

ORDINANCE NO. 9697-20

AN ORDINANCE AUTHORIZING THE REFINANCING OF ECONOMIC DEVELOPMENT FACILITIES CONSTITUTING AN "ECONOMIC DEVELOPMENT PROJECT" WITHIN THE MEANING OF ORDINANCE NO. 8182-9, AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$1,255,000 PRIVATE ACTIVITY REFUNDING REVENUE BONDS, SERIES 1996 (JUMER'S CASTLE LODGE PROJECT) IN CONNECTION THEREWITH; AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT BETWEEN THE CITY OF URBANA, CHAMPAIGN COUNTY, ILLINOIS AND JUMER'S CASTLE LODGE, INC.; AUTHORIZING THE EXECUTION OF AN INDENTURE OF TRUST SECURING SAID BONDS; AUTHORIZING THE EXECUTION OF A PURCHASE CONTRACT PROVIDING FOR THE SALE OF SAID BONDS TO THE PURCHASER THEREOF AND RELATED MATTERS.

WHEREAS pursuant to Section 6(a) of Article VII of the Constitution of the State of Illinois, the City of Urbana, Champaign County, Illinois (the "Issuer") is a municipality and a home rule unit of local government duly organized and validly existing under the Constitution and laws of the State of Illinois; and

WHEREAS, pursuant to its power as a home rule unit, including Ordinance No. 8182-9, as amended (the "Enabling Ordinance") duly adopted by the City Council of the Issuer on August 14, 1981, the Issuer is authorized to refund in whole or in part bonds theretofore issued by the Issuer under authority of the Enabling Ordinance; and

WHEREAS, the Issuer has previously issued its Economic Development Revenue and Tax Supported Bonds, Series of 1981 (Jumer's Castle Lodge Project) in the original aggregate principal amount of \$3,030,000 (the "Prior Bonds"), the proceeds of which were loaned to Jumer's Castle Lodge, Inc. (the "Obligor"), a corporation organized and existing under the laws of the State of Delaware to finance the acquisition, construction and equipping of an addition to existing hotel facilities owned by the Obligor and located in the City of Urbana, Champaign County, Illinois; and

WHEREAS, the Obligor has now requested the Issuer to refund the obligations represented by the Prior Bonds through the issuance of the Issuer's revenue bonds and Issuer is willing to issue its revenue bonds upon terms which will be sufficient to make such financing available to the Obligor to refund the Prior Bonds, all as set forth in the details and provisions of the hereinafter defined Loan Agreement; and

WHEREAS, the Issuer proposes to sell the revenue bonds hereinafter authorized and designated "Private Activity Refunding Revenue Bonds, Series 1996 (Jumer's Castle Lodge, Inc. Project)" in the aggregate principal amount of \$1,255,000 (the "Bonds") for the sum of \$1,255,000 and the Bonds will be issued pursuant to an Indenture of Trust dated as of August 1, 1996 by and between the Issuer and Mercantile Bank of St. Louis National Association, as Trustee (the "Trustee"); and

WHEREAS, there has been prepared and presented to this meeting the form of the following documents, which the Issuer proposes to enter into to carry out the transactions described above, copies of which documents shall be filed with the records of the City Clerk of the Issuer:

1. The form of the Loan Agreement, to be dated as of August 1, 1996 (the "Loan Agreement"), between the Issuer and the Obligor;

2. The form of Promissory Note ("Note"), to be dated as of August 1, 1996, executed by the Obligor in the aggregate principal amount of \$1,255,000 to the Issuer, which is to be endorsed by the Issuer to the Trustee;

3. The form of Indenture of Trust, to be dated as of August 1, 1996 (the "Indenture"), by and between the Issuer and the Trustee, pursuant to which the Bonds will be issued and the Issuer's interest in the Loan Agreement and the Note contemplated thereby will be assigned to the Trustee for the benefit of the Bondholders;

4. The form of Tax Letter of Instructions, to be dated the date of issuance of the Bonds (the "Letter of Instructions"), from Thompson Coburn as bond counsel and accepted by the Issuer, the Obligor and the Trustee;

