

ORDINANCE NO. 8081-39

ORDINANCE authorizing the issuance by the City of Urbana, Illinois, of \$3,500,000 aggregate principal amount of its Collateralized Commercial Development Revenue Bonds, Series 1980A (Busey First National Bank Project), to finance the cost of the acquisition, construction and equipping of land, buildings and related facilities constituting a banking facility, and confirming the sale of said bonds to the purchaser thereof, and certain other related matters.

WHEREAS, the City of Urbana, Illinois (the "City"), is a home rule municipality duly organized and existing under the Constitution and laws of the State of Illinois and is authorized by Ordinance No. 7475-3, adopted by the City Council of the City on May 20, 1974, as amended and supplemented by Ordinance No. 8081-37, adopted by the City Council of the City on October 6, 1980 (collectively, the "Enabling Ordinance"), to provide a financing device which will aid in financing the cost of economic development projects in order to relieve conditions of unemployment and under employment and to encourage the increase of industry and commerce within the municipality, thereby reducing the evils attendant upon unemployment and under employment and to provide for the increased welfare and prosperity of the residents of the City; and

WHEREAS, the City is further authorized by the Enabling Ordinance to issue revenue bonds payable from the revenues and receipts derived from such economic development projects; and

WHEREAS, the City has made the necessary arrangements with Busey First National Bank (the "Borrower") for the acquisition, construction and equipping of a banking facility (the "Project") by the Borrower within the corporate limits of the City and the financing of the cost of the Project through the issuance of revenue bonds by the City pursuant to the Enabling Ordinance; and

WHEREAS, the location of the Project within the City will encourage economic development within the City; and

WHEREAS, it has now been determined that the estimated amount necessary to finance the cost of acquiring, constructing and equipping the Project, including necessary expenses incidental thereto, requires that industrial development revenue

bonds of the City be issued in the aggregate principal amount of \$3,500,000 and entitled Collateralized Commercial Development Revenue Bonds, Series 1980A (Busey First National Bank Project) (the "Series 1980A Bonds") pursuant to the Enabling Ordinance, to be issued under and equally and ratably secured by the provisions of a Trust Indenture dated as of October 1, 1980 (the "Indenture"), from the City to The Millikin National Bank of Decatur, Decatur, Illinois, as Trustee (the "Trustee"); and

WHEREAS, it is now necessary to authorize the issuance of the Series 1980A Bonds; and

WHEREAS, the issuance of the Series 1980A Bonds by the City, as hereinafter authorized, will in all respects conform to the provisions and requirements of the Enabling Ordinance and this ordinance; and

WHEREAS, the City has made the necessary arrangements for the issuance and sale of the Series 1980A Bonds; and

WHEREAS, there have been prepared and presented to this meeting proposed forms of the following instruments (hereinafter collectively called the "Instruments"):

(a) a form of Loan Agreement dated as of October 1, 1980 (the "Loan Agreement"), by and between the City and the Borrower, providing for the loan of the proceeds of the Series 1980A Bonds by the City to the Borrower for the purpose of financing the cost of the Project;

(b) a form of Trust Indenture dated as of October 1, 1980 (the "Indenture"), by and between the City and the Trustee providing for the security of the Series 1980A Bonds and any Additional Bonds (as defined therein) from time to time issued thereunder;

(c) a form of Bond Purchase Agreement dated October 6, 1980 (the "Bond Purchase Agreement"), by and among the City, the Borrower and The First National Bank of Chicago, Chicago, Illinois, as the original purchaser of all of the Series 1980A Bonds (the "Purchaser"); and

WHEREAS, it appears that each of the Instruments which are now before this meeting is in appropriate form and is an appropriate instrument to be executed and/or attested, accepted, approved or delivered, as the case may be, by the Mayor and the City Clerk of the City for the purposes intended; and

WHEREAS, pursuant to and in accordance with provisions of the Enabling Ordinance, the City is now prepared to sell its Series 1980A Bonds; and

WHEREAS, it is necessary to authorize the sale of the Series 1980A Bonds to the Purchaser and to authorize certain other matters in connection therewith:

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Ubrana, Champaign County, Illinois, as follows:

Section 1. Cost of Project; Acquisition, Construction and Equipping of Project. Based upon representations made by the Borrower to the City, the City hereby determines that the aggregate cost of the Project will be not less than \$3,500,000. The acquisition, construction and equipping of the Project within the corporate limits of the City and the financing of the Project by the City will encourage economic development within the City and will provide for the increased welfare and prosperity of the residents of the City, and the same is hereby approved.

Section 2. Authorization of the Series 1980A Bonds. For the purpose of financing the cost of the acquisition, construction and equipping of the Project, including necessary expenses incidental thereto, there are hereby authorized to be issued the Series 1980A Bonds of the City in compliance with the provisions of the Enabling Ordinance, this ordinance and the Indenture in the aggregate principal amount of \$3,500,000, which bonds shall be designated "Collateralized Commercial Development Revenue Bonds, Series 1980A (Busey First National Bank Project)," and shall be payable as to principal, interest and premium in lawful money of the United States of America at the principal office of the Trustee, or its successors in trust, under the provisions of the Indenture.

The Series 1980A Bonds shall be issuable as coupon Bonds, registrable as to principal only, in the denomination of \$5000, or as fully registered Bonds without coupons in the denomination of \$5000 or any integral multiple thereof.

