

ORDINANCE NO. 8182-19

AN ORDINANCE AUTHORIZING THE FINANCING OF ECONOMIC DEVELOPMENT FACILITIES CONSTITUTING AN "ECONOMIC DEVELOPMENT PROJECT" WITHIN THE MEANING OF ORDINANCE NO. 8182-9, AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$3,030,000 ECONOMIC DEVELOPMENT REVENUE AND TAX SUPPORTED BONDS, SERIES 1981 (JUMER'S CASTLE LODGE PROJECT) IN CONNECTION THEREWITH; AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT BETWEEN THE CITY OF URBANA, ILLINOIS, AND JUMER'S CASTLE LODGE, INC.; AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDENTURE OF TRUST SECURING SAID BONDS; AUTHORIZING THE EXECUTION OF A PURCHASE CONTRACT PROVIDING FOR THE SALE OF SAID BONDS TO THE PURCHASERS THEREOF, AUTHORIZING THE EXECUTION AND DELIVERY OF A MORTGAGEES' AGREEMENT AND RELATED MATTERS.

WHEREAS pursuant to Ordinance No. 8182-9, as amended (the "Enabling Ordinance") duly adopted by the City Council of the City of Urbana, Illinois (hereinafter referred to as the "Issuer"), the Issuer is authorized to issue its revenue bonds to aid in the financing of the costs of any "economic development project", as defined in the Enabling Ordinance for the purpose set forth therein; and

WHEREAS the Issuer is willing to issue its revenue bonds to finance in part the cost of certain economic development facilities constituting a "project" within the meaning of the Enabling Ordinance (the "Project") and to enter into a loan agreement with Jumer's Castle Lodge, Inc., a Delaware corporation (the "Company") upon terms which will produce revenues and receipts sufficient to provide for the prompt payment at maturity of the principal, interest and redemption premiums, if any, on such revenue bonds, all as set forth in the details and provisions of the Loan Agreement hereinafter identified; and

WHEREAS it is proper for the interest of the Issuer and its inhabitants to authorize the financing of the Project, and the same is a matter pertaining to the government and affairs of the Issuer; and

WHEREAS it is necessary to authorize the execution of a Loan Agreement (the "Loan Agreement") between the Issuer and the Company, under the terms of which the Company will pay to the Issuer amounts sufficient to pay at maturity the principal, interest and redemption premiums, if any, on the revenue bonds hereinafter authorized; and

WHEREAS it is necessary for the Issuer to execute and deliver an Indenture of Trust (the "Indenture") to a bank or trust company to be designated therein, as Trustee (the "Trustee"), for the bondholders; and

WHEREAS it is necessary to authorize the sale of said bonds and to execute a purchase contract in connection therewith; and

WHEREAS the Issuer has caused to be prepared and presented to this meeting the following documents:

1. The form of Loan Agreement, dated as of September 1, 1981, between the Issuer and the Company;
2. The form of Indenture dated as of September 1, 1981, between the Issuer and the Trustee, setting forth terms, conditions and security requirements for the proposed bond issue to finance the Project;
3. The form of the proposed Economic Development Revenue and Tax Supported Bonds, Series of 1981 (Jumer's Castle Lodge Project) (the "Bonds");

4. The form of Underwriting Agreement to be dated as of the date such document is executed and delivered by the Mayor pursuant to this Ordinance (the "Underwriting Agreement"), between the Issuer and Stifel, Nicholas & Company, Incorporated, as Underwriter (the "Underwriter");

5. The form of the Official Statement, to be dated as of the date of execution and delivery thereof by the Mayor pursuant to this Ordinance (the "Official Statement") describing the Bonds;

6. The form of Guaranty, dated as of September 1, 1981 from Donald James Jumer to the Trustee (the "Guaranty"); and

7. The form of Agreement among mortgagees pertaining to the existing facilities of the Company and the Project to be dated as of the date of execution thereof (the "Mortgagees' Agreement").

