



CITY OF AURORA, ILLINOIS

RESOLUTION NO. R19-055
DATE OF PASSAGE February 26, 2019

A Resolution authorizing the execution of a Redevelopment Agreement with UEP Keystone, LLC to facilitate the redevelopment of certain real property located at 30 S Stolp Ave. in the City of Aurora, commonly known as the "Keystone Building."

WHEREAS, the City of Aurora has a population of more than 25,000 persons and is, therefore, a home rule unit under subsection (a) of Section 6 of Article VII of the Illinois Constitution of 1970; and

WHEREAS, subject to said Section, a home rule unit may exercise any power and perform any function pertaining to its government and affairs for the protection of the public health, safety, morals, and welfare; and

WHEREAS, UEP Keystone, LLC (the "Developer") has proposed to redevelop real property located at 30 Stolp Ave. in the City of Aurora (the "Keystone Building") by renovating the existing 4-story building the Property for approximately six (6) retail tenants with spaces ranging from 850-1,800 square feet (as currently formatted), and thirty (30) residential units on floors two (2) to (4) (generally, the "Project");

WHEREAS, the Project would not be economically viable but for the assistance and participation of the City; and

WHEREAS, the City and the Developer have negotiated a Redevelopment Agreement to facilitate the Project; and

WHEREAS, said Redevelopment Agreement is attached to this resolution as Exhibit A and incorporated into this resolution as if fully set forth herein;

WHEREAS, the Project is predicated and contingent upon the removal and extraction of certain properties from TIF District No. 1, as more fully set forth in the Redevelopment Agreement;

WHEREAS, approval of the Redevelopment Agreement is in the best interest of the City and the health, safety, morals and welfare of its residents and taxpayers and will be in furtherance of the Redevelopment Plan, thereby providing for economic development,

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enhancing the tax base of the City and other taxing districts and adding to the welfare and prosperity of the City and its inhabitants; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Aurora, Illinois, as follows: that the Redevelopment Agreement attached to this Resolution as Exhibit A shall be and hereby is approved; and further

BE IT RESOLVED, that the Mayor is authorized to execute a Redevelopment Agreement that substantially and materially conforms to the provisions of the Redevelopment Agreement set forth in Exhibit A on behalf of the City; and further

BE IT RESOLVED, that the several City Officers and employees designated in the Redevelopment Agreement shall be and hereby are authorized to perform the function and duties set forth in the Redevelopment Agreement; and further

BE IT RESOLVED, that the Mayor is authorized to execute such additional documents or agreements between the City and the Developer which are related to and subordinate to the Redevelopment Agreement so long as (1) such additional documents or agreements are consistent with and do not conflict with the provisions of the Redevelopment Agreement authorized by this Resolution (2) are necessary to carry into effect the purposes of the Redevelopment Agreement, and (3) do not impose any additional liabilities upon the City.

19-0108

RECOMMENDATION

TO: THE COMMITTEE OF THE WHOLE

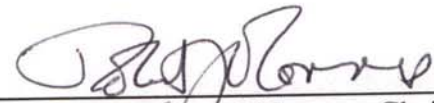
FROM: THE FINANCE COMMITTEE

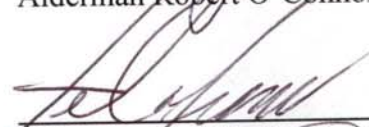
The Finance Committee at the regular scheduled meeting on Tuesday, February 12, 2019

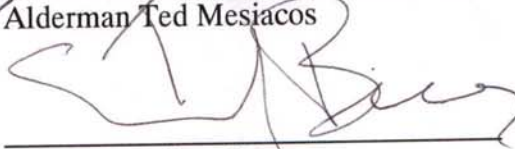
Recommended **APPROVAL** of Requesting Authorization to Execute a Redevelopment Agreement (RDA) with UEP Aurora, LLC, a Wholly Owned Subsidiary of Urban Equity Properties (Urban), for the purpose of facilitating the Redevelopment of the "Keystone Building" at 30 S. Stolp.

Vote 3-0

Submitted By


Alderman Robert O'Connor, Chairman


Alderman Ted Mesiacos


Alderman Edward Bugg

Alderman Rick Mervine, alternate

Dated this 12TH day of February, 2019

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PASSED AND APPROVED ON February 26, 2019.

AYES 11 NAYS 0 NOT VOTING 0 ABSENT 1

Kristina Bohman
Alderman Bohman, Ward 1

Alfonso Mesiacos
Alderman Mesiacos, Ward 3

Carl Franco
Alderman Franco, Ward 5

Robert Hart-Burns
Alderman Hart-Burns, Ward 7

David Bugg
Alderman Bugg, Ward 9

Therman Jenkins
Alderman Jenkins, At Large

Alderman Garza, Ward 2

Donnell
Alderman Donnell, Ward 4

Michael B. Saville
Alderman Saville, Ward 6

Robert Mervine
Alderman Mervine, Ward 8

Gordon Lofchie
Alderman Lofchie, Ward 10

James O'Connor
Alderman O'Connor, At Large

ATTEST:

Wendy McCambridge
City Clerk

Richard C. Le
Mayor

REDEVELOPMENT AGREEMENT
30 S. Stolp Avenue (Keystone Building)

THIS REDEVELOPMENT AGREEMENT (this "Agreement") is made and entered into this _____ day of _____, 2019 (the "Effective Date"), by and between the CITY OF AURORA, ILLINOIS, an Illinois municipal corporation (the "City"), and UEP ~~AURORA~~ ^{Keystone} LLC, an Illinois limited liability company (the "Developer"), and JUSTIN FERN (the "Guarantor", and with the Developer and the City, the "Parties").

PREAMBLES

WHEREAS, 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.

WHEREAS, pursuant to the Tax Increment Allocation Redevelopment Act of the State of Illinois, 65 ILCS 5/11-74.4-1, et seq., as from time to time amended (the "TIF Act"), the Mayor and Aldermen of the City (collectively, the "Corporate Authorities") are empowered to undertake the redevelopment of a designated area within its municipal limits in which existing conditions permit such area to be classified as a "conservation area," as such term is defined in the TIF Act; and

WHEREAS, the City intends to carve out Tax Increment Financing District No. 1 Downtown TIF ("TIF District No. 1") and is reviewing various economic development strategies to induce redevelopment of and address blight in the City's downtown area (the "Downtown Area"); and

WHEREAS, the Corporate Authorities have determined that there exists "blight" in the Downtown Area which is detrimental to the public and impairs development and growth in the Downtown Area, with the result that it is necessary to incur extraordinary costs in order to redevelop the Downtown Area; and

WHEREAS, in accordance with the requirements of the TIF Act the Corporate Authorities intend to approve a redevelopment plan and project, entitled the Downtown Tax Increment Financing District 9 (Stolp Avenue - Downtown Area) Plan (the "Redevelopment Plan" or the "TIF Redevelopment Plan"), for the Downtown Tax Increment Financing District 9 (Stolp Avenue - Downtown Area) Project Area (the "Redevelopment Project Area" or the "TIF District"), being legally described and depicted as set forth in EXHIBIT A-1 and EXHIBIT A-2; and

