default is cured to the City's satisfaction.
3. Annual Budget Submission and Review. No later than sixty (60) days prior to the start of each of the Developer/Restaurateur's fiscal year, the Developer/Restaurateur shall submit an annual operating budget for the Restaurant to the City for review. The budget shall include projected revenues, expenditures, and any anticipated capital improvements or major business expenses. The City shall review the budget within thirty (30) days of receipt and may request reasonable modifications or additional information to ensure the financial viability of the Business and its ability to satisfy its repayment obligations under this Agreement.
4. Failure to Provide Financial Statements or Budgets. Failure to timely submit the required financial statements or annual budgets shall constitute an event of default under this Agreement, entitling the City to pursue all available remedies, including but not limited to reinstating quarterly financial reporting, withholding further disbursements under the City Loan, or declaring the entire outstanding balance of the City Loan immediately due and payable.

## **VIII. ADDITIONAL COVENANTS OF DEVELOPER/RESTAURATEUR**

- A. **Continued Existence.** The Developer/Restaurateur will do or cause to be done all things necessary to preserve and keep in full force and effect their existence and standing as Illinois limited liability company so long as the Developer/Restaurateur maintains an interest in the Property or has any other remaining obligation pursuant to the terms of this Agreement.
- B. **Further Assistance and Corrective Instruments.** The City and Developer/Restaurateur agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may be reasonably required for carrying out the intention of or facilitating the performance of this Agreement to the extent legally permitted and within the City's and the Developer/Restaurateur's sound legal discretion.

- C. **No Gifts.** The Developer/Restaurateur covenants that no shareholder, director, manager, member, employee or agent of Developer/Restaurateur, or any other Person connected with Developer/Restaurateur, has made, offered or given, either directly or indirectly, to any member of the Corporate Authorities, or any officer, employee or agent of the City, or any other Person connected with the City, any money or anything of value as a gift, or as a means of influencing his or her action in his or her capacity with the City, other than as provided for under 5 ILCS 430/10-10 through 10-40.
- D. **Disclosure.** Concurrently with the execution of this Agreement, Developer/Restaurateur shall disclose to the City the names, addresses and ownership interests of all Persons that have an ownership interest in the Developer/Restaurateur, together with such supporting documentation that may be requested by the City. Developer/Restaurateur further agrees to notify the City throughout the term of this Agreement of the names, addresses and ownership interests of any new owners of the Developer/Restaurateur.
- E. **Prevailing Wage.** The Project is subject to the Illinois Prevailing Wage Act (820 ILCS 130/0.01, *et seq.*) ("Prevailing Wage Act"). Accordingly, Developer/Restaurateur shall pay any applicable "Prevailing Wage Rates" to any of its workers on the Project, and comply with the Prevailing Wage Act.
- F. **Open Book Project.** The Project shall be an "open book" project, meaning that the Developer/Restaurateur and the Guarantor will assure continuing access to the City's agents for the purpose of reviewing and auditing their respective books and records relating to any item necessary to determine the costs of the Project; provided, however, that all such access shall be limited to normal business hours upon reasonable prior notice and shall not occur more frequently than once per calendar quarter. The foregoing City review rights shall terminate one (1) year after the issuance of the Certificate of Project Completion with respect to costs for the Project, unless the Developer/Restaurateur has failed to make available any such books and/or records requested in writing by the City. Developer/Restaurateur shall provide to the City copies of any partnership agreements, corporation operating agreements, corporate by-laws or joint venture agreements pertaining to the Property to which the Developer/Restaurateur is a party; provided that the Developer/Restaurateur may, (if Developer/Restaurateur has previously provided the City not less than thirty (30) days to review such confidential financial materials), remove from the copies of such agreements any confidential financial information previously disclosed to the City and not since changed in form or substance and the City shall keep such agreements confidential, to the maximum

extent permitted by law. Failure to provide the documents or allow review of the books within thirty (30) days after request by the City shall be an Event of Default. Developer/Restauranteur shall exercise prudence and good faith in attempting to contract with persons or entities that are reputable and experienced in their respective areas for the provision of services or material for the design and construction of Project at costs not in excess of market rates. The general contractor (or general contractors) designated by Developer/Restauranteur shall be experienced and reputable.