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS, AS FOLLOWS:

Section 1. That the form, terms and provisions of the proposed Loan Agreement and Indenture be, and they hereby are, in all respects approved and that the Mayor and the City Clerk of the Issuer be, and they are hereby, authorized and empowered to execute, acknowledge and deliver such instruments in the name and on behalf of the Issuer, and to cause the Indenture to be delivered to the Trustee, and the Indenture shall constitute a lien for the security of the Bonds issued thereunder upon all right, title and interest of the Issuer assigned by the Issuer in and to the Loan Agreement, including the loan repayments evidenced by the Note of the Company, and all other revenues and receipts derived from the Loan Agreement; that the Loan Agreement and the Indenture are to be in substantially the forms submitted to this meeting and hereby approved, with such changes therein as shall be approved

by the officials of the Issuer executing the same, their execution thereof to constitute conclusive evidence of their approval of any and all changes or revisions therein from the forms of Loan Agreement and Indenture hereby approved; and that from and after the execution and delivery of such instruments, the officials, agents and employees of the Issuer are hereby authorized and empowered to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of such instruments as executed.

Section 2. That the form, terms and provisions of the proposed Underwriting Agreement and the Official Statement referred to in said Underwriting Agreement be, and they hereby are, in all respects approved and that the Mayor of the Issuer be, and he hereby is, authorized and empowered to execute and deliver the Official Statement and the Underwriting Agreement in the name and on behalf of the Issuer, and thereupon to cause the Official Statement and the Underwriting Agreement to be delivered to the Company and the Underwriter; that the Official Statement is to be in substantially the form submitted to this meeting and hereby approved and the Underwriting Agreement is to be in substantially the form submitted to this meeting and hereby approved, each with such changes therein as shall be approved by the official of the Issuer executing the same, his execution thereof to constitute conclusive evidence of his approval of any and all changes or revisions therein from the form of such instruments hereby approved; and that

from and after the execution and delivery of such instruments, the officials, agents and employees of the Issuer are hereby authorized and empowered to do all such acts and things necessary to carry out and comply with the provisions of such instruments as executed.

* Section 3. That the Mayor or City Clerk of the Issuer be and is hereby authorized and empowered to cause to be prepared an issue of not to exceed \$3,030,000 aggregate principal amount of the Bonds of the Issuer; that such Bonds shall bear interest at a rate not to exceed the greater of nine per cent (9%) per annum or seventy per cent (70%) of the prime commercial rate in effect at the time said Bonds are sold as such rate is publicly announced by the largest commercial banking institution located in the State of Illinois measured in terms of total assets, payable semiannually, and shall mature no later than forty years after the date thereof and that the purchase price for such Bonds shall be not less than 97.5% of the principal amount thereof; that such Bonds shall be in such forms and have the other terms and provisions specified in said Indenture (as executed and delivered); that said Bonds shall be executed in the name of the Issuer with the facsimile signatures of the Mayor and City Clerk of the Issuer; and the seal of the Issuer may be affixed thereto or imprinted thereon and the coupons to be attached to the Bonds shall be authenticated by the facsimile signatures of the Mayor and the City Clerk of the Issuer; and that the Mayor or City Clerk of the Issuer shall cause the Bonds, as so executed and

attested, to be delivered to the Trustee for authentication. That the forms of the Bonds submitted to this meeting as the same appear in the Indenture, subject to appropriate insertion and revision in order to comply with the provisions of said Indenture be, and the same hereby are, approved, and when the same shall be executed on behalf of the Issuer in the manner contemplated by the Indenture and this Ordinance in the aggregate principal amount of not to exceed \$3,030,000, they shall represent the approved forms of the Bonds of the Issuer.

Section 4. That the form, terms and provisions of the proposed Mortgagees' Agreement be, and they hereby are, in all respects approved and that the Mayor and the City Clerk of the Issuer be, and they are hereby, authorized and empowered to execute, acknowledge and deliver such instrument in the name and on behalf of the Issuer, that the Mortgagees' Agreement is to be in substantially the form submitted to this meeting and hereby approved, with such changes therein as shall be approved by the officials of the Issuer executing the same, their execution thereof to constitute conclusive evidence of their approval of any and all changes or revisions therein from the form of Mortgagees' Agreement hereby approved; and that from and after the execution and delivery of such instrument, the officials, agents and employees of the Issuer are hereby authorized and empowered to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of such instruments as executed.

