

. RESOLUTION NO. 7475-R3

RESOLUTION authorizing the execution and delivery of a Memorandum of Intent between the City of Urbana, Illinois, and McCrory's Inc., a Delaware corporation, providing for the issuance by said city of approximately \$500,000 principal amount of revenue bonds.

WHEREAS the City of Urbana (hereinafter called the "City") recognizes that it is necessary for the general welfare and economy of the public that the City endeavor to provide permanent opportunities for industrial employment; and

WHEREAS the City is authorized under Ordinance No. 7475-3 adopted May 20, 1974 (hereinafter called the "Ordinance"), to construct, acquire, reconstruct, improve, better, extend, own, lease and dispose of economic development projects in order to relieve conditions of underemployment and unemployment, and to encourage the increase of industry within the State of Illinois, thereby reducing the evils attendant upon underemployment and unemployment; and

WHEREAS the City, in order to implement the public purposes enumerated in the Ordinance and in furtherance thereof to induce McCrory's Inc., a Delaware corporation (hereinafter called the "Company"), to locate a distribution facility, including all necessary land, buildings and equipment (hereinafter collectively called the "Industrial Project"), within or near the corporate limits of the City, has offered to issue its revenue bonds under and pursuant to the provisions of the Ordinance and to apply the proceeds therefrom to the payment of the cost of acquiring, constructing and equipping the Industrial Project and to lease the Industrial Project to a developer for subletting to the Company; and

WHEREAS the Company, after considering a number of possible plant locations within and outside of the State of

Illinois, and in reliance upon the intent of the City to acquire, construct and equip the Industrial Project and to finance the cost thereof through the issuance of revenue bonds under the provisions of the Ordinance, has determined to locate the Industrial Project within or near the corporate limits of the City; and

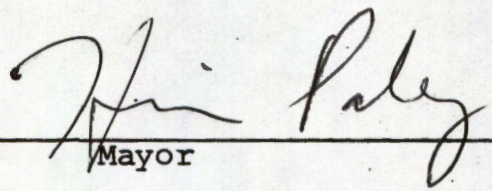
WHEREAS it is now deemed advisable to authorize the execution and delivery by the City of a Memorandum of Intent expressing formally and in writing the understanding heretofore informally agreed upon by the City and the Company:

NOW, THEREFORE, Be It Resolved by the City Council of the City of Urbana, Illinois, as follows:

Section 1. The Mayor is hereby authorized and directed to execute a Memorandum of Intent by and between the City and the Company, and the City Clerk is hereby authorized and directed to affix the seal of the City thereto and to attest the same; and said Mayor and City Clerk are hereby authorized and directed to cause said Memorandum of Intent to be delivered to, accepted and executed by the Company, said Memorandum of Intent, which is hereby approved and incorporated by reference and made a part of this authorizing resolution, to be in substantially the form attached hereto as Exhibit A.

Section 2. All resolutions and orders, or parts thereof, in conflict with the provisions of this resolution, are, to the extent of such conflict, hereby repealed and this resolution shall be of immediate effect from and after its adoption.

Adopted and approved this \_\_\_\_\_ day of  
\_\_\_\_\_, 1974.

  
\_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
City Clerk

STATE OF ILLINOIS        )  
                                  )  
COUNTY OF CHAMPAIGN    )

I, \_\_\_\_\_, hereby certify that I am the duly qualified and acting City Clerk of the City of Urbana, Illinois, and as such official I further certify that attached hereto is a copy of excerpts from the minutes of the meeting of the City Council of said City held on \_\_\_\_\_, 1974; that I have compared said copy with the original minute record of said meeting in my official custody; and that said copy is a true, correct and complete transcript from said original minute record insofar as said original record relates to the adoption of a resolution authorizing the execution and delivery of a Memorandum of Intent between said City and McCrory's Inc.

WITNESS my official signature and the seal of said Village this \_\_\_\_\_ day of \_\_\_\_\_, 1974.

\_\_\_\_\_  
City Clerk

(SEAL)

MEMORANDUM OF INTENT

THIS MEMORANDUM OF INTENT, made and entered into this 3rd day of June, 1974, by and between the CITY OF URBANA, an incorporated municipality in Champaign County, Illinois (hereinafter called the "City"), and McCrory's Inc., a Delaware corporation, with its principal office now located in the City of New York, New York (hereinafter called the "Company");

W I T N E S S E T H:

WHEREAS the City recognizes that it is necessary for the general welfare and economy of the public that the City endeavor to provide permanent opportunities for industrial employment; and

WHEREAS the City is authorized under its home rule powers as implemented by an ordinance adopted May 20, 1974 (hereinafter called the "Ordinance"), to construct, acquire, reconstruct, improve, better, extend, own, lease and dispose of industrial projects in order to relieve conditions of underemployment and unemployment and to encourage the increase of industry within the State of Illinois, thereby reducing the evils attendant upon underemployment and unemployment; and

WHEREAS the City, in order to implement the public purposes enumerated in the Ordinance and in furtherance thereof to induce the Company to locate a distribution facility, including all necessary land, buildings and equipment (hereinafter collectively called the "Industrial Project"), within or near the corporate limits of the City, has offered to issue its revenue bonds under and pursuant to the provisions of the Ordinance and to apply the proceeds therefrom to the payment of the cost of acquiring, constructing and equipping the Industrial Project and to lease the Industrial Project to a developer for subletting to the Company; and

