

ORDINANCE NO. 8283-82

AN ORDINANCE
APPROVING THE FORM, TERMS AND PROVISIONS OF
A SUBORDINATION AGREEMENT FOR THE BETTENDORF,
IOWA FACILITY (JUMER'S CASTLE LODGE PROJECT)

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF
URBANA, ILLINOIS, as follows:

Section 1. That a Subordination Agreement by the
City of Urbana, Illinois, in substantially the form of the copy
of said Agreement attached hereto and hereby incorporated by
reference, be and the same is hereby authorized and approved,
and consent thereto be and the same is hereby given.

Section 2. That the Mayor of the City of Urbana,
Illinois be and the same is hereby authorized to execute and
deliver and the City Clerk of the City of Urbana, Illinois, be
and the same is hereby authorized to attest to said execution of
said Agreement as so authorized and approved for and on behalf
of the City of Urbana, Illinois.

This Ordinance is hereby passed by the affirmative
vote, the "ayes" and "nays" being called, of a majority of the
members of the City Council of the City of Urbana, Illinois, at
a regular meeting of said Council.

PASSED by the City Council this 18th day of
April, 1983.

Ruth S. Brookens
Ruth S. Brookens, City Clerk

APPROVED by the Mayor this 18th day of
April, 1983.

Jeffrey T. Markland
Jeffrey T. Markland, Mayor

THIS IS THE ATTACHMENT WHICH IS REFERRED TO IN
ORDINANCE NO. 8283-82 AND IS INCORPORATED
THEREIN BY REFERENCE.

Ruth S. Brookens
Ruth S. Brookens, City Clerk

April 21, 1983
Date

SUBORDINATION AGREEMENT

This Subordination Agreement is made as of this _____ day of April, 1983, by the City of Urbana, Illinois, an Illinois home rule municipal corporation with its principal office at Urbana, Illinois (the "City").

WITNESSETH:

WHEREAS, the City holds the following Note and Mortgage lien:

A mortgage wherein Jumer's Castle Lodge, Inc., a Delaware corporation ("Borrower") is Mortgagor and City is Mortgagee (the "City Mortgage") which secures note in the original principal amount of \$3,030,000 and which mortgage is dated as of December 1, 1981 and recorded in the office of the County Recorder of Scott County, Iowa on April 28, 1982 as Document No. 5019-82, and constitutes a lien upon the real estate located in Scott County, Iowa more fully described on Exhibit A attached hereto; and

WHEREAS, pursuant to paragraph 12 of the City Mortgage, the City has agreed to subordinate the lien or liens of the City Mortgage to such later mortgage or mortgages, provided that such lien or liens are incurred by Borrower for use in improving the premises secured by the City Mortgage, all as more particularly set forth in said paragraph 12; and

WHEREAS, pursuant to paragraph 13 of the City Mortgage, the City has also agreed, if and so long as no default shall have occurred and be continuing with respect to the mortgage indebtedness secured thereby, to consent to the further subordination of the lien of the City Mortgage to such lien or liens of a later mortgage or mortgages incurred by Borrower for purposes other than the improvement of the premises secured by the City Mortgage, subject to such terms, conditions and limitations as are more particularly set forth in said paragraph 13; and

WHEREAS, the City of Bettendorf, Iowa has sold its Industrial Development Revenue Bonds (Jumer's Castle Lodge, Inc. Project), Series 1983 in the aggregate principal amount of \$3,300,000 (the "Bonds") dated April 1, 1983, the proceeds from the sale of which will be loaned to the Borrower and will be used by the Borrower to (i) finance the cost of rehabilitating certain existing hotel facilities located in the City of Bettendorf, Iowa, (ii) finance the cost of constructing and equipping an addition to such existing hotel facilities, (iii) pay the interest accruing on the Bonds through April 1, 1984, and (iv) pay certain costs of issuance; and

WHEREAS, First Trust and Savings Bank, with its principal office at 302 Brady Street, Davenport, Iowa (the "Trustee") is the holder of a Mortgage wherein Borrower is Mortgagor and Trustee is Mortgagee, which secures the obligations of Borrower on the Bonds pursuant to that certain Loan Agreement dated April 1, 1983 by and between the City of Bettendorf, Iowa and Jumer's Castle Lodge, Inc., which Mortgage is dated as of April 1, 1983, and recorded

in the office of the County Recorder of Scott County, Iowa on _____
as Document No. _____ (the "Trustee Mortgage"); and

WHEREAS, the Trustee is the holder of that certain Assignment of Rents and Leases dated as of April 1, 1983, executed by Borrower, as assignor, in favor of the Trustee, as assignee, which Assignment of Rents and Leases was recorded in the office of the County Recorder of Scott County, Iowa on _____
as Document No. _____ (the "Trustee Assignment"); and

WHEREAS, the payment of the principal of, the redemption premium payable on the bonds in the event of a determination of taxability, and 185 days interest on the Bonds are also secured by an irrevocable standby letter of credit issued pursuant to the terms of a letter of credit agreement dated as of April 1, 1983, under which the Borrower is obliged to make reimbursement for a draw on the letter of credit and to repay certain advances under the letter of credit agreement as evidenced by a certain Promissory Note dated as of April 1, 1983; and

WHEREAS, The First National Bank of Saint Paul, a national banking association, with its principal office at 332 Minnesota Street, Saint Paul, Minnesota 55101 (the "Bank") is the holder of a Mortgage wherein Borrower is Mortgagor and Bank is Mortgagee, which secures said certain Promissory Note dated April 1, 1983 and made payable to the Bank's order by Borrower and certain other obligations of Borrower and which Mortgage is dated as of April 1, 1983 and recorded in the office of the County Recorder of Scott County, Iowa on _____
as Document No. _____ (the "Bank Mortgage"); and