WHEREAS, also in accordance with the requirements of the TIF Act, the Corporate Authorities intend to designate the Redevelopment Project Area as a "redevelopment project area," as that term is defined under the TIF Act and approve tax increment financing for the purpose of implementing the Redevelopment Plan for the Redevelopment Project Area; and

WHEREAS, the establishment of the Redevelopment Plan and the Redevelopment Project Area are conditioned upon the removal and extraction of certain properties from TIF District No. 1; and

WHEREAS, the Corporate Authorities have determined that the blighting factors described in the Redevelopment Plan are detrimental to the public and impair development and growth in the Redevelopment Project Area, with the result that it is necessary to incur extraordinary costs in order

to develop the Redevelopment Project Area; and

WHEREAS, the blighting factors in the Downtown Area will continue to impair growth and development but for the use of tax increment allocation financing to pay Redevelopment Project Costs, as that term is defined in Section 3(d) of this Agreement; and

WHEREAS, the Developer is the fee simple title holder to real estate listed on the National Register of Historic Places, which said real estate is depicted on Exhibit B and legally described on Exhibit C (the "Property"), and Developer proposes to redevelop the Property for approximately six (6) retail tenants with spaces ranging from 850-1,800 square feet (as currently formatted), and thirty (30) residential units on floors two (2) to (4) (generally, "Project"); and

WHEREAS, the proposal of the Developer is to undertake the following in connection with the Project: (i) undertake and pay for the costs of all plans and specifications, professional fees and apply for all required plan review approvals and permits; and (ii) commence, undertake and complete the Project in compliance with the approved plans and permits and city codes and other applicable Legal Requirements as defined below; and

WHEREAS, the Developer has submitted a "Preliminary Development Plan" (or "Preliminary Project Plan") (Exhibit D) and the Project Timeline, as defined below, to the City to provide the City with details of the Project; and

WHEREAS, upon substantial completion, the Project shall represent a total capital investment of approximately \$ 11,000,000.00, as set forth in the Preliminary Project Plan; and

WHEREAS, the Project is consistent with the TIF Redevelopment Plan and is located within the TIF District; and

WHEREAS, the City is authorized under the TIF Act to enter into redevelopment agreements and to reimburse developers who incur redevelopment project costs authorized by a redevelopment agreement and which are further designated by law as eligible costs as defined by the TIF Act; and

WHEREAS, in order to induce the Developer to complete the Project, the Corporate Authorities have determined that it is in the best interests of the City and the health, safety, morals and welfare of the residents of the City, on the terms and subject to the conditions set forth in this Agreement, to establish a new redevelopment plan (the "Redevelopment Plan" or the "TIF Redevelopment Plan") and a new redevelopment project area (the "Redevelopment Project Area" or the "TIF District") and to reimburse the Developer for eligible Redevelopment Project Costs (as defined below) in an amount not to exceed the TIF eligible expenses incurred by the Developer at a rate of 80% of the Incremental Taxes, as hereinafter defined, generated by the Project each year for the initial thirteen (13) years of the life of the TIF District and at a rate of either (1) eighty percent (80%) of the Incremental Taxes for the remaining ten (10) years of the TIF District or until the closure of the TIF District or (2) at a rate of seventy percent (70%) of the Incremental Taxes for the remaining ten (10) years of the TIF District or until the closure of the TIF District if such decreased rate results in a return on investment to the Developer of not less than fifteen percent (15%) on an annual basis as determined by Exhibit E; and

WHEREAS, the Parties desire that all subsidies paid pursuant to the TIF Act under this

Agreement shall be paid in a "pay- as- you – go" manner; and

WHEREAS, the City has further authorized expenditures and disbursements as further set forth in the Agreement in order to induce the Developer to complete the Project; and

WHEREAS, the Corporate Authorities have determined that the obligations of the City for the benefit of the Developer described in the immediately preceding recitals and the completion of the Project by the Developer pursuant to this Agreement are in the best interests of the City and the health, safety, morals and welfare of its residents and taxpayers and will be in furtherance of the Redevelopment Plan, thereby providing for economic development, enhancing the tax base of the City and other taxing districts and adding to the welfare and prosperity of the City and its inhabitants; and

WHEREAS, the Parties acknowledge that this Agreement is conditioned on the City establishing a new TIF District;

NOW, THEREFORE, the parties, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, agree as follows:

Section 1. Incorporation of Recitals.

The recitals contained in the Preambles to this Agreement are true and correct and are hereby incorporated into this Agreement as though they were fully set forth in this Section 1.

Section 2. Development of the Project and Disbursements from the City to Developer.

(a) The City acknowledges the receipt of the Preliminary Project Plan and Project Timeline. The Developer agrees to and shall commence, undertake, and complete the Project in accordance with the Preliminary Project Plan and Project Timeline.

(b) The Developer has an opportunity to revitalize the area by adding multi-family residential units in the building and repurposing a building that has been primarily commercial use with the completion of the Project. The redevelopment of the ground floor into modern commercial/retail space will provide locations for businesses.

(c) Prior to commencing construction, the Developer shall apply to the City for necessary building permits for the improvements to be made imminently by the Developer by submitting all plans and specifications required pursuant to the City Code of Ordinances (the "City Code"). The Developer shall be responsible for all building permit fees. The City shall review the building permit application as provided in the City Code. The plans and specifications and all other required submissions shall also comply with all applicable federal, state, county, municipal or administrative laws, ordinances, rules, regulations, codes and orders relating in any way to the development of the Project (collectively, the "Legal Requirements").

(d) The Developer shall make all necessary applications (including paying all required fees, costs and expenses) for any and all land use adjustments and/or entitlements required for the successful completion of the Project (the "Land Use Application(s).") Upon receipt of a Land Use Application(s) the City shall process the same in accordance with all applicable laws, including and

without limitation, the City Code. Nothing set forth herein provides the Developer with a guarantee of the successful approval of any Land Use Application applied for regarding the Project. If, after reasonable efforts, Developer is unable to obtain the land use adjustments reasonably necessary for the Project, Developer may terminate this Agreement by written notice to the City within ninety (90) days of the denial of the land use adjustments. Upon termination of this Agreement pursuant to the terms of this subsection (d), this Agreement shall be null and void with the exception of Section 11, Section 18, and Section 26 which shall survive for a period of three hundred sixty-five (365) days after the City's receipt of the Developer's termination notice.

(e) Subject to the terms and conditions of this Agreement, the City shall provide the following incentive(s) to the Developer provided the Developer is not in default (uncured) of this Agreement:

(i) a bridge loan in the amount of \$1,706,866.55 to be disbursed by the City to the Developer ("Bridge Loan"). The City shall disburse the Bridge Loan amount to Developer at the time of closing and initial funding of Developer's construction loan from a third-party lender, so long as the Developer has provided sufficient proof, as reasonably determined by the City, that the Property has been listed on the National Register of Historic Places. The Bridge Loan shall accrue interest at the rate of five percent (5%) per annum. Developer shall repay the Bridge Loan in full, including interest thereon, upon Developer's receipt of Tax Credit Funds, as hereinafter defined, for the Project, estimated to be no more than twenty-seven (27) months from the date of issuance of the Bridge Loan, with no payment due from Developer to City on the Bridge Loan until such time. In the event that the Bridge Loan remains unpaid after twenty-seven (27) months, the Bridge Loan and interest accrued thereon shall then be immediately due and payable in full.