## **IX. ADHERENCE TO CITY CODES AND ORDINANCES**

All development and construction of the Project shall comply in all respects with the provisions in the building, plumbing, mechanical, electrical, storm water management, fire prevention, property maintenance, zoning and subdivision codes of the City and all other germane codes and ordinances of the City in effect from time to time during the course of construction of the Project. The Developer/Restauranteur, by executing this Agreement, expressly warrants that it has examined and is familiar with all the covenants, conditions, restrictions, building regulations, zoning ordinances, property maintenance regulations, environmental laws (including any law relating to public health, safety and the environment and the amendments, regulations, FoxWalk Design Guidelines, orders, decrees, permits, licenses or deed restrictions now or hereafter promulgated thereafter) and land use regulations, codes, ordinances, federal, State and local ordinances, and the like, currently in effect.

## **X. REPRESENTATIONS AND WARRANTIES OF DEVELOPER/RESTAURANTEUR**

The Developer/Restauranteur represents and warrants to the City as follows:

- A. **Existence and Authority of Developer/Restauranteur** The Developer/Restauranteur is an Illinois limited liability company duly organized and existing under the laws of the State of Illinois, and is authorized to and has the power to enter into, and by proper action have been duly authorized to execute, deliver and perform, this Agreement. The Developer/Restauranteur is solvent, able to pay its debts as they mature and financially able to perform all the terms of this Agreement. To Developer/Restauranteur's knowledge, there are no actions at law or similar proceedings which are pending or threatened against Developer/Restauranteur and/or Guarantor which would result in any material and adverse change to Developer/Restauranteur's or Guarantor's financial condition, or which would materially and adversely affect the level of Developer/Restauranteur's or Guarantor's assets as of the date of this Agreement or that would materially and adversely affect the ability of Developer/Restauranteur or Guarantor to proceed with the construction and development of the Project.

- B. **No Conflict by Developer/Restaurateur.** Neither the execution and delivery of this Agreement by Developer/Restaurateur, the consummation of the transactions contemplated hereby by Developer/Restaurateur, nor the fulfillment of or compliance with the terms and conditions of this Agreement by Developer/Restaurateur conflicts with or will result in a breach of any of the terms, conditions or provisions of any offerings or disclosure statement made or to be made on behalf of Developer/Restaurateur (with Developer/Restaurateur's prior written approval), any organizational documents, any restriction, agreement or instrument to which Developer/Restaurateur or any of its managers, members or venturers is now a party or by which Developer/Restaurateur or any of its managers, members or venturers is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any prohibited lien, charge or encumbrance whatsoever upon any of the assets or rights of Developer/Restaurateur, any related party or any of its managers, members or venturers under the terms of any instrument or agreement to which Developer/Restaurateur, any related party or any of its managers, members or venturers is now a party or by which Developer/Restaurateur, any related party or any of its managers, members or venturers is bound.
- C. **Adequate Resources of Developer/Restaurateur and Guarantor.** The Developer/Restaurateur and Guarantor have sufficient financial and economic resources to implement and complete the Developer/Restaurateur's obligations contained in this Agreement.
- D. **No Adverse Notices to Developer/Restaurateur.** The Developer/Restaurateur has not received any notice from any local, State or federal official that the activities of the Developer/Restaurateur with respect to the Property and/or the Project may or will be in violation of any environmental law or regulation. The Developer/Restaurateur is not aware of any State or federal claim filed or planned to be filed by any person relating to the Property and any violation of any local, State or federal environmental law, regulation or review procedure, and the Developer/Restaurateur is not aware of any violation of any local, State or federal law, regulation or review procedure which would give any person a valid claim under any State or federal environmental statute relative to the Property.
- E. **Experience of Developer/Restaurateur.** The Developer/Restaurateur, and its respective principals, are skilled in the development and operation of property similar to the uses in the Project and are able to provide the Project with the necessary skill, knowledge and expertise as well as input from other experts and consultants in the construction and operation of such a Project.