WHEREAS, The Bank is the holder of that Certain Assignment of Rents and Leases dated as of April 1, 1983, executed by Borrower, as assignor, in favor of the Bank, as assignee, which Assignment of Rents and Leases was recorded in the office of the County Recorder of Scott County, Iowa on _____
as Document No. _____ (the "Bank Assignment"); and

WHEREAS, the City finds and determines that a substantial portion of the lien or liens secured by the Bank Mortgage, the Bank Assignment, the Trustee Mortgage and the Trustee Assignment described above are being incurred by the Borrower for its use in improving the premises pursuant to paragraph 12 of the City Mortgage and that the balance of such lien or liens (that portion of such lien or liens attributable to capitalized interest and costs of issuance) are being incurred by Borrower in substantial conformity with the provisions of paragraph 13 of the City Mortgage.

NOW THEREFORE, in consideration of One Dollar (\$1.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, the City agrees as follows:

(1) The City hereby subordinates the lien of the City Mortgage to the liens of the Trustee Mortgage, the Trustee Assignment, the Bank Mortgage and the Bank Assignment. The City hereby represents and warrants to the Bank and the Trustee that the unpaid ^{principal} balance outstanding on the City Mortgage is \$ 3,030,000.00 as of April 1, 1983, and that the City Mortgage is not in default as of the date hereof.

(2) This subordination of the lien of the City Mortgage is and the same shall constitute: (i) full and complete compliance with the obligation

of the City to subordinate as provided in paragraph 12 of the City Mortgage;
and (ii) full and complete compliance with the obligation of the City to con-
sent to subordinate as provided in paragraph 13 of the City Mortgage.

CITY OF URBANA, ILLINOIS

By Jeffrey T. Markland, Mayor

ATTEST:

Ruth S. Brookens, City Clerk

STATE OF ILLINOIS)
) SS.
COUNTY OF CHAMPAIGN)

Before me on this _____ day of April, 1983, the undersigned, a Notary Public regularly elected, commissioned, qualified and acting in and for the State and County aforesaid, personally appeared Jeffrey T. Markland and Ruth S. Brookens, with each of whom I am personally acquainted, and who, upon their oaths, acknowledged themselves to be the Mayor and City Clerk, respectively, of the City of Urbana, an Illinois home rule municipal corporation, and that they, as such Mayor and City Clerk, being authorized so to do by the Urbana City Council, executed the annexed Subordination Agreement and affixed thereto and attested the official seal of said City of Urbana by themselves as such Mayor and City Clerk, respectively.

WITNESS my hand and notarial seal of office at Urbana, Illinois, this _____ day of _____, 1983.

Notary Public

Printed Name: _____

Resident of _____ County

My commission expires: _____

(NOTARIAL SEAL)

EXHIBIT A

Part of the Southeast quarter of Section 17, Township 78 North, Range 4 East of the 5th P.M., City of Bettendorf, Scott County, Iowa, consisting of that part conveyed to Jumer's Castle Lodge, Inc. by deed dated May 17, 1972 and filed on May 19, 1972 in the Scott County Recorder's office, Doc. No. 6566-72; also that part conveyed to Jumer's Castle Lodge, Inc. by patent dated January 2, 1981 and filed on January 12, 1981 in the Scott County Recorder's office, Doc. No. 406-81; also that part conveyed to Jumer's Castle Lodge, Inc. by deed dated February 17, 1981 and filed on March 3, 1981 in the Scott County Recorder's office, Doc. No. 2909-81.

The above is more particularly described as follows:

Beginning at the Southerly most corner of Lot 14, Summit Hills Commercial Park, an addition to the City of Bettendorf, Iowa;

thence North 57° 31' 02" East 405.20 feet along the Southeasterly line and said line extended of said Lot 14; (for purposes of this description, the Southeasterly line of Lot 14 is assumed to bear North 57° 31' 02" East);

thence South 34° 21' 16" East 350.84 feet;

thence South 79° 58' 08" East 302.05 feet to a point on the Westerly right-of-way line of Utica Ridge Road;

thence Southwesterly 80.01 feet along the said Westerly right-of-way line of Utica Ridge Road along the arc of a 3,586.91 foot radius curve concave Westerly (the chord of said curve bears South 13° 56' 27" West 80.01 feet);

thence South 76° 35' 49" East 9.97 feet along the said right-of-way line of Utica Ridge Road;

thence Southwesterly 30.51 feet along the said right-of-way line of Utica Ridge Road along the arc of a 3,596.91 foot radius curve concave Westerly to a point of tangency (the chord of said curve bears South 15° 10' 58" West 30.51 feet);

thence South 16° 04' 19" West 119.22 feet along the said right-of-way line of Utica Ridge Road;

thence North 78° 04' 01" West 199.92 feet;

thence South 16° 32' 41" West 219.41 feet to a point on the I-74 right-of-way line;

thence North 80° 43' 00" West 168.80 feet along the said I-74 right-of-way line;

thence North 57° 05' 34" West 230.90 feet along the said I-74 right-of-way line;

Exhibit A continued

thence North $26^{\circ} 19' 46''$ West 502.09 feet along the said I-74 right-of-way line;

thence South $32^{\circ} 40' 35''$ East 101.07 feet to the said Point of Beginning.

The above described parcel contains 7.47 acres, more or less.