(ii) a forgivable loan from the City to the Developer in the amount of \$1,425,000.00 (the "Forgivable Loan"), with no interest accruing thereon. The City shall disburse the Forgivable Loan as follows: (1) 1/3 upon the issuance of the first set of permits for the Project, so long as Developer has provided commercially reasonable proof of being able to perform Developer's financial commitments hereunder (i.e., proof of project financing); (2) 1/3 upon the completion of the first rough-in building inspections for the Project; and (3) 1/3 upon the issuance of the Certificate of Project Completion (as defined later herein). So long as Developer is making substantial progress on the Project and ultimately completes the Project within a reasonable time, but no later than the four (4) year anniversary date of the City issuing the building permits for the Project, no payment shall be due on the Forgivable Loan, and the City shall forgive all amounts due on the Forgivable Loan in accordance with the schedule provided on Exhibit F (the "Loan Forgiveness Schedule"). The Forgivable Loan will be forgiven in ten (10) equal installments of \$142,500.00 with the first installment to occur on the five (5) year anniversary of the Completion Date (the "Initial Forgiveness Date"), as is defined below, and each subsequent installment to occur on the yearly anniversary of the Initial Forgiveness Date, as further detailed in the attached Loan Forgiveness Schedule.

(iii) a finish line grant for the restaurant / retail storefront in the amount of \$75,000.00 ("Finish Line Grant"). The City shall fund the Finish Line Grant and the same shall be administered by Invest Aurora. The City shall cooperate with Invest Aurora to

provide the Finish Line Grant to the Developer within thirty (30) days of the Completion Date; and

iv. the TIF Payments set forth in Section 3, below.

(f) It is expressly understood between the City and the Developer that the Developer may utilize federal historic tax credits and/or state historic tax credits (the "Tax Credits Funds") to finance the Project. The City shall have no liability with respect to the Developer's use or compliance with the aforementioned programs, or funding gaps associated with not securing said funds, and sole risk belongs to the Developer.

(g) The Parties agree that in the event a TIF District, as contemplated above is not established pursuant to the terms of this Agreement, this Agreement shall be null and void with the exception of Section 11, Section 18, and Section 26 and which shall survive for a period of three hundred sixty-five (365) days after the Parties acknowledge that a TIF District shall not be established pursuant to the terms of this Agreement and at such time the entire Agreement shall be deemed null and void.

(h) If Developer does not complete the presently pending purchase of the Property, Developer may terminate this Agreement by written notice to the City no later than May 15, 2019. Upon termination of this Agreement pursuant to the terms of this subsection (h), this Agreement shall be null and void with the exception of Section 11, Section 18, and Section 26 and which shall survive for a period of three hundred sixty-five (365) days after the City's receipt of the Developer's termination notice.

Section 3. TIF Payments to Developer.

(a) The City, provided that no event of (uncured) default by the Developer under this Agreement shall have occurred and be continuing, shall reimburse the Developer for the Redevelopment Project Costs incurred by the Developer set forth in Exhibit G (the "Eligible Redevelopment Project Cost Schedule"). The City agrees to provide the Developer with eighty percent (80%) of the Incremental Taxes generated by the Project and collected, which payment stream shall commence annually on the year after the Certificate of Project Completion, as hereinafter defined, is issued for the initial thirteen (13) years of the life of the TIF District and at a rate of either (1) eighty percent (80%) of the Incremental Taxes for the remaining ten (10) years of the TIF District or until the closure of the TIF District or (2) at a rate of seventy percent (70%) of the Incremental Taxes for the remaining ten (10) years of the TIF District or until the closure of the TIF District if such decreased rate results in a return on investment to the Developer of not less than fifteen percent (15%) on an annual basis as determined by Exhibit E. (each and all such payments, generally, "TIF Payment(s)"). No TIF Payment shall be made until after the TIF Obligation Date, as hereinafter defined. The City shall retain the residual Incremental Taxes generated by the Project for use in accordance with the TIF Act. All payments made to the Developer hereunder shall be paid in a "pay-as-you-go" manner.

(b) The TIF Payments provided by the City, as described herein and subject to the terms and conditions of this Agreement, shall be disbursed to Developer each year following the receipt of property taxes from the County and a receipt of paid taxes from the Developer for the Property. The Developer shall provide proof of the Redevelopment Project Costs only once upon completion of the

Project. These Redevelopment Project Costs shall include those expenses described on Exhibit G. Developer shall submit to the City a written request for reimbursement of the Redevelopment Project Costs along with the documentation of the property tax payment by October 1st of each year. The City shall only be obliged to reimburse Developer for Redevelopment Project Costs actually incurred.

(c) In connection with the TIF Payments, the Developer shall provide such evidence as the City shall reasonably request to establish that the Developer has incurred the costs for the work identified in Exhibit G and has completed or caused to be completed the work in a lien free manner. Such evidence shall include but not be limited to bills, paid receipts, contracts, invoices, lien waivers or other similar evidence. All bills and receipts shall contain the date of service, type of service, location of service, amount paid, name/address/telephone number of the service provider and other information as necessary to establish the identity of the provider, type of service and amount invoiced / paid.

(d) "Redevelopment Project Costs" for purposes of this Agreement shall mean and include all costs defined as "redevelopment project costs" in Section 11-74.4-3(q) of the TIF Act which are eligible for reimbursement under the TIF Act and this Agreement.

(e) Notwithstanding anything to the contrary contained herein, Developer shall have the right to designate a different entity to whom payments hereunder shall be made subject to the terms of Section 16 below. Developer's initial designated entity is UEP AURORA LLC. The City shall be relieved of any liability and held harmless, defended and indemnified by the Developer from any cost, expense or liability in the event a designation made hereunder results in a dispute between any designee and designor.