- F. **Other Funds.** The Developer/Restaurateur and Guarantor have adequate funds, from other sources, to construct and operate the Project in accordance with this Agreement.
- G. **Figures and Data.** The documents, information, figures and data supplied regarding the operations and financing of the Project by the Developer/Restaurateur, its principals and the Guarantor to the City regarding the Project are true, accurate and complete. The Developer/Restaurateur and Guarantor have not withheld any documents, information, figures or data relevant to the operations and financing of the Project that would have a material adverse effect on the City's decision to enter into this Agreement and provide for the incentives herein.
- H. **Liens and Encumbrances.** The Developer/Restaurateur has not and will not suffer or permit the creation (whether voluntary or involuntary) of, or any attempt to create, any mortgage, security interest or mechanic's lien or judgment lien upon the Property, except as expressly authorized herein, including any fixtures now or hereafter attached thereto, or the making or any attempt to make any levy, seizure or attachment thereof. Developer/Restaurateur may cure the attachment of any mechanic's lien or judgment lien by removing or bonding or insuring over such lien in an amount equal to the monetary claim of the lien within thirty (30) days of attachment.

## **XI. REPRESENTATIONS AND WARRANTIES OF THE CITY**

The City represents and warrants to the Developer/Restaurateur as follows:

- A. **Existence.** The City is an Illinois home rule municipal corporation duly organized and validly existing under the laws of the State of Illinois, and has all requisite corporate power and authority to enter into this Agreement.
- B. **Authority.** The execution, delivery and the performance of this Agreement and the consummation by the City of the transactions provided for herein and the compliance with the provisions of this Agreement:
1. have been duly authorized by all necessary corporate action on the part of the City; and
  2. require no other consents, approvals or authorizations on the part of the City in connection with the City's execution and delivery of this Agreement; and
  3. shall not, by lapse of time, giving of notice or otherwise result in any breach of any term, condition or provision of any indenture, agreement or other instrument to which the City is subject.

- C. **Litigation.** To the best of the City's knowledge, there are no proceedings pending or threatened against or affecting the City in any court or before any governmental authority which involves the possibility of materially or adversely affecting the ability of the City to perform its obligations under this Agreement.

## **XII. INSURANCE**

- A. **Insurance Coverages.** The Developer/Restaurateur, and any of its successors in interest, shall obtain and continuously maintain insurance on the Property and the Project and, from time to time at the request of the City, furnish proof to the City that the premiums for such insurance have been paid and the insurance is in effect. The insurance coverage described below is the minimum insurance coverage that the Developer/Restaurateur must obtain and continuously maintain, provided that the Developer/Restaurateur shall obtain the insurance described in Subsection 1. below prior to the commencement of construction of any portion of the Project:
1. Builder's risk insurance, written on the so-called "Builder's Risk - Completed Value Basis", in an amount equal to one hundred percent (100%) of the insurable value of the Project at the date of completion, and with coverage available in non-reporting form on the so-called "all risk" form of policy. Builder's risk insurance shall only be required through the completion of construction of the Project.
  2. Comprehensive general liability insurance (including operations, contingent liability, operations of subcontractors, completed operations and contractual liability insurance) together with an Developer/Restaurateur's/Contractor's Policy naming the City and its officers, agents and employees as additional insureds, with limits against bodily injury and property damage of not less than \$ 2,000,000.00 for each occurrence (to accomplish the above-required limits, an umbrella excess liability policy may be used), written on an occurrence basis.
  3. Workers compensation insurance, with statutory coverage.
- B. **Continuity of Insurance.** All insurance required in this Section XII. shall be obtained and continuously maintained through responsible insurance companies selected by the Developer/Restaurateur, or its successors that are authorized under the laws of the State to assume the risks covered by such policies. Unless otherwise provided in this Section XII., cancellation relative to each policy shall be as provided by the policy; however, the City must be named as a cancellation notice recipient. Not less than fifteen (15) days prior to the expiration of any policy, the Developer/Restaurateur, or

its successors or assigns, must renew the existing policy or replace the policy with another policy conforming to the provisions of this Section XII. In lieu of separate policies, the Developer/Restaurateur, or its successors or assigns, may maintain a single policy, blanket or umbrella policies, or a combination thereof, having the coverage required herein.

### **XIII. INDEMNIFICATION, HOLD HARMLESS AND RELEASE PROVISIONS**

This Section XIII. shall survive the termination of this Agreement.