Section 5. That the Mayor or City Clerk of the Issuer be and is hereby authorized and empowered to issue and sell to the Underwriter not to exceed \$3,030,000 principal amount of the Bonds; at a price of not less than 97.5% of the principal amount thereof plus accrued interest.

Section 6. Anything in this Ordinance to the contrary notwithstanding, the Mayor, and where otherwise required, the Mayor and the City Clerk of the Issuer be, and they are hereby, only authorized and empowered to execute, acknowledge and deliver the Loan Agreement, the Indenture, the Underwriting Agreement, the Official Statement referred to in said Underwriting Agreement, and the Mortgagees' Agreement, and, the Mayor or the City Clerk of the Issuer be and are hereby only authorized and empowered to issue and sell to the Underwriter the Bonds referred to herein, upon receipt by the Issuer, prior to each such execution, acknowledgement, delivery, issuance or sale in the name and on behalf of the Issuer, of the following documents:

- 1) an Indenture of Mortgage between Jumer's Castle Lodge, Inc. (the "Mortgagor") and the City of Urbana, Illinois (the "City"), together with a corresponding Promissory Note, securing the Bettendorf property of the Company as a valid third mortgage on such property, all in the form as approved by this City Council, which such Mortgage shall be accompanied by a Title Policy or Attorney's Title Opinion reflecting such security,

- 2) a certified appraisal of the Bettendorf property of the Company showing a certified appraised value of such property in an amount not less than \$6,000,000, and

- 3) certain amendments to a Contract among Jumer's Castle Lodge, Inc., Carson Pirie Scott & Co. and Urbana Central Development Co., dated January 11, 1977, as amended,

so that upon any termination of operations as a hotel Urbana Central Development Co., the owner of Lincoln Square, and Carson Pirie Scott & Co., the primary tenant of Lincoln Square, have options to lease the Project (at an amount at least to cover principal and interest payments of any first mortgages, real estate taxes and insurance expenses) or purchase the Project (at an amount at least to cover outstanding mortgages referred to hereunder, and so that under a sale, assignment, lease or sublease under foreclosure or otherwise to other than a "first class hotel operation", Carson Pirie Scott & Co. and Urbana Central Development Co. have rights of first refusal and options upon the same terms as proposed by a third party.

Section 7. That from and after the execution and delivery of said documents, the proper officials, agents and employees of the Issuer are hereby authorized and empowered to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of said documents as executed and to further the purposes and intent of this Ordinance, including the preamble hereto.

Section 8. That all acts and doings of the officials of the Issuer which are in conformity with the purposes and intent of this Ordinance and in furtherance of the issuance and sale of the Bonds in the aggregate principal amount of not to exceed \$3,030,000 and the financing of the Project to that amount be, and the same hereby are in all respects, approved and confirmed.

Section 9. That the form of the Guaranty submitted to this meeting, subject to appropriate insertions and revisions in order to comply with the intent of this Ordinance, be and the same is approved.

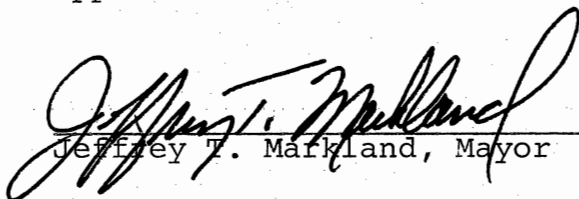
Section 10. That the provisions of this Ordinance are hereby declared to be separable, and if any section, phrase or provision shall, for any reason, be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases or provisions.

Section 11. That all ordinances, resolutions, orders or parts thereof in conflict with the provisions of this Ordinance are to the extent of such conflict, hereby repealed.

Section 12. That this Ordinance shall be in full force and effect upon its passage.

Passed and approved by the City Council of the City of Urbana, Illinois, a home rule unit of government, this 31st day of August, 1981.

Approved:


Jeffrey T. Markland, Mayor

Ayes: Barr, Peterson, Scott, Tiebout, Wascher, Whelan
and Wort - 7.

Nays: None

Absent: None


Ruth S. Brookens, City Clerk