(f) THE CITY'S OBLIGATION TO PAY THE DEVELOPER THE TAX INCREMENT AMOUNTS (TIF PAYMENTS) AND OTHER INCENTIVES TO BE PROVIDED UNDER THIS AGREEMENT OWED UNDER THIS AGREEMENT IS A LIMITED OBLIGATION PAYABLE SOLELY FROM INCREMENTAL TAXES DEPOSITED IN THE SPECIAL TAX ALLOCATION FUND OF THE CITY CREATED WITH RESPECT TO THE PROJECT AS DEFINED IN THE PREAMBLES ABOVE, (THE "STAF") AND SHALL NOT BE A GENERAL OBLIGATION OF THE CITY OR SECURED BY THE FULL FAITH AND CREDIT OF THE CITY. INSUFFICIENCY OF THE STAF TO PAY THE INCENTIVES WHEN DUE SHALL NOT BE AN EVENT OF DEFAULT THEREON, AND NO HOLDER OF THE RIGHT TO RECEIVE ANY INCENTIVE SHALL HAVE ANY RECOURSE WHATSOEVER AGAINST THE CITY IN THE EVENT THAT THERE ARE INSUFFICIENT INCREMENTAL TAXES. THE AMOUNT OF THE TIF PAYMENTS SHALL BE LIMITED TO AND NOT TO EXCEED THE ACTUAL REDEVELOPMENT PROJECT COSTS INCURRED AND EVIDENCED BY THE DEVELOPER. "Incremental Taxes" shall mean the amount in the STAF equal to the amount of ad valorem taxes, if any, paid in respect of the TIF District and improvements therein which is attributable to the increase in the equalized assessed value of the TIF District and its improvements over the initial equalized assessed value of the TIF District, as calculated in accordance with the TIF Act. Notwithstanding anything herein to the contrary, the City agrees that it will not take action to cause a termination of the TIF District earlier than the maximum statutory period, provided (i) approvals are obtained by the City to create the TIF District for the maximum statutory period and (ii) there is no legally binding judicial order, state executive order, federal executive order or state or federal legislative mandate requiring dissolution of the TIF District.

(g) Within fifteen (15) business days after written request from the Developer, which shall minimally include a certificate of occupancy from the City and evidence that the Developer has completed each item listed on Exhibit H (the "Project Checklist"), and provided that Developer has not received any notice of default under this Agreement or notice of non-compliance with the City Code with respect to Developer's construction obligations, any of which have not been cured, and after the City has confirmed that the proposed improvements on the Property have been constructed in compliance with the 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 (the "Certificate of Project Completion") or, if not complete or satisfied, a written statement as to what deficiencies exist. The date the Certificate of Project Completion is issued shall be the "Completion Date."

(h) Notwithstanding the foregoing provisions of this Section, in the event the TIF Redevelopment Plan and TIF District are not created the City shall not be obligated to make any TIF Payments, to provide the Bridge Loan, the Forgivable Loan or the Finish Line Grant.

Section 4. Creation of a Redevelopment Plan and Redevelopment Project Area.

The City agrees to establish the TIF Redevelopment Plan and the TIF District and to approve tax increment financing for the purpose of implementing the TIF Redevelopment Plan for the TIF District in accordance with the requirements of the TIF Act and subject to the terms and conditions of this Agreement. The City's obligations under this Agreement shall cease in the event the TIF Act is abolished, repealed or revoked. In the event the TIF Act is amended or modified (the "Legislative Changes"), provided such Legislative Changes would serve to modify the terms of this Agreement, the terms of this Agreement shall be amended or modified to be read in accordance with the Legislative Changes. In the event the TIF Redevelopment Plan and TIF District are not established by the date provided on the Project Timeline, (1) the City shall not be deemed to be in default of this Agreement and (2) this Agreement shall be deemed null and void and the parties shall have no further obligations under this Agreement.

Section 5. Parking.

The City and Developer have determined that the availability of parking is material to the success of the Project and therefore, agree as follows:

(a) To the extent permissible by law and subject to applicable approval of all reviewing committees, for a period of five (5) years commencing from the first date of certificate of occupancy, as part of the consideration for the discharge of Developer's obligations under this Agreement, parking passes for twenty-four (24) hour parking, three hundred sixty-five (365) days per year, shall be available to tenants of the Project for \$40.00 per space per month ("Parking Rate") for up to forty (40) spaces within the Stolp Avenue Parking Garage with such property right being that of a license malleable on its own terms. In the event that the designated garage is full at any time, the parking pass(es) may be used at other City lots and garages. The City may, from time to time, adjust the Parking Rate to reflect current market value, as generally applied to the community.

(b) The City, as an exercise of its police power, reserves the right to relocate the parking spaces from the Stolp Avenue Parking Garage to other available lots and garages should the

designated garage be generally unavailable for use to as a result of structural failure, repairs or other reason outside of the control of the City.

Section 6. Term; Time of the Essence.

The term of this Agreement, unless earlier terminated pursuant to the terms of this Agreement, shall commence on the Effective Date and end upon the termination of the Redevelopment Project Area, with the final TIF Payment to follow from the City to Developer in the subsequent year or earlier as provided in this Agreement. Time is of the essence in the performance of all the terms of this Agreement. Notwithstanding the foregoing, any and all obligations pertaining to the payment of TIF Payments shall not be enforceable prior to the date the TIF Redevelopment Plan and TIF District are approved by the Corporate Authorities in accordance with the TIF Act ("TIF Obligation Date").

Section 7. Timing of Project.

The Project shall be completed in accordance with the project timeline as set forth in Exhibit I (the "Project Timeline"). Failure by the Developer to abide by the Project Timeline, subject to Force Majeure, as hereinafter defined, shall be an event of default of this Agreement. Developer shall diligently undertake the work to complete the Project in accordance with the Preliminary Development Plan, the City Code, all Legal Requirements and in an otherwise legal and lien free manner until completion. The "completion of the Project" or any derivative terms carrying equal means shall be evidenced by the City issuing the Developer certificates of occupancy for the Project.

Section 8. No Liability of City to Others for Developer's Expenses.

The City shall have no obligations to pay costs of the Project or to make any payments to any person other than the Developer, nor shall the City be obligated to pay any contractor, subcontractor, mechanic, or materialman providing services or materials to the Developer for the development of the Project.

Section 9. Representations and Warranties.

(a) Developer's Representations and Warranties.

The Developer agrees, represents and warrants to the City as follows:

(i) Existence and Authority of the Developer.

The Developer and Guarantor are entities or individuals authorized to do business under the laws of the State of Illinois, and is authorized to and has the power to enter into, and by proper action has been duly authorized to execute, deliver and perform, this Agreement. The Developer and the Guarantor are solvent, able to pay their debts as they mature and financially able to perform all the terms of this Agreement. To Developer's and Guarantor's knowledge, there are no actions at law or similar proceedings which are pending or threatened against Developer or Guarantor which would result in any material and adverse change to Developer's or Guarantor's financial condition, or which would materially and adversely affect the level of Developer's or Guarantor's assets as of the date of this Agreement or that would materially and adversely affect the ability of Developer or Guarantor to proceed with

the construction and development of the Project.

(ii) No Conflict by Developer.

Neither the execution and delivery of this Agreement by Developer, the consummation of the transactions contemplated hereby by Developer, nor the fulfillment of or compliance with the terms and conditions of this Agreement by Developer 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 (with Developer's prior written approval), any organizational documents, any restriction, agreement or instrument to which Developer or any of its managers, members or venturers is now a party or by which Developer 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, any related party or any of its managers, members or venturers under the terms of any instrument or agreement to which Developer, any related party or any of its managers, members or venturers is now a party or by which Developer, any related party or any of its managers, members or venturers is bound.

(iii) Experience of Developer.

The Developer, and its respective principals, are skilled in the development of real property and have received input from other experts and consultants regarding the construction of this Project or to the extent the Developer lacks such expertise the Developer shall have retained professionals that are skilled in the development of real property and have received input from other experts and consultants regarding the construction of this Project.