- A. **Release.** The Developer/Restaurateur releases the City, its governing body members, officers, agents, including independent contractors, consultants and legal counsel, servants and employees thereof (hereinafter, for purposes of this Section, collectively the "Indemnified Parties") from, and covenant and agree that the Indemnified Parties shall not be liable to Developer/Restaurateur for any loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect in the Project or the Property or arising under this Agreement or actions in furtherance thereof, to the extent not attributable to the gross negligence or willful misconduct of the Indemnified Parties.
- B. **Indemnification.** Except for fraud, gross negligence or willful misconduct of the Indemnified Parties, Developer/Restaurateur agrees to indemnify the Indemnified Parties, now and forever, and further agree to defend and hold the aforesaid harmless from any claims, demands, suits, costs, expenses (including reasonable attorney's fees), actions or other proceedings whatsoever by any person or entity whatsoever arising or purportedly arising from the actions or inactions of Developer/Restaurateur (or if other Persons acting on its behalf or under either of their direction or control) under this Agreement, or the transactions contemplated hereby or the acquisition, construction, installation, ownership, and operation of the Project; provided, that this indemnification shall not apply to the warranties made or obligations undertaken by the City in this Agreement.
- C. **Waiver.** The Developer/Restaurateur waive any claims against the Indemnified Parties for indemnification, contribution, reimbursement or other payments arising under federal, State and common law or relating to the environmental condition of the land which is part of the Property.
- D. **No Personal Liability.** No liability, right or claim at law or inequity shall attach to or shall be incurred by the City's Mayor, Aldermen, officers, officials, attorneys, agents and/or employees, and any such rights or claims of the Developer/Restaurateur against the City's Mayor, Aldermen, officers, officials, attorneys, agents, employees, contractors and/or



consultants are hereby expressly waived and released as a condition of and as consideration for the execution of the Agreement by the City.

#### **XIV. EVENTS OF DEFAULT AND REMEDIES**

A. **Developer/Restaurateur and Guarantor Events of Default**. Each of the following shall be an “Event of Default” with respect to this Agreement:

1. If any representation made by Developer/Restaurateur or Guarantor in this Agreement, or in any certificate, notice, demand or request made by a Party hereto, in writing and delivered to the City pursuant to or in connection with any of said documents, shall prove to be untrue or incorrect in any material respect as of the date made; provided, however, that such default shall constitute an Event of Default only if Developer/Restaurateur does not remedy the default, within thirty (30) days after written notice from the City.
2. Default by Developer/Restaurateur or Guarantor for a period of fifteen (15) days after written notice thereof in the performance or breach of any covenant contained in this Agreement concerning the existence, structure or financial condition of Developer/Restaurateur or Guarantor, as the case may be; provided, however, that such default or breach shall not constitute an Event of Default if such default cannot be cured within said fifteen (15) days and Developer/Restaurateur and/or Guarantor within said fifteen (15) days, initiates and diligently pursues appropriate measures to remedy the default and in any event cures such default within sixty (60) days after such notice.
3. Default by Developer/Restaurateur in the performance or breach of any covenant, warranty or obligation contained in this Agreement; provided, however, that such default shall not constitute an Event of Default if such default cannot be cured within said fifteen (15) days and the Developer/Restaurateur within said fifteen (15) days initiates and diligently pursues appropriate measures to remedy the default and in any event cures such default within sixty (60) days after such notice.
4. The entry of a decree or order for relief by a court having jurisdiction in the premises in respect of Developer/Restaurateur or Guarantor in an involuntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or State bankruptcy, insolvency or other similar law, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of Developer/Restaurateur or Guarantor for any substantial part of its property, or ordering the winding-up or liquidation of its

affairs and the continuance of any such decree or order unstayed and in effect for a period of sixty (60) consecutive days.

5. The commencement by Developer/Restaurateur or Guarantor of a voluntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or State bankruptcy, insolvency or other similar law, or the consent by Developer/Restaurateur or Guarantor to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or similar official) of Developer/Restaurateur, or of any substantial part of the Property, or the making by any such entity of any assignment for the benefit of creditors or Developer/Restaurateur generally declares it is unable to pay its debts as such debts become due or the taking of action by Developer/Restaurateur in furtherance of any of the foregoing, or a petition is filed in bankruptcy by others.
6. Failure to have funds to meet Developer/Restaurateur's or Guarantor's obligation; provided, however, that such default shall constitute an Event of Default only if Developer/Restaurateur does not remedy the default, within thirty (30) days after written notice from the City.
7. A sale, assignment, or transfer of the Project, except in accordance with this Agreement.
8. Change in the Developer/Restaurateur, except in accordance with this Agreement. A change in the Developer/Restaurateur shall not occur if a member leaves or if a member dies. A new member may be added to the Developer/Restaurateur without the City's written consent, so long as there is no change in the control of finances and/or management of the Developer/Restaurateur.
9. Developer/Restaurateur abandons construction of the Project on the Property. Abandonment shall be deemed to have occurred when work stops on the Property for more than sixty (60) days for any reason other than Uncontrollable Circumstances.
10. Developer/Restaurateur fails to comply with applicable governmental codes and regulations in relation to the construction and maintenance of the Project contemplated by this Agreement and such failure continues for more than fifteen (15) days after written notice thereof from the City; provided, however, that such default or breach shall not constitute an Event of Default if such default cannot be cured within said fifteen (15) days and Developer/Restaurateur within said fifteen (15) days, initiates and diligently pursues

