

RESOLUTION NO. 8081-R9

A RESOLUTION
AMENDING THE MEMORANDUM OF INTENT
BETWEEN THE CITY OF URBANA
AND JUMER'S CASTLE LODGE, INC.

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

That the Memorandum of Intent between the City of
Urbana, Champaign County, Illinois, (the "Issuer"), and Jumer's
Castle Lodge, Inc., (the "Company"), which such Memorandum was
duly approved by the City Council by Resolution No. 8081-R1 on the
7th day of July, A.D. 1980, and approved by the Mayor on the 21st
day of July, A.D. 1980, be and the same is hereby amended to change
the cost of the project and the issuance of economic development
bonds to approximately the amount of \$2,500,000.00, said changes
to be made to paragraph 1. parts b. and f. of such Memorandum
where such amount was formerly shown to be \$3,000,000.00.

PASSED by the City Council this 2nd day of September,
1980.


Ruth S. Brookens
Ruth S. Brookens, City Clerk

APPROVED by the Mayor this 4th day of September,
1980.

Jeffrey T. Markland
Jeffrey T. Markland, Mayor

MEMORANDUM OF INTENT

THIS MEMORANDUM OF INTENT is between the City of Urbana, Champaign County, Illinois, (the "Issuer"), and Jumer's Castle Lodge, Inc., (the "Company").

1. Preliminary Statement

Among the matters of mutual inducement which have resulted in this agreement are the following:

a. The Issuer is a home rule unit pursuant to Section 6(a) of Article VII of the Constitution of the State of Illinois and is authorized to issue its economic development bonds to finance certain facilities for certain business district development and redevelopment.

b. The Company intends to acquire certain land within the boundaries of the business district of the Issuer and to acquire, construct and equip certain economic development facilities thereon (the "Project"). The Project is expected to cost approximately \$2,500,000.00 and is further described on Exhibit "A" attached hereto. The Company has requested that Issuer issue economic development bonds to finance the acquisition, construction and equipping of the Project.

c. The acquisition, construction and equipping of the Project will: (I) contribute to the increased employment opportunities, (II) arrest a decline in economic conditions in the business district of the Issuer, (III) infuse public money which will stimulate private development, (IV) create new jobs on certain employment levels which would otherwise decline, (V) stabilize the tax base and (VI) contribute to the income stream of local units of government and result in lower taxes than would otherwise be the case.

d. The economic development bonds of the Issuer shall be special obligations of the Issuer payable primarily from the revenues and receipts derived with respect to the Project and the Project shall

be leased or sold to the Company, or otherwise financed, for an amount sufficient to pay the principal of, premium, if any, and interest on such economic development bonds; provided, however, that in the event of a deficiency in such revenues and receipts the full faith, credit and resources of the Issuer, including, if necessary, the levy of taxes on all taxable property within the boundaries of the Issuer, without limitation as to rate or amount, sufficient to pay the principal of, premium, if any, and interest on such economic development bonds, shall be irrevocably pledged for the prompt payment of such principal of, premium, if any, and interest on such economic development bonds.

e. The Issuer will assist in providing parking for the Project on terms that are mutually agreeable to the Issuer and the Company.

f. The Issuer finds that the financing as herein described will further purposes proclaimed by the Issuer in prior legislation. Subject to due compliance with all requirements of the law, the Issuer by virtue of such authority as may now or hereafter be conferred, and subject to receipt of adequate assurance from the Company that there are one or more purchasers for the economic development bonds, the Issuer will issue and sell its economic development bonds in an amount of approximately \$2,500,000.00 or such other amount as may be necessary, but not to exceed the costs of the acquisition, construction and equipping of the Project.

2. Undertakings on the Part of the Issuer

Subject to the conditions above stated, the Issuer agrees as follows:

a. That it will authorize the issuance and sale of the economic development bonds pursuant to its lawful and constitutional authority, based upon an Enabling Ordinance to be passed by the Issuer pursuant to its Home Rule authority.

b. That it will enter into a lease agreement, sale agreement or other financing agreement with the Company or a designee of the Company;

whereby the Company or its designee will pay to, or on behalf of the Issuer, such sums as shall be sufficient to pay the principal of, premium, if any, and interest on the economic development bonds as and when the same shall become due and payable; provided, however, that in the event of a deficiency in such revenues and receipts the full faith, credit and resources of the Issuer, including, if necessary, the levy of taxes on all taxable property within the boundaries of the Issuer, without limitation as to rate or amount, sufficient to pay the principal of, premium, if any, and interest on such economic development bonds, shall be irrevocably pledged for the prompt payment of such principal of, premium, if any, and interest on such economic development bonds.

c. That the Issuer will assist in providing parking for the Project on terms that are mutually agreeable to the Issuer and the Company.