(iv) Payment of Real Estate Taxes.

Developer and successor owners agree to pay, or cause the Developer or its successor owner-obligees to pay, all general and special real estate taxes levied during their respective period of ownership against their respective interest in the Property and/or the Project on or prior to the date same is due and said taxes shall not become delinquent. Developer and successor owners shall deliver, or cause Developer and successor owner-obligees to deliver, evidence of payment of such taxes to the City upon request. The obligations of the Developer under this subsection of the Agreement shall survive and remain in full force and effect after the issuance of the Certificate of Project Completion by the City to the Developer, and Developer's failure to adhere to the same shall be deemed an Event of Default under this Agreement.

(v) No Tax-Exempt Status.

Consistent with its covenant in Subsection (iv) above, the Developer, and/or its respective owners and successors shall not assert a tax-exempt status during their respective periods of ownership of, or having an interest in, the Property, or the Project. This prohibition shall run with the land and shall expire on the date the Redevelopment Project Area expires or an earlier date if agreed by the City and the Developer in writing.

(vi) Assessed Valuation Challenges

The Developer and/or its respective owners and successors shall not challenge, contest or seek a reduction in the assessed valuation of the Property during the term of this Agreement.

(vii) Litigation.

To the best of Developer's knowledge, there is no litigation, proceeding or investigation pending or threatened against Developer seeking to restrain, enjoin or in any way limit the approval or issuance and delivery of this Agreement or which would in any manner challenge or adversely affect the existence or powers of Developer to enter into and carry out the transactions described in or contemplated by the execution, delivery, validity or performance by Developer of the terms and provisions of this Agreement.

(viii) Compliance with Legal Requirements.

To the best of Developer's knowledge, Developer is in compliance in all material respects with the Legal Requirements.

(b) Representations and Warranties of the City.

The City represents, warrants and agrees to the Developer as follows:

(i) 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.

(ii) 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; (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.

Section 10. Guaranty.

(a) Guaranty.

Guarantor hereby absolutely, irrevocably and unconditionally guaranties to the benefit of the City: (a) the full and prompt payment of each and all payments required by the Developer under this Agreement, when the same shall become due and payable in accordance with their terms; and (b) the full and timely performance and discharge of all the obligations of the Developer under this Agreement, (collectively, the "Guaranty").

(b) City's Right Against Guarantor.

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 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 or exhausting any other remedies against the Developer. 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 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 other than providing Developer 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 judgement, the City may, following demand upon Guarantor hereunder, perform or cause to be performed the outstanding obligations on the Developer'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 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 in the timely payment or performance of any obligation and the giving of such notice or demand, if any, to Developer as may be required under this Agreement, and the failure to cure the same. The Guarantor shall maintain sufficient funds and remain free of any conflicting obligations to prohibit the Guarantor from discharging its obligations under this Agreement. Guarantor specifically reaffirms the representations and warranties of the Developer as set forth in Section 9 of this Agreement.

(c) Guaranty Absolute and Unconditional.

The obligations of Guarantor hereunder are absolute, irrevocable and unconditional and shall remain in full force and effect until the Developer'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 may have) based on any claim that Guarantor may have against the Developer, 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, except as follows. If Developer has a bona fide offer for purchase of the Property and presents evidence that a substitute guarantor has sufficient financial resources and is willing to undertake Guarantor's obligations hereunder, Guarantor's rights and obligations hereunder may be assigned to and undertaken to such substitute guarantor upon approval by (i) the City, which approval shall not be unreasonably withheld, (ii) the Guarantor, and (iii) the substitute guarantor. Notwithstanding any provision to the contrary, nothing in this Section limits or waives the City's rights under this

Agreement

Section 11. Indemnification, Hold Harmless and Release Provisions.

(a) Release.

The Developer 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 liability, and covenants and agrees that the Indemnified Parties shall not be liable for, and agree to defend, indemnify and hold harmless the Indemnified Parties against, 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.

Developer agrees to defend, protect, and indemnify the Indemnified Parties, agrees to 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 (or other Persons acting on its behalf or under 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. The provisions of this Section shall be applicable only prior to the Completion Date.

(c) Environmental Disclaimer.

The City makes no warranties or representations regarding, nor does it indemnify the Developer with respect to, the existence or nonexistence on or in the vicinity of the Property, or anywhere within the Redevelopment Project Area of any toxic or hazardous substances or wastes, pollutants or contaminants (including, without limitation, asbestos, urea formaldehyde, the group of organic compounds known as polychlorinated biphenyls, petroleum products including gasoline, fuel oil, crude oil and various constituents of such products, or any hazardous substance as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), 42 U.S.C. §§ 9601-9657, as amended) (collectively, the "Hazardous Substances"). The foregoing disclaimer relates to any Hazardous Substance allegedly generated, treated, stored, released or disposed of, or otherwise placed, deposited in or located on or in the vicinity of the Property, or within the Redevelopment Project Area, as well as any activity claimed to have been undertaken on or in the vicinity of the Property, that would cause or contribute to causing (1) the Property to become a treatment, storage or disposal facility within the meaning of, or otherwise bring the Property within the ambit of, the Resource Conservation and Recovery Act of 1976 ("RCRA"), 42 U.S.C. §6901 et seq., or any similar State law or local ordinance, (2) a release or threatened release of toxic or hazardous wastes or substances, pollutants or contaminants, from the Property, within the meaning of, or otherwise bring the Property within the ambit of, CERCLA, or any similar State law or local ordinance, or (3) the discharge of pollutants or effluents into any water source or system, the dredging or filling of any waters or the discharge into the air of any emissions, that would require a permit under the Federal Water Pollution Control Act, 33 U.S.C. §1251 et seq., or any similar State law or

local ordinance. Further, the City makes no warranties or representations regarding, nor does the City indemnify the Developer with respect to, the existence or nonexistence on or in the vicinity of the Project, or anywhere within the Property or the Redevelopment Project Area, of any substances or conditions in or on the Property, that may support a claim or cause of action under RCRA, CERCLA, or any other federal, State or local environmental statutes, regulations, ordinances or other environmental regulatory requirements. The City makes no representations or warranties regarding the existence of any above ground or underground tanks in or about the Property, or whether any above or underground tanks have been located under, in or about the Property have subsequently been removed or filled.

(d) Waiver.

The Developer waives 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.

(e) No Personal Liability.

No liability, right or claim at law or in equity 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 against the City's Mayor, aldermen, officers, officials, attorneys, agents and/or employees are hereby expressly waived and released as a condition of and as consideration for the execution of the Agreement by the City.

Section 12. Insurance.

Developer shall procure and maintain at Developer's sole cost and expense, or cause to be provided and maintained, until the Certificate of Project Completion is granted, the types and limits of insurance specified below, covering all operations under the Agreement, whether performed by Developer or by Developer's agent:

(a) During Construction.

From the commencement of any construction of the Project until the Completion Date, Developer shall procure and maintain:

(i) Worker's Compensation Insurance, in accordance with the laws of the State of Illinois, with statutory limits covering all employees providing services under this Agreement and Employer's Liability Insurance with limits not less than \$1,000,000.00 for each accident or illness. The City is to be named as an additional insured on a primary, non-contributory basis with regard to the Employer's Liability Insurance.