WHEREAS the Company, after considering a number of possible plant locations within and outside the State of Illinois, and in reliance upon the intent of the City to acquire, construct and equip the Industrial Project and to finance the cost thereof through the issuance of revenue bonds under the provisions of the Ordinance, has determined to locate the Industrial Project within or near the corporate limits of the City; and

WHEREAS it is now deemed advisable to express formally and in writing the understanding heretofore informally agreed upon by the parties hereto:

NOW, THEREFORE, in consideration of the premises and of the mutual undertakings herein expressed, the parties hereto recognize and intend as follows:

- A. The City represents and intends:

1. That the City believes it is authorized by the provisions of the Ordinance to acquire, construct, and equip the Industrial Project and for the purpose of paying the cost of such acquisition, construction and equipping, including expenses incidental thereto, and believes it is authorized as aforesaid to issue its revenue bonds payable from the revenues and rental income derived by the City from the Industrial Project.

2. That the City intends, subject in all respects to the provisions and requirements of the Ordinance and to a sale of the bonds on terms satisfactory to the Company, to use its best efforts to authorize, issue and deliver its revenue bonds in an approximate principal amount of \$500,000 and to apply the proceeds therefrom to the payment of the cost of acquiring, constructing and equipping the Industrial Project, provided that prior to the issuance and delivery of such revenue bonds there shall have been entered into between the Company and the City appropriate contracts whereby a developer on behalf of the Company will agree to lease the Industrial Project from the City for subletting upon terms which will comply with the provisions of the Ordinance and which will provide for the payment by the Company of rentals which will be sufficient to enable the City to pay the principal of and interest on such revenue bonds. Such lease will grant to

the developer, its assignee or designee, an option ~~is~~ exercisable from and after the first optional redemption date relating to said bonds to purchase the Industrial Project for an amount equal to the outstanding unpaid principal amount of bonds issued and sold by the City to finance the Industrial Project, plus interest accrued thereon and redemption premiums, if any, plus a nominal additional sum of not more than \$20.

3. That the acquisition and construction of the Industrial Project by the City is for a proper public corporate purpose and that the leasing thereof to the Company is necessary to implement the public purposes enumerated in the Ordinance.

B. The Company represents and agrees:

1. That the Industrial Project will result in increased employment and employment opportunities.

2. That if the proposed revenue bonds (including the rate of interest thereon) of the City are satisfactory to the Company, Company will cause the Industrial Project to be leased from the City upon terms which will be sufficient to pay the cost of acquiring, constructing and equipping the Industrial Project as evidenced by such revenue bonds to be issued for the account of the Industrial Project, and will cause appropriate contracts to be entered into with the City with regard to the



foregoing prior to the issuance and delivery of any such revenue bonds by the City.

C. It is further recognized and intended between the parties hereto as follows:

1. That the revenue bonds to be issued by the City shall never constitute an indebtedness of the City or a loan of the credit thereof within the meaning of any constitutional or statutory provision, and such fact shall be plainly stated on the face of each of said bonds. No holder of any of said bonds shall ever have the right to compel any exercise of the taxing power of the City to pay said bonds or the interest thereon. The principal of, premium, if any, and interest on such revenue bonds to be issued to finance the cost of the Industrial Project shall be secured by a pledge to a trustee acting under a mortgage and indenture of trust for the benefit of the holders of said bonds of the revenues and rental income derived by the City from the Industrial Project and by a mortgage on the Industrial Project, and shall be additionally secured by a pledge to said trustee of the aforesaid lease and sublease.

2. That a primary inducement to the Company in locating the Industrial Project within or near the City is the agreement of the City to acquire and construct the Industrial Project through the issuance of its revenue bonds and to lease the Industrial Project to the Company pursuant to the provisions of the Ordinance.

3. That it is desirable that the Company rather than the City arrange for the construction of the Industrial Project and the subsequent transfer thereof to the City in order to insure that the Industrial Project will conform to the requirements of the Company, for whose use the Industrial Project is to be designed.

4. That this expressed intent shall be binding upon the parties hereto and upon their respective successors and assigns, provided however, that should the bonds not be issued and sold for any reason neither party hereto shall be liable to any person or entity whatsoever.

5. The Company shall, prior to issuance of the Bonds, agree in writing to an affirmative action program to maintain specific employment practices and policies sufficient to achieve equal opportunity for all citizens regardless of race, color, creed, national origin, sex or age.

6. All parties hereto intend to perform all acts necessary, and to enter into all agreements required to annex the Project site to the City and to do so within a reasonable time after the Bonds are sold and issued and all parties are so to act in any event within one year after such date. The Company agrees that at such time the Bonds are issued its obligation so to annex under this paragraph 6 shall become a legal obligation enforceable in a court of law.

7. That this expressed intent may be executed in separate counterparts, all of which shall be deemed a single instrument.

IN WITNESS WHEREOF, the CITY OF URBANA, acting by and through its City Council, has caused its coporate name to be hereunto subscribed by its duly authorized Mayor, and attested under its official seal by its City Clerk, and MCCRORY'S INC. has caused its corporate name to be hereunto subscribed by its duly authorized President or Vice President and attested under its corporate seal by its Secretary or Assistant Secretary, all being done as of the year and date first above written.

CITY OF URBANA, ILLINOIS

By *H. Paley*  
Mayor

(SEAL OF THE CITY)

Attest:

*D. E. Kelly*  
City Clerk

MCCORORY'S INC.

By \_\_\_\_\_  
President

(SEAL OF THE COMPANY)

Attest:

\_\_\_\_\_  
Secretary