appropriate measures to remedy the default and in any event cures such default within ninety (90) days after such notice. The maintenance requirement of this provision shall not be covered by and shall survive any Certificate of Project Completion or Estoppel Certificate of any kind issued during the term of this Agreement.

11. A representation or warranty of Developer/Restaurateur or Guarantor is not true for a period of fifteen (15) days after written notice from the City; provided, however, that such default or breach shall not constitute an Event of Default if such default cannot be cured within said fifteen (15) days and Developer/Restaurateur within said fifteen (15) days, initiates and diligently pursues appropriate measures to remedy the default and in any event cures such default within sixty (60) days after such notice.

B. **City Events of Default.** Each of the following shall be an “Event of Default” by the City with respect to this Agreement:

1. If any material representation made by the City in this Agreement, or in any certificate, notice, demand or request made by a Party hereto, in writing and delivered to Developer/Restaurateur pursuant to or in connection with any of said documents, shall prove to be untrue or incorrect in any material respect as of the date made; provided, however, that such default shall constitute an Event of Default only if the City does not remedy the default, within fifteen (15) days after written notice from Developer/Restaurateur.
2. Default by the City in the performance or breach of any material covenant contained in this Agreement concerning the existence, structure or financial condition of the City; provided, however, that such default or breach shall constitute an Event of Default if the City does not, within fifteen (15) days after written notice from Developer/Restaurateur, initiate and diligently pursue appropriate measures to remedy the default.
3. Default by the City in the performance or breach of any material covenant, warranty or obligation contained in this Agreement; provided, however, that such default shall not constitute an Event of Default if the City, commences cure within fifteen (15) days after written notice from Developer/Restaurateur, and in any event cures such default within sixty (60) days after such notice, subject to Uncontrollable Circumstances.

C. **Remedies for Default.** In the case of an Event of Default hereunder:

1. The defaulting Party shall, upon written notice from the non-defaulting Party/Parties, take immediate action to cure or remedy such Event of Default. If, in such case, any monetary Event of Default is not cured, or if in the case of a non-monetary Event of Default, action is not taken or not diligently pursued, or if action is taken and diligently pursued but such Event of Default or breach shall not be cured or remedied within a reasonable time, but in no event more than fifteen (15) additional days, unless extended by mutual agreement, the non-defaulting Party/Parties may institute such proceedings as may be necessary or desirable in its/their opinion to cure or remedy such Event of Default, including, but not limited to, proceedings to compel specific performance of the defaulting Party's obligations under this Agreement.
  2. In case the City shall have proceeded to enforce its rights under this Agreement and such proceedings shall have been discontinued or abandoned for any reason, then, and in every such case, the Developer/Restaurateur and the City shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of the Developer/Restaurateur and the City shall continue as though no such proceedings had been taken.
  3. In the case of an Event of Default by the Developer/Restaurateur or Guarantor, in addition to any other remedies at law or in equity, the City shall be relieved of its obligations under this Agreement unless and until such time as the Event of Default is cured by the Developer/Restaurateur or Guarantor in accordance with this Agreement.
- D. **Agreement to Pay Attorneys' Fees and Expenses.** In the event an Event of Default is not cured within the applicable cure periods and a Party employs an attorney or attorneys or incurs other expenses for the collection of the payments due under this Agreement or the enforcement of performance or observance of any obligation or agreement herein contained, the non-prevailing Party shall pay, on demand, the prevailing Party's, or Parties', reasonable fees of such attorneys and such other reasonable expenses in connection with such enforcement action. This Section XIV.D. shall survive the termination of this Agreement.
- E. **No Waiver by Delay or Otherwise.** Any delay by any Party in instituting or prosecuting any actions or proceedings or otherwise asserting its rights under this Agreement shall not operate to act as a waiver of such rights or to deprive it of or limit such rights in any way (it being the intent of this provision that any Party should not be deprived of or limited in the exercise of the remedies provided in this Agreement because of concepts of waiver, laches or otherwise); nor shall any waiver in fact made with respect to any

specific Event of Default be considered or treated as a waiver of the rights by the waiving Party of any future Event of Default hereunder, except to the extent specifically waived in writing. No waiver made with respect to the performance, nor the manner or time thereof, of any obligation or any condition under the Agreement shall be considered a waiver of any rights except if expressly waived in writing.