(ii) Commercial General Liability Insurance with not less than \$2,000,000.00 combined single limits per occurrence and aggregate for bodily injury, property damage, and personal injury, including, but not limited to, coverage for premises/operations, products/completed operations, broad form property damage, independent contractors, contractual liability, and explosion/collapse/underground hazards for occurrences on the Property. The City is to be named as an additional insured on a primary, noncontributory basis.

(iii) Commercial Automobile Liability Insurance covering all owned, non-owned, and hired vehicles, including the loading and unloading thereof, with limits not less than \$1,000,000.00 combined single limit per occurrence for bodily injury and property damage for occurrences relating to the Property or the Project. The City is to be named as an additional insured on a primary, non-contributory basis.

(iv) When any architects, engineers, construction managers, or other professional consultants perform work in connection with this Agreement, Professional Liability Insurance covering acts, errors, or omissions must be maintained with limits of not less than \$1,000,000.00, including contractual liability. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of work on the Project.

(v) When Developer undertakes any construction on the Property, Developer must provide or cause to be provided All Risk/Builders Risk Insurance at replacement costs for materials, supplies, equipment, machinery and fixtures that are or will be part of the Project. The City is to be named as an additional insured and loss payee if applicable.

(vi) [INTENTIONALLY OMITTED]

(vii) Developer shall require all independent contractors and subcontractors to procure and maintain insurance as required and submit documentation of the maintenance of such insurance from time to time as required herein.

(b) General Insurance Requirements.

Unless otherwise provided above, all insurance policies required pursuant to this Agreement shall:

(i) Provide that the insurance policy may not be suspended, voided, canceled, non-renewed, or reduced in coverage or in limits without sixty (60) days' prior written notice by certified mail, return receipt requested, to the City;

(ii) Be issued by a company or companies authorized to do business in the State of Illinois Be issued by a company or companies authorized to do business in the State of Illinois that is reasonably acceptable to the City;

(iii) Waive all rights of subrogation of insurers against the City, its employees, elected officials, and agents; and

(iv) Specifically name the City as a named insured.

(c) Certificates.

Within ten (10) days prior to the commencement of the Project and by December 31 of each calendar year thereafter until the Completion Date, Developer shall furnish the City with a certificate(s) of insurance effecting coverage as required under this Section. In addition, Developer shall annually furnish the City copies of receipts for payments of premiums regarding such policies.

The receipt of any certificate does not constitute agreement by the City that the insurance requirements in the Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with the Agreement. The failure of the City to obtain certificates or other insurance evidence is not a waiver by the City of any requirements for Developer to obtain and maintain the specified coverages. Non-conforming insurance constitutes an event of default.

Section 13. No Discrimination.

The Developer for itself and its successors and assigns agrees that, in the construction and completion of the development of the Project, the Developer shall not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The Developer shall take affirmative action to require that applicants are employed and that employees are treated in compliance with law during employment, and without regard to their race, creed, color, religion, sex or national origin. Such action shall include, but not be limited to, the following: employment upgrading, demotion or transfer; recruitment or recruitment advertising and solicitations or advertisements for employees; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Developer agrees to post in conspicuous places, available to employees and applicants for employment, notices, which may be provided by the City, setting forth the provisions of this nondiscrimination clause. Notwithstanding the foregoing, the Developer may employ union labor hereunder pursuant to the rules, regulations and practices of applicable unions and shall comply with all Legal Requirements regarding the subject of this Section of this Agreement.

Section 14. Prevailing Wage.

The Developer acknowledges the adoption of Public Act 96-0058, effective January 1, 2010 which provides that under the Prevailing Wage Act, 820 ILCS 130/.01 et seq. (the "PWA"), the term "public works" includes all projects funded in whole or in part through bonds, grants, loans or other funds made available by or through the State or any of its political subdivisions. To the extent improvements relative to the Project are constructed after the Effective Date, the PWA requires contractors and subcontractors hired by the Developer to pay laborers, workers and mechanics performing services on public works projects such as the Project no less than the "prevailing rate of wages" (hourly cash wages plus fringe benefits) in the county where the work is performed. Information regarding current prevailing wage rates, is provided on the Illinois Department of Labor's website. All contractors and subcontractors rendering services under this Agreement must comply with all requirements of the PWA, *including but not limited to*, all wage, notice and record keeping duties.

Section 15. Waiver.

Either party to this Agreement may elect to waive any remedy it may enjoy hereunder, provided that such waiver shall be in writing. No such waiver shall obligate such party to waive any right or remedy hereunder or shall be deemed to constitute a waiver of other rights and remedies provided said party under this Agreement.

Section 16. Assignment.

This Agreement may not be assigned by the Developer without the prior written consent of the City, which shall be requested by the Developer (and any successor transferee) no less than 30 days prior to the proposed date of assignment. Any such consideration or consent to an assignment shall be at the sole discretion of the City. No such assignment shall be deemed to release the Developer of its obligation to the City unless the City specifically consents to such release in writing, which it is under no obligation to do. In the event the terms of this Agreement are assigned or otherwise transferred, no such transfer shall be effective unless (a) such transfer is undertaken in accordance with the terms of this Agreement and (b) the transferor provides the City with the name, mailing and email addresses, and fax and telephone numbers of the (proposed) transferee prior to the transfer in a manner consistent with Section 18 below. Notwithstanding the foregoing, no transfer shall be made hereunder to any proposed transferee that is prohibited from engaging in business with the City or any other body of government.

Section 17. Severability.

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

Section 18. Notices.

All notices, demands, requests, consents, approvals or other instruments required or permitted by this Agreement shall be in writing and shall be executed by the party or an officer, agent or attorney of the party, and shall be deemed to have been effective as of the date of actual delivery, if delivered personally, or as of the third (3rd) day from and including the date of posting, if mailed by registered or certified mail, return receipt requested, with postage prepaid, addressed as follows:

If to the Developer: UEP Aurora LLC
 134 North 1st Street
 Rockford, Illinois 61107

With a copy to: Jeff Orduno
 134 North 1st Street
 Rockford, Illinois 61107

If to the City: Richard J. Veenstra, Esq.
 Corporation Counsel
 City of Aurora, Illinois
 44 East Downer Place
 Aurora, Illinois 60507

With a copy to: David Dibo
 Executive Director, Economic Development
 City of Aurora
 44 East Downer Place

Aurora, Illinois 60507

And: Martin S. Lyons
Chief Financial Officer
City of Aurora
44 East Downer Place
Aurora, Illinois 60507

And: Del Galdo Law Group, LLC
Attn: James Vasselli, Esq.
1441 South Harlem Ave.
Berwyn, Illinois 60402

Section 19. Successors and Assigns.

