

**FIRST AMENDMENT TO  
SULLIVAN / HUNT REDEVELOPMENT AGREEMENT**

**THIS FIRST AMENDMENT TO SULLIVAN / HUNT REDEVELOPMENT AGREEMENT** (this "First Amendment") is made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 2014, by and between the **CITY OF PEORIA, ILLINOIS**, a Municipal Corporation (the "City"), and **JP RIVERFRONT, LLC**, an Illinois Limited Liability Company, successor in interest to **J.P. COMPANIES**, an Illinois General Partnership, by reason of a Conversion of Partnership to a Limited Liability Company as set forth and described in that Affidavit of Title dated July 18, 2013, and recorded on July 19, 2013, with the office of the Peoria County Recorder as Document No. 2013018600 (the "Redeveloper"):

**WITNESSETH:**

**WHEREAS**, the City and the Redeveloper entered into the Sullivan / Hunt Redevelopment Agreement dated as of the 17<sup>th</sup> of July, 2000 (the "Redevelopment Agreement");

**WHEREAS**, pursuant to the provisions of the Redevelopment Agreement, and based upon the City's failure to exercise its option to acquire and develop the Park Area as provided in Article IV of the Redevelopment Agreement, the City is obligated to pay (and is currently paying) all of the City's portion of real estate taxes and all of the City's sales taxes as is being generated and received by the City from the Vieux Carre Project, the Development Pad, the Old Sealtest Property and the Barrel Vault Property as described therein (such obligation of the City being sometimes referred to herein as the "Tax Rebate Obligations");

**WHEREAS**, the Tax Rebate Obligations of the City as described above are to extend through to the end of the year 2021;

**WHEREAS**, the Redeveloper (or one or more of its affiliates) is in the process of continuing the redevelopment of the Vieux Carre Project and the Old Sealtest Property for which additional funds are needed to secure financing for such redevelopment;

**WHEREAS**, the City, as a part of its policy to encourage and support redevelopment of that area commonly known as the Warehouse District of the City (of which the Vieux Carre Project and the Old Sealtest Property are a part) desires to enter into this First Amendment for such purposes;

**WHEREAS**, to partially provide additional needed funds to the Redeveloper for such redevelopment, the City is willing to advance (at a discounted value) certain anticipated Tax Rebate Obligations of the City, all of which is to be pursuant to and repaid in accordance with the terms later herein provided;

**NOW, THEREFORE**, for and in consideration of the above and the covenants and conditions herein otherwise contained, the parties agree as follows:

1. The City agrees to pay to the Redeveloper, or its designee, the sum of Three Hundred Thousand Dollars (\$300,000.00), the receipt of which is hereby acknowledged by the Redeveloper. Such payment is in the nature of an advance to the Redeveloper upon future payments anticipated to be paid by the City as a part of the City's Tax Rebate Obligations to Redeveloper.

2. Such Three Hundred Thousand Dollars (\$300,000.00) advance payment by the City to the Redeveloper shall be repaid by Redeveloper as set forth hereinafter (by certain procedures with respect to future payments that otherwise would be due and payable by the City as Tax Rebate Obligations).

In the context of the above, Redeveloper shall be entitled to offset and apply upon the Three Hundred Thousand Dollars (\$300,000.00) advance by the City an amount equal to eighty-five percent (85%) of the amount of the Tax Rebate Obligations as shall be otherwise owed to the Redeveloper from time to time until such time as such offsets for the benefit of Redeveloper have fully repaid (and accounted for) the said Three Hundred Thousand Dollars (\$300,000.00) now being advanced by the City. Upon such advance being fully repaid and offset as set forth above, any Tax Rebate Obligations of the City thereafter due and payable to the Redeveloper as provided in the Redevelopment Agreement, subject to (and after) a deduction of fifteen percent (15%) of the amount then due from time to time (which the City shall be entitled to retain). By way of an example of the operation of the above, assume that the payment obligations of the City for the Tax Rebate Obligations are as follows for each remaining year for which the Tax Remaining Obligations of the City remain:

<u>Year</u>	<u>Base Assumption Payment</u>	<u>85% of Payment</u>
2014	\$63,000.00	\$53,550.00
2015	\$63,000.00	\$53,550.00
2016	\$63,000.00	\$53,550.00
2017	\$63,000.00	\$53,550.00
2018	\$63,000.00	\$53,550.00
2019	\$63,000.00	\$53,550.00
2020	\$63,000.00	\$53,550.00
2021	\$63,000.00	\$53,550.00

Applying the above assumed schedule of payments, the following would then be the result of the operative effect of the arrangements under this First Amendment:

<u>Year</u>	<u>85% of Assumed Payment Applied to Advance</u>	<u>Balance of Advance</u>
2014	\$53,550.00	\$246,450.00
2015	\$53,550.00	\$192,900.00
2016	\$53,550.00	\$139,350.00
2017	\$53,550.00	\$ 85,800.00

2018	\$53,550.00	\$ 32,250.00
2019	\$32,250.00	\$ -0-
2020	\$ -0-	\$ -0-
2021	\$ -0-	\$ -0-

Further, based upon the above example and assumptions, the following would be the result of the operative effect for payments to the Redeveloper after full repayment of the advance:


Year	<u>Payment to Redeveloper</u>
2019	\$21,300.00
2020	\$53,550.00
2021	\$53,550.00

3. The parties acknowledge and confirm that the above schedule of amounts only represent an example and hypothetical of the application of the repayment arrangements by the Redeveloper under this First Amendment. The actual application of the procedures hereunder shall be based upon the actual amounts determined in the future to be due by the City for its Tax Rebate Obligations for each of the respective years set forth and noted above.

4. Except as set forth in this First Amendment, all of the obligations of the City and the Redeveloper shall remain as set forth in the Redevelopment Agreement, which is otherwise ratified, republished and incorporated herein by this reference.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the day and year first above written.

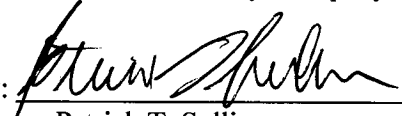
**CITY OF PEORIA**, a Municipal Corporation

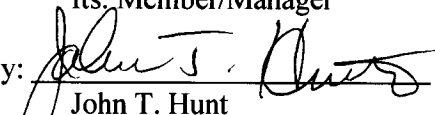
By:   
 Its: City Manager

ATTEST:

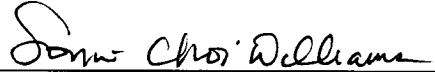
  
 City Clerk

**JP RIVERFRONT, LLC**, an Illinois Limited Liability Company

By:   
 Patrick T. Sullivan  
 Its: Member/Manager

By:   
 John T. Hunt  
 Its: Member/Manager

APPROVED AS TO FORM:

By:   
 Its: Interim Corporation Counsel