- F. **Rights and Remedies Cumulative.** The rights and remedies of the Parties to this Agreement, whether provided by law or by this Agreement, shall be cumulative, and the exercise of any one or more of such remedies shall not preclude the exercise by such Party, at that time or different times, of any other such remedies for the same Event of Default.
- G. **Reimbursement of City for Legal and Other Fees and Expenses.** In the event that any third party or parties institute any legal proceedings against the Developer/Restaurateur and/or the City, which relate to the terms of this Agreement, then, in that event, the Parties shall cooperate in the defense of any such lawsuit, with each Party assuming, fully and vigorously, its own defense of such lawsuit, and the City's costs and expenses of its defense, of whatever nature (including attorney's fees), shall be paid by the Developer/Restaurateur. This Section XIV.G. shall survive the termination of this Agreement.

## **XV. EQUAL EMPLOYMENT OPPORTUNITY**

- A. **No Discrimination.** Developer/Restaurateur shall comply with all federal, State and local laws relating to equal employment opportunity. To the extent permitted by law, Developer/Restaurateur shall use reasonable efforts to employ qualified residents of the City.
- B. **Advertisements.** Developer/Restaurateur shall, in all solicitations or advertisements for employees placed by or on behalf of Developer/Restaurateur state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.
- C. **Contractors.** Any contracts made by Developer/Restaurateur with any general contractor, agent, employee, independent contractor or any other Person in connection with the Project shall contain language similar to that recited in Subsections A. and B. above.

## **XVI. MISCELLANEOUS PROVISIONS**

- A. **Employment Opportunities.** To the extent feasible, the Developer/Restaurateur shall make reasonable efforts to notify City residents of employment opportunities that are available relative to the

Project, and, to the extent permitted by law, make reasonable efforts to employ qualified residents of the City in relation to the Project.

- B. **Cancellation.** In the event the City shall be prohibited, in any material respect, from performing covenants and agreements or enjoying the rights and privileges herein contained, by the order of any court of competent jurisdiction, or in the event that any ordinance adopted by the City in connection with the Project, shall be declared invalid or unconstitutional, in whole or in part, by a final decision of a court of competent jurisdiction and such declaration shall materially affect the Project or the covenants and agreements or rights and privileges of the City, then and in any such event, the City may, at its election, cancel or terminate this Agreement in whole (or in part with respect to that portion of the Project materially affected) by giving written notice thereof to the Developer/Restaurateur within sixty (60) days after such final decision or amendment. Provided however, prior to such termination the City agrees to meet with the Developer/Restaurateur and negotiate in good faith amendments and modifications to this Agreement to comply with the applicable order, ordinance or other law while attempting to preserve the parties rights and obligations hereunder to the greatest extent possible. If the City terminates this Agreement pursuant to this Subsection B., to the extent it is then appropriate, the City, at its option, may also terminate its duties, obligation and liability under all or any related documents and agreements provided. Further, the cancellation or termination of this Agreement shall have no effect on the authorizations granted to Developer/Restaurateur for the Project, permitted and under construction, to the extent permitted by said court order.
- C. **Notices.** All notices, certificates, approvals, consents or other communications desired or required to be given hereunder shall be given in writing at the addresses set forth below, by any of the following means: (1) personal service, (2) electronic communications, whether by telex, telegram or telecopy or email, (3) overnight courier, or (4) registered or certified first class mail, postage prepaid, return receipt requested.