The terms, conditions and covenants set forth in this Agreement shall extend to, be binding upon, and inure to the benefit of the respective successors and assigns of the City and the Developer and shall run with the land. Any person or entity now or hereafter owning legal title to all or any portion of the Property, including the Developer, shall be bound to this Agreement only during the period such person or entity is the legal titleholder of the Property or a portion thereof, however, that all such legal title holders shall remain liable after their ownership interest in the Property ceases as to those liabilities and obligations which accrued during their period of ownership but remain unsatisfied or unperformed. To the extent reasonable and applicable, the term "Developer" shall mean successors and assigns of the Developer. A memorandum of this Agreement shall be recorded against the Property.

Section 20. No Joint Venture, Agency or Partnership Created.

Neither anything in this Agreement nor any acts of the Parties to this Agreement shall be construed by the Parties or any third person to create the relationship of a partnership, agency, or joint venture between or among such Parties.

Section 21. Default; Remedies – Liability.

(a) If the Developer is in default of this Agreement or any other Agreement by and between the City and the Developer, the City shall provide the Developer with a written statement setting forth the default of the Developer. Default is defined as Developer's lack of fulfillment of any obligation under this Agreement or any other Agreement by and between the City and the Developer including but limited to the following:

(i) The Developer fails to discharge (by act or omission) any obligation under this Agreement, including, and without limitation, complying with the Preliminary Project Plan or the Project Timeline as set forth in this Agreement.

(ii) If any representation or warranty made by Developer 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.

(iii) The entry of a decree or order for relief by a court having jurisdiction in the premises in respect of Developer 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, as the case may be, 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.

(iv) The commencement by Developer 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, as the case may be, to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or similar official) of Developer, as the case may be, or of any substantial part of the Property, or the making by any such entity of any assignment for the benefit of creditors or the failure of Developer, as the case may be, generally to pay such entity's debts as such debts become due or the taking of action by Developer, as the case may be, in furtherance of any of the foregoing, or a petition is filed in bankruptcy by others.

(v) Failure to have funds to meet Developer's obligations.

(vi) A sale, assignment, or transfer of the Property, except in accordance with this Agreement; or the abandonment of the Project on the Property. Abandonment shall be deemed to have occurred when work stops on the Property for more than thirty (30) days for any reason other than Uncontrollable Circumstances.

(vii) Change in the Developer, except in accordance with this Agreement.

(viii) Developer fails to comply with applicable governmental codes and regulations in relation to the construction and maintenance of the Project contemplated by this Agreement. The maintenance requirement of this provision shall not be covered by and shall survive any certificate of occupancy of any kind issued during the term of this Agreement.

Except as required to protect against further damages, the City may not exercise any remedies against the Developer in connection with a charged default until thirty (30) days after providing written notice of the same. If such default cannot be cured within such thirty (30) day period, said thirty (30) day period shall be extended for such time as is reasonably necessary for the curing of the same, as long as the Developer is diligently proceeding to cure such default, as determined by the City in its reasonable discretion. A default not cured as provided above shall constitute a breach of this Agreement. Any failure or delay by the City in asserting any of its rights or remedies as to any default or alleged default or breach shall not operate as a waiver of any such default or breach of any rights or remedies it may have as a result of such default or breach.

(b) If the Developer shall fail to cure any default after the expiration of the cure period described in subparagraph (a), the City may elect to terminate this Agreement or exercise any other right or remedy it may have at law or in equity, including the right to specifically enforce the terms and conditions of this Agreement. If any voluntary or involuntary petition or similar pleading under

any section or sections of any bankruptcy or insolvency act shall be filed by or against the Developer, or any voluntary or involuntary proceeding in any court or tribunal shall be instituted to declare the Developer insolvent or unable to pay the debts of the Developer, or the Developer makes an assignment for the benefit of its creditors, or a trustee or receiver is appointed for the Developer or for the major part of the Developer's property, the City may elect, to the extent such election is permitted by law, but is not required, with or without notice of such election and with or without entry or other action by the City, to terminate this Agreement.

(c) In addition to any other rights or remedies, the City may institute legal action to cure, correct or remedy any default, or to obtain any other remedy consistent with the purpose of this Agreement, either at law or in equity, including, but not limited to the equitable remedy of an action for specific performance.

(d) The rights and remedies of the City are cumulative and the exercise by the City of one or more of such rights or remedies shall not preclude the exercise by it, at the same time or different times, of any other rights or remedies for the same default or for any other default by the Developer.

(e) If the City is in default of this Agreement, the Developer shall provide the City with a written statement setting forth the default. The following shall be events of default by the City with respect to this Agreement:

(i) If any material representation is 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 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.

(ii) Failure 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.

The Developer may not exercise any remedies against the City in connection with such failure until thirty (30) days after giving such notice. If such default cannot be cured within such thirty (30) day period, such thirty (30) day period shall be extended for such time as is reasonably necessary for the curing of the same, as long as the City is diligently proceeding to cure such default. A default not cured as provided above shall constitute a breach of this Agreement. Any failure or delay by the Developer in asserting its rights or remedies as to any default or any alleged default or breach shall not operate as a waiver of any such default or breach of any rights or remedies it may have as a result of such default or breach. Upon the occurrence of an uncured default of the City, the Developer shall have the available remedies of injunctive relief, specific performance, mandamus, and quo warranto. The Developer shall not be entitled to economic, consequential, incidental, preventative or punitive damages in the event of an uncured default. The Parties agree that, in the event the TIF Redevelopment Plan and TIF District are not established by the date provided in Project Timeline, (1) the City shall not be deemed to be in default of this Agreement and (2) this Agreement shall be deemed null and void and the Parties shall have no further obligations under this Agreement.

(f) In the event of a breach of the terms of this Agreement or any occurrence related to the Project that constitutes a bona fide emergency to the property, health, safety or welfare of the City or its residents, the City shall be permitted to take any and all reasonable steps to mitigate such

occurrence without being in default of the terms of this Agreement, but shall take reasonable steps to notify the Developer of the occurrence prior to the commencement of such steps to mitigate the outstanding occurrence.

Section 22. Amendment.

This Agreement, and any exhibits attached to this Agreement, may be amended only in a writing signed by all the Parties and/or their successors in interest. Except as otherwise expressly provided herein, this Agreement supersedes all prior agreements, negotiations and discussions relative to the subject matter hereof.

Section 23. Exhibits.

Exhibits A through _ attached to this Agreement are incorporated herein by this reference and are made part of this Agreement.

Section 23. Signs.

The City may erect a sign of reasonable size and style in a conspicuous location on the Property during the development of the Project indicating that the City provided funding to assist the Project.

Section 24. Counterparts.

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page of this Agreement in Portable Document Format (PDF) or by facsimile transmission shall be effective as delivery of a manually executed original counterpart of this Agreement.

Section 25. Force Majeure.