5. The form of Bond Purchase Agreement, to be dated as of August 1, 1996 (the "Bond Purchase Agreement"), by and among the Issuer, the Obligor and Mercantile Bank of St. Louis National Association (the "Purchaser"), providing for the purchase and sale of the Bonds; and

6. The form of Assignment, to be dated as of August 1, 1996 (the "Assignment"), by and between the Issuer and the Trustee, evidencing for purposes of recordation the assignment of the Issuer's interests in and to (a) the Illinois Mortgage and Security Agreement, dated as of August 1, 1996 from the Obligor; (b) the Assignment of Leases, dated as of August 1, 1996 from the Obligor; (c) the Security Agreement (All Assets), dated as of August 1, 1996 from the Obligor; (d) the Unlimited Continuing Guaranty dated as of August 1, 1996 from the Obligor; and (e) the Limited Continuing Guaranty dated as of August 1, 1996 from Donald James Jumer;

WHEREAS, it appears that the form of each of the documents above referred to in paragraphs 1 through 6, which are now before this meeting, is in appropriate form and is an appropriate instrument to be executed and delivered by the Issuer for the purposes intended;

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

Section 1. That the form, terms and provisions of the proposed Loan Agreement be, and they hereby are, in all respects approved, and that the Mayor and the City Clerk of the Issuer be, and they hereby are authorized, empowered and directed to execute, acknowledge and deliver the Loan Agreement in the name and on behalf of the Issuer, and thereupon to cause the Loan Agreement to be delivered to the Obligor; that the Loan Agreement is to be in substantially the form now before this meeting and hereby approved, or with such changes therein as shall be approved by the officers 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 Loan Agreement now before this meeting; and that from and after the execution and delivery of the Loan Agreement, the officers, agents and employees of the Issuer are hereby authorized, empowered and directed 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 the Loan Agreement as executed.

Section 2. That the form, terms and provisions of the proposed 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, empowered and directed to execute, acknowledge and deliver the Indenture in the name and on behalf of the Issuer, and thereupon to cause the Indenture to be delivered to the Trustee, and pursuant to the Indenture the Issuer will assign to the Trustee certain of its interests in the Loan Agreement and the Note and the Collateral Documents (as therein defined); that the Indenture is to be in substantially the form now before this meeting and hereby approved, or with such changes therein as shall be approved by the officers of the Issuer executing the same, their execution of the Indenture to constitute conclusive evidence of their approval of any and all changes or revisions therein from the form of Indenture now before this meeting; and that from and after the execution and delivery of the Indenture the officers, agents and employees of the Issuer are hereby authorized, empowered and directed 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 the Indenture as executed.

**Section 3.** That the form, terms and provisions of the proposed Letter of Instructions 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, empowered and directed to execute, acknowledge and deliver the Letter of Instructions in the name and on behalf of the Issuer, and thereupon to cause the Letter of Instructions to be delivered to the Trustee; that the Letter of Instructions is to be in substantially the form now before this meeting and hereby approved, or with such changes therein as shall be approved by the officers of the Issuer executing the same, their execution of the Letter of Instructions to constitute conclusive evidence of their approval of any and all changes or revisions therein from the form of Letter of Instructions now before this meeting; and that from and after the execution and delivery of the Letter of Instructions the officers, agents and employees of the Issuer are hereby authorized, empowered and directed 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 the Letter of Instructions as executed.

**Section 4.** That the form, terms and provisions of the proposed Bond Purchase Agreement be, and they hereby are, in all respects approved, and that the Mayor and the City Clerk of the Issuer be, and they hereby are authorized, empowered and directed to execute, acknowledge, accept and deliver the Bond Purchase Agreement in the name and on behalf of the Issuer, and thereupon to cause the Bond Purchase Agreement to be delivered to the Purchaser; that the Bond Purchase Agreement is to be in substantially the form now before this meeting and hereby approved, or with such changes therein as shall be approved by the officers 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 Bond Purchase Agreement now before this meeting; and that from and after the execution and delivery of the Bond Purchase Agreement, the officers, agents and employees of the Issuer are hereby authorized, empowered and directed 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 the Bond Purchase Agreement, as executed.