If to City:                      City of Aurora  
   44 E. Downer Place  
   Aurora, Illinois 60505  
   Attention: City Mayor

With a copy to:                City of Aurora  
   44 E. Downer Place  
   Aurora, Illinois 60505  
   Attention: City Clerk

And:                                City of Aurora, Law Department  
   1 S. Broadway Avenue, 3rd Floor

Aurora, Illinois, 60505  
Attention: Corporation Counsel

And: Mayor's Office of Economic Development  
77 S. Broadway Avenue  
Aurora, Illinois, 60505  
Attention: Executive Director

If to Developer/Restaurateur:  
LJ Hospitality Group, LLC  
2 North Broadway  
Aurora, Illinois, 60505  
Attention: Jamie Gilmore

The Parties, by notice hereunder, may designate any further or different addresses to which subsequent notices, certificates, approvals, consents or other communications shall be sent. Any notice, demand or request sent pursuant to either clause (1) or (2) hereof shall be deemed received upon such personal service or upon dispatch by electronic means. If notice is sent by email under clause (2), then the sending party will send a copy of such notice by another permitted method unless the receiving party waives such requirement within forty-eight (48) hours of the original email. Any notice, demand or request sent pursuant to clause (3) shall be deemed received on the day immediately following deposit with the overnight courier, and any notices, demands or requests sent pursuant to clause (4) shall be deemed received forty-eight (48) hours following deposit in the mail.

- D. **Time is of the Essence.** Time is of the essence of this Agreement.
- E. **Integration.** Except as otherwise expressly provided herein, this Agreement supersedes all prior agreements, negotiations and discussions relative to the subject matter hereof and is a full integration of the agreement of the Parties.
- F. **Counterparts.** This Agreement may be executed in several counterparts, each of which shall be an original and each of which shall constitute but one and the same Agreement.
- G. **Severability.** If any provision of this Agreement, or any Section, sentence, clause, phrase or word, or the application thereof, in any circumstance, is held to be invalid, the remainder of this Agreement shall be construed as if such invalid part were never included herein, and this Agreement shall be and remain valid and enforceable to the fullest extent permitted by law.

- H. **Choice of Law / Venue.** This Agreement shall be governed by, and construed in accordance with, the laws of the State of Illinois, and any court proceedings between the Parties hereto shall be brought in Kane County, Illinois.
- I. **Entire Contract and Amendments.** This Agreement (together with the exhibits attached hereto) is the entire contract between the City, the Developer/Restaurateur, and the Developer/Restaurateur relating to the subject matter hereof, supersedes all prior and contemporaneous negotiations, understandings and agreements, written or oral, between the City, the Developer/Restaurateur, and the Developer/Restaurateur, and may not be modified or amended except by a written instrument executed by the Parties hereto. The Parties agree to cooperate and amend this Agreement to add new entities as needed to complete or effectuate the Project.
- J. **Third Parties.** Nothing in this Agreement, whether expressed or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any other Person other than the City and the Developer/Restaurateur, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third parties to the City or the Developer/Restaurateur, nor shall any provision give any third parties any rights of subrogation or action over or against the City or the Developer/Restaurateur. This Agreement is not intended to and does not create any third-party beneficiary rights whatsoever.
- K. **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.
- L. **Cooperation and Further Assurances.** The City and the Developer/Restaurateur each covenant and agree that each will do, execute, acknowledge and deliver or cause to be done, executed and delivered, such agreements, instruments and documents supplemental hereto and such further acts, instruments, pledges and transfers as may be reasonably required for the better clarifying, assuring, mortgaging, conveying, transferring, pledging, assigning and confirming unto the City and the Developer/Restaurateur or other appropriate Persons all and singular the rights, property and revenues covenanted, agreed, conveyed, assigned, transferred and pledged under or in respect of this Agreement.
- M. **No Joint Venture, Agency or Partnership Created.** Nothing in this Agreement, or any actions of the Parties to this Agreement, shall be



construed by the Parties or any third party to create the relationship of a partnership, agency or joint venture between or among such Parties.

- N. **Repealer.** To the extent that any ordinance, resolution, rule, order or provision of the City's Code of Ordinances, or any part thereof, or any exhibit to this Agreement, is in conflict with the provisions of this Agreement, the provisions of this Agreement shall be controlling, to the extent lawful.
- O. **Term.** This Agreement shall remain in full force and effect until the City Loan and the City Loan are repaid in full (or forgiven in the case of the City Loan in accordance with its terms.
- P. **Assignment.** This Agreement, and the rights and obligations hereunder, may not be assigned by the Developer/Restaurateur unless the City, in the exercise of its sole and absolute discretion, consents in a writing signed by the City Mayor to such assignment.
- Q. **Municipal Limitations.** All City commitments hereunder are limited to the extent required by law.