A party shall not be deemed in default of this Agreement with respect to any obligation(s) of this Agreement on such party's part to be performed if such party fails to timely perform the same and such failure is due in whole or in part to any strike, lockout, labor trouble (whether legal or illegal), civil disorder, inability to procure materials, weather conditions, wet soil conditions, failure or interruptions of power, restrictive governmental laws and regulations, condemnations, riots, insurrections, war, fuel shortages, accidents, casualties, floods, earthquakes, fires, acts of God, epidemics, quarantine restrictions, freight embargoes, acts caused directly or indirectly by the other party (or the other party's agents, employees or invitees) or similar causes beyond the reasonable control of such party ("Force Majeure") related to the Project. If one of the foregoing events shall occur or either party shall notify the other party that such an event shall have occurred, the party to whom such notice is provided is made has the right, but not the obligation to investigate the notification and consult with the party making such claim of Force Majeure regarding the same and the party to whom such claim is made shall grant any extension for the performance of the unsatisfied obligation equal to the period of the delay, which period shall commence to run from the time of the commencement of the Force Majeure; provided that the failure of performance was caused or exacerbated by such Force Majeure.

Section 26. Choice of Law/Venue.

This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois with venue lying in the Circuit Court for Kane County, Illinois.

Section 27. Cooperation and Further Assurances.

The Parties covenant and agree that each undertake, execute, acknowledge and deliver or cause to be done, executed and delivered, such agreements, instruments and documents supplemental hereto and such further acts as may be reasonably required to carry out the terms, provisions and the intent of this Agreement. The City agrees to cooperate with the Developer in the Developer's attempts to obtain all necessary governmental approvals for the Project at no additional cost or expense. The City shall process and consider reasonable requests of the Developer for relief or variances from any City ordinances, applicable building permits, or other permits necessary for the construction of the Project in accordance with Legal Requirements. Notwithstanding the foregoing, the City shall have no obligation to approve, to be a party to, or to be associated in any way with any third-party financing of the Project by the Developer.

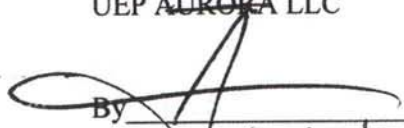
Section 28. Repealer.

To the extent that any ordinance, resolution, rule, order or provision of the City Code, or any part thereof, is in conflict with the provisions of this Agreement, the provisions of this Agreement shall be controlling, to the extent lawful.

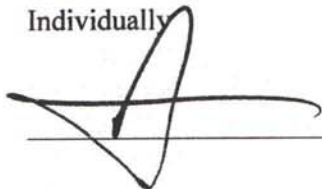
<signature page follows>

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized officers on the above date.

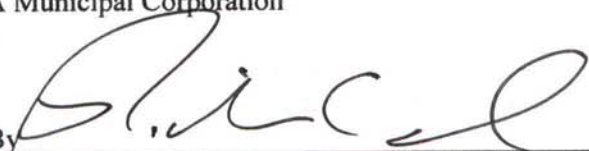
Keystone
UEP AURORA LLC

By 
Its: Managing Member

JUSTIN FERN
Individually



CITY OF AURORA, ILLINOIS
A Municipal Corporation

By 
Mayor

ATTEST:


City Clerk

EXHIBIT A-1
REDEVELOPMENT PROJECT AREA
LEGAL DESCRIPTION

EXHIBIT A-2
REDEVELOPMENT PROJECT AREA
MAP

EXHIBIT B
LEGAL DEPICTION

[To Be Provided]

EXHIBIT C
LEGAL DESCRIPTION

EXHIBIT D
PRELIMINARY PROJECT PLAN

EXHIBIT E

ROI TABLE

EXHIBIT F
LOAN FORGIVENESS SCHEDULE

EXHIBIT G

ELIGIBLE REDEVELOPMENT PROJECT COST SCHEDULE

[To Be Provided]

EXHIBIT H
PROJECT CHECKLIST

EXHIBIT I
PROJECT TIMELINE

Exhibit 2 - Boundary Map



LEGAL DESCRIPTION

PARCEL ONE:

LOT "B" AND LOTS 1, 2, 3 AND 4 IN BLOCK 3 OF ISLAND AVENUE
ADDITION TO AURORA, IN THE CITY OF AURORA, KANE COUNTY,
ILLINOIS.

PARCEL TWO:

RIGHTS FOR INGRESS AND EGRESS TO DOWNER PLACE FOR BENEFIT
OF PARCEL ONE OVER THE PRIVATE ALLEYS IN BLOCK 3 AFORESAID
AS SHOWN ON PLAT OF ISLAND AVENUE ADDITION TO AURORA.

EXHIBIT D

UEP KEYSTONE LLC'S PROJECT PLAN PREPARED FOR THE CITY OF AURORA

History of the Project:

UEP Keystone LLC ("Developer") approached the City with a proposal to redevelop the existing building and real property located at 24-36 South Stolp Avenue, Aurora, Illinois. The property includes a 4-story building, which was commercial in its prior use. Developer will use a mix of TIF financing, forgivable loan, bridge loan, Finish Line grant, private funds, commercial loans, and Federal and State historic tax credits to fund the project.

Description of Proposed Project:

Developer's project will redevelop the property to include commercial space for approximately 6 retail tenants with spaces ranging from 850-1,800 square feet (as currently formatted), and thirty (30) residential units on floors 2-4. The residential units are all anticipated to be 1-bedroom units ranging from 700-800 square feet.

Developer also anticipates including tenant amenities in the building, such as a fitness room and tenant lounge. Developer proposes specific costs as also provided.

EXHIBIT F

LOAN FOREGIVNESS SCHEDULE

<u>Date</u>	<u>Amount Forgiven</u>
Completion Date	\$142,500.00
1-year Anniversary of Completion Date	\$142,500.00
2-year Anniversary of Completion Date	\$142,500.00
3-year Anniversary of Completion Date	\$142,500.00
4-year Anniversary of Completion Date	\$142,500.00
5-year Anniversary of Completion Date	\$142,500.00
6-year Anniversary of Completion Date	\$142,500.00
7-year Anniversary of Completion Date	\$142,500.00
8-year Anniversary of Completion Date	\$142,500.00
9-year Anniversary of Completion Date	\$142,500.00

EXHIBIT H
PROJECT CHECKLIST

The Developer must provide sufficient evidence, as reasonably determined by the City, that the following items have been completed prior to the City issuing a Certificate of Project Completion:

1. A certificate (or certificates) to the City by the (i) architectural firm for the Project, (ii) the engineering firm for the Project, or (iii) any other individual approved by the City certifying that the work was completed substantially in accordance with the Development Plan and the Agreement.
2. Evidence that the Developer expended at least \$ [] in developing the Subject Property in accordance with the Development Plan and the terms of this Agreement. Such evidence shall include a written summary of the costs and lien waivers and may include cancelled checks, paid invoices and evidence of wire transfers.
3. Such certificates of insurance as are required under Section 12 of this Agreement.
4. A certificate of occupancy from the City for the Subject Property.

PROJECT TIMELINE

April 2019: close on construction loan and initial City funding (100% of Bridge Loan and 50% of Forgivable Loan)

April 2019: pull demolition permit and commence demolition

May - June 2019: plan review for full construction permits completed, construction permits issued, and construction begins

December 2019 - January 2020: rough-in inspections, model unit completed with Temporary / Partial Certificate of Occupancy issued

May - June 2020: final inspections begin and are completed, Temporary / Partial and Final Certificates of Occupancy issued as appropriate