3. Undertakings on the Part of the Company

Subject to the conditions above stated, the Company agrees as follows:

a. That it will use all reasonable efforts to find one or more purchasers for the economic development bonds, to fund the development described in Exhibit "A".

b. That contemporaneously with the delivery of the bonds it, or its designee, will enter into a sale agreement (as purchaser) or a lease agreement (as Lessee), or such other instruments, with the Issuer, under the terms of which the Company will obligate itself to pay to or on behalf of the Issuer sums sufficient in the aggregate to pay the principal of, premium, if any, and interest on the revenue bonds as and when the same shall become due and payable. In addition, Mr. James Jumer, sole shareholder of the Company, hereby agrees to be personally liable, with the exception of his personal residence and tangible personal property, as a guarantor of such sums.

c. The facility and equipment of the Urbana Lodge may be sold, at any time, at the discretion of the Company provided the bonds

have been paid or provision for such payment has been made. In such event, the Company will provide an opinion of a qualified bond counsel that the Bonds have been defeased in accordance with the Bond Documents. The Urbana Lodge may be leased in whole or in part by the Company with the consent of the City, which consent may not be unreasonably withheld or without consent of the City if the Company shall continue to remain primarily liable for payment of principal and interest on the Bonds.

d. The Company is willing to consider suggestions concerning market approach and plans with the City Administration or Council.

e. The Company agrees to provide quarterly financial statements of the Company.

f. The Company agrees to issue bonds in an amount sufficient to fund a debt service reserve account equal to one year's principal and interest requirements on the bonds provided the reserve account will be invested by the Bond Trustee upon the written authorization and direction of the Company. Prior to completion of construction, the interest earnings shall be paid into the construction account. After completion of construction, the interest earnings shall be deposited in the account for payment of principal and interest on the bonds, which earnings can be drawn upon by the Company to pay said payments.

g. The Company's agreement herein is subject to the contingency of the Company obtaining all necessary approval from its mortgagees.

4. General Provisions

a. All commitments of the Issuer under paragraph 2 hereof and of the Company under paragraph 3 hereof are subject to the condition that on or before 360 days from the date hereof (or such other date as shall be mutually satisfactory to the Issuer and the Company), the Issuer and the Company shall have agreed to mutually acceptable terms and conditions of the sale agreement or lease agreement or such other instruments referred to in paragraph 3 and of the revenue bonds and other instrument

or proceedings relating to the issuance and sale of the economic development bonds.

b. If the events set forth in (a) of this paragraph 4 do not take place within the time set forth or any extension thereof and the revenue bonds in an amount of approximately the amount stated in subparagraph (f) of paragraph 1, above, are not issued and sold within such time, the Company agrees that it will reimburse up to \$5,000.00 to the Issuer for all reasonable and necessary direct out-of-pocket expenses which the Issuer has incurred at its request arising from the execution of this Memorandum of Intent and the performance by the Issuer of its obligations hereunder, and this Memorandum of Intent shall thereupon terminate.

c. Any modifications to this agreement are subject to review and approval by Chapman and Cutler, Bond Counsel.

IN WITNESS WHEREOF, the parties hereto have entered into this Memorandum by their officers duly authorized as of the 7th day of July, 1980.

CITY OF URBANA
CHAMPAIGN COUNTY, ILLINOIS

By Jeffrey T. Markland
Jeffrey T. Markland, Mayor

(SEAL)

ATTEST:

Ruth S. Brookens, City Clerk

JUMER'S CASTLE LODGE, INC.

By James Jumer, President

(SEAL)

ATTEST:

Its _____

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EXHIBIT "A"

The project involves the proposed expansion by the Company of its Jumer's Castle Lodge, Inc., in Urbana. This expansion will be an addition on the north side of the present lodge structure and will encompass sixty-nine (69) hotel rooms, an indoor pool, a sauna and whirlpool facility, a Four hundred fifty (450) seat convention center, and added parking within the immediate vicinity.