**Section 5.** That the form, terms and provisions of the proposed Note be, and they hereby are, in all respects approved, and that after execution thereof by the Obligor, the Mayor and the City Clerk of the Issuer be, and they hereby are authorized, empowered and directed to endorse, acknowledge and deliver said Note without recourse in the name and on behalf of the Issuer, and thereupon to cause the Note to be delivered to the Trustee; that the Note is to be in substantially the form now before this meeting and hereby approved, or with such changes therein as shall be approved by the officer or officers of the Issuer endorsing the same, his or their endorsement thereof to constitute conclusive evidence of approval of any and all changes or revisions therein from the form of Note now before this meeting.

**Section 6.** That the Mayor and the City Clerk of the Issuer be, and they are hereby authorized, empowered and directed to cause to be prepared the Bonds of the Issuer in the aggregate principal amount of \$1,255,000, bearing interest at the Interest Rate and maturing on the dates and in the amounts and having the other terms and provisions specified in the Indenture (as such document shall be executed and delivered); that for purposes hereof, "Interest Rate" shall mean (a) the rate on United States Treasury Obligations having a comparable maturity to the maturity of the Bonds, as most recently published in *The Wall Street Journal* prior to the date of issuance of the Bonds plus 3.50%, (b) multiplied by .65, plus (c) 1.4%; that the form of the Bonds which appears in the Indenture, subject to appropriate insertion and revision in order to comply with the provisions of the Indenture, be, and the same hereby is, approved and adopted as and for the form of Bonds of the Issuer; that said Bonds shall be executed in the name of the Issuer with the manual or facsimile signature of its Mayor and the manual or facsimile signature of the City Clerk and the seal of the Issuer shall be impressed or reproduced thereon.

**Section 7.** That the Mayor and the City Clerk of the Issuer be and they are hereby authorized, empowered and directed to issue said Bonds, and when said Bonds shall have been executed as above provided, to cause said Bonds to be delivered to the Trustee for authentication as in the Indenture provided, and when said Bonds shall have been so authenticated, to sell the same pursuant to the Bond Purchase Agreement, at a price of not less than 100% of the face principal amount of \$1,255,000.

**Section 8.** The Issuer hereby elects to have the provisions of Section 103(b)(6)(D) of the Internal Revenue Code of 1954, as amended, apply to the Bonds.

**Section 9.** That the officials, officers, agents and employees of the Issuer are hereby authorized, empowered and directed to do all such acts and things and to execute all such certificates and documents, including but not limited to, general certificates, non-arbitrage certificates, financing statements and assignment documents as may be necessary, desirable, convenient, or proper to carry out and comply with the provisions of this Ordinance or the documents hereinabove authorized.

**Section 10.** 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 refunding of the Prior Bonds and the issuance and sale of the Bonds, including the authorization and direction to provide notice of the optional redemption of the Prior Bonds on September 1, 1996, be, and the same hereby are, in all respects ratified, approved and confirmed.

**Section 11.** That the provisions of the Ordinance are hereby declared to be separable and if any section, phrase or provisions 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 12.** That all ordinances, resolutions, orders or parts thereof in conflict with the provisions of this Ordinance are to the extent of such conflict hereby superseded.

**Section 13.** That this Ordinance shall be in full force and effect upon its passage and approval as provided by law.

Passed and approved by the City Council of the City of Urbana, Champaign County, Illinois, a home rule unit of local government, this 19th day of August, 1996.

Approved: August 22, 1996

*Tod Satterthwaite*

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Mayor      Tod Satterthwaite

Ayes:

\_\_\_\_\_  
HAYES, KEARNS, PATT, RYAN, TAYLOR, WHELAN  
\_\_\_\_\_

Nays:

\_\_\_\_\_

Absent:

\_\_\_\_\_

Attest:

*Phyllis D. Clark*  
\_\_\_\_\_  
City Clerk      Phyllis D. Clark