**[THIS SPACE INTENTIONALLY LEFT BLANK]**

**IN WITNESS WHEREOF**, the Parties hereto have caused this Agreement to be executed on or as of the day and year first above written.

**CITY OF AURORA,**  
an Illinois home rule municipal corporation

**ATTEST:**

By: \_\_\_\_\_  
Richard C. Irvin, Mayor

By: \_\_\_\_\_  
Jennifer Stallings, City Clerk

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**DEVELOPER/RESTAURANTEUR:**

LJ Hospitality Group,  
an Illinois limited liability company

**ATTEST:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**GUARANTOR:**

\_\_\_\_\_ **Date:** \_\_\_\_\_

## ACKNOWLEDGMENT

State of Illinois       )  
                                  ) SS  
County of Kane        )

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that Richard C. Irvin and Jennifer Stallings, personally known to me to be the Mayor and City Clerk of the City of Aurora, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such Mayor and City Clerk, they signed and delivered the said instrument and caused the corporate seal of said municipal corporation to be affixed thereto, pursuant to authority given by the City Council of said Illinois home rule municipal corporation, as their free and voluntary acts, and as the free and voluntary act and deed of said Illinois home rule municipal corporation, for the uses and purposes therein set forth.

GIVEN under my hand and official seal, this \_\_\_\_\_ day of March, 2025.

---

Notary Public

## ACKNOWLEDGMENT

State of Illinois        )  
                                  ) SS  
County of \_\_\_\_\_ )

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO  
HEREBY CERTIFY that \_\_\_\_\_ and \_\_\_\_\_,  
personally known to me to be the \_\_\_\_\_ and \_\_\_\_\_, respectively,  
of \_\_\_\_\_ (“\_\_\_\_\_”), and personally known to  
me to be the same persons whose names are subscribed to the foregoing instrument,  
appeared before me this day in person and severally acknowledged that, as such  
\_\_\_\_\_ and \_\_\_\_\_, they each signed and delivered the said  
instrument as their free and voluntary acts, and as the free and voluntary act and deed of  
said \_\_\_\_\_, for the uses and purposes therein set forth.

GIVEN under my hand and official seal, this \_\_\_\_\_ day of March, 2025.

---

Notary Public

## ACKNOWLEDGMENT

State of Illinois        )  
                                  ) SS  
County of \_\_\_\_\_ )

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO  
HEREBY CERTIFY that \_\_\_\_\_ and \_\_\_\_\_,  
personally known to me to be the \_\_\_\_\_ and \_\_\_\_\_, respectively,  
of \_\_\_\_\_ (“\_\_\_\_\_”), and personally known to  
me to be the same persons whose names are subscribed to the foregoing instrument,  
appeared before me this day in person and severally acknowledged that, as such  
\_\_\_\_\_ and \_\_\_\_\_, they each signed and delivered the said  
instrument as their free and voluntary acts, and as the free and voluntary act and deed of  
said \_\_\_\_\_, for the uses and purposes therein set forth.

GIVEN under my hand and official seal, this \_\_\_\_\_ day of March, 2025.

---

Notary Public

## **EXHIBIT A**

### **Legal Description of the Property**

#### **Legal Description:**

ASSRS MAP OF BLK 5 EAST AURORA LOTS 17, 18 & 19 LOT DIMENSIONS: 3789 SQ  
FT SUBDIVISION: Downtown RANGE CODE: 001

#### **PINs:**

15-22-331-021

#### **Common Addresses:**

2 N BROADWAY, AURORA, IL 60505

**EXHIBIT B**

**Depiction of the Property**

**EXHIBIT C**

**Business Plans and Restaurant Concept**

**TO BE PROVIDED**



## **EXHIBIT D**

### **Detailed Description of the Project, Including *Pro Forma*, Financial Projections and Timeline**

The detailed description of the Project, including *pro forma*, financial projections and timeline are attached, and consist of:

**TO BE PROVIDED**

**EXHIBIT E**

**Project Timeline/Development Schedule  
(attached)  
TO BE PROVIDED**

**EXHIBIT F**

**Loan Repayment Schedule**

**(attached)  
TO BE PROVIDED**

**EXHIBIT G**

**Eligible Project Costs**

**(attached)  
TO BE PROVIDED**