The Series 1980A coupon Bonds shall be dated October 1, 1980, and shall bear interest from such date payable semiannually on April 1 and October 1 of each year with the first interest payment to be made on April 1, 1981. Fully registered Series 1980A Bonds shall bear interest payable semiannually from their

date and shall be dated as of the April 1 or October 1 next preceding their date of issue, or if issued on an April 1 or October 1, as of such date; provided that if the Series 1980A Bonds are initially delivered to the Purchaser after October 1, 1980, and prior to April 1, 1981, the Series 1980A Bonds in fully registered form shall be dated as of the date of their authentication and delivery or a date prior thereto from which the Purchaser has agreed to pay accrued interest and shall not be exchangeable for Series 1980A Bonds in coupon form prior to April 1, 1981; and provided, further, that if at the time of authentication of any fully registered Bond, interest is in default thereon, such Bond shall be dated as of the last date to which interest has been paid.

The Series 1980A Bonds shall bear interest at the rate of nine per cent (9%) per annum and shall mature on the dates in the amounts as follows:

<u>Maturity Date; October 1 of the Year</u>	<u>Principal Amount</u>
1985	\$ 320,000
1990	700,000
2000	2,480,000

The Bonds are also subject to mandatory redemption prior to maturity, in part, at 100% of the principal amount thereof plus accrued interest to the date fixed for redemption as provided in the Indenture on October 1 of the years and in the principal amounts set forth below.

The \$320,000 aggregate principal amount of Bonds due October 1, 1985, shall be subject to mandatory redemption on the dates and in the principal amounts as follows (leaving a balance of \$115,000 due at maturity on October 1, 1985):

<u>Mandatory Redemption Date; October 1 of the Year</u>	<u>Principal Amount</u>
1983	\$100,000
1984	105,000

The \$700,000 aggregate principal amount of Bonds due October 1, 1990, shall be subject to mandatory redemption on the dates and in the principal amounts as follows (leaving a balance of \$160,000 due at maturity on October 1, 1990):

<u>Mandatory Redemption Date; October 1 of the Year</u>	<u>Principal Amount</u>
1986	\$120,000
1987	135,000
1988	135,000
1989	150,000

The \$2,480,000 aggregate principal amount of Bonds due October 1, 2000, shall be subject to mandatory redemption on the dates and in the principal amount as follows (leaving a balance of \$345,000 due at maturity on October 1, 2000):

<u>Mandatory Redemption Date; October 1 of the Year</u>	<u>Principal Amount</u>
1991	\$170,000
1992	185,000
1993	200,000
1994	215,000
1995	235,000
1996	250,000
1997	270,000
1998	295,000
1999	315,000

In addition to the mandatory sinking fund provisions mentioned above, the Series 1980A Bonds shall otherwise be subject to redemption at the times, under the circumstances, in the manner, at the prices and with the effect as more fully prescribed in Article VII of the Indenture, which terms are, by this reference, incorporated herein.

Section 3. City Not Liable on Bonds. The Series 1980A Bonds shall be limited obligations of the City and shall be payable solely from the sources specified in, and be secured as provided by, the Indenture.

The Series 1980A Bonds and the interest thereon shall not constitute an indebtedness or a loan of credit of the City within the meaning of any constitutional or statutory provision of the State of Illinois, and neither the faith and credit nor the taxing power of the State of Illinois, the City or any other political subdivision of the State of Illinois shall be pledged to the payment of the principal of, premium, if any, and interest on the Series 1980A Bonds or other costs incident thereto. The nature of the obligation represented by the Series 1980A Bonds is as more fully set forth in the Indenture.

Section 4. Execution of the Series 1980A Bonds. Each of the Series 1980A Bonds shall be executed in the name and on

behalf of the City by the manual or facsimile official signature of the Mayor of the City and attested by the manual or facsimile official signature of the City Clerk, provided, however, that at least one such signature shall be manual, and the coupons appertaining to the Series 1980A coupon Bonds shall be executed in the name and on behalf of the City by the facsimile signatures of said Mayor and said City Clerk. The Series 1980A Bonds shall have the corporate seal of the City impressed or reproduced thereon and shall be authenticated by the endorsement of the Trustee, all as more fully provided in the Indenture.

Section 5. Form and Preparation of the Series 1980A Bonds. The Series 1980A Bonds and the Trustee's certificate of authentication to appear on each of the Series 1980A Bonds shall be in substantially the form set forth in the Indenture, with such appropriate variations, omissions, insertions and provisions as are permitted or required by the Indenture, the omissions to be appropriately completed when the Series 1980A Bonds are prepared, and the execution of the Series 1980A Bonds by the Mayor and City Clerk as provided in Section 4 hereof shall be conclusive evidence of such approval. The Mayor and the City Clerk are hereby authorized and directed to cause to be prepared an issue of \$3,500,000 aggregate principal amount of the Series 1980A Bonds in accordance herewith.

Section 6. Additional Bonds. While any of the Series 1980A Bonds shall remain outstanding and unpaid, the City hereby covenants and agrees with the holders from time to time of such Series 1980A Bonds that it will not issue any additional bonds or incur any obligations of any sort secured by a lien prior to or on a parity with the lien of the Series 1980A Bonds, except as provided and in accordance with the Indenture.

Section 7. Maintenance and Repair Costs. The maintenance and repair costs of the Project, all taxes in connection therewith and other charges, all as specified in the Loan Agreement, will be assumed and paid by the Borrower under the Loan Agreement, and, accordingly, the City has no obligation with respect thereto.

Section 8. Findings and Determinations. It is hereby found, determined and declared by the City that the amounts payable by the Borrower under the Loan Agreement are the amounts necessary in each year to pay the principal of and interest on the Series 1980A Bonds and that the payments and other monetary obligations undertaken by the Borrower in the Loan Agreement are sufficient to satisfy the monetary obligations required by the Enabling Ordinance to be undertaken by the project occupant of a project.

Section 9. Approval of the Instruments. The form, terms and provisions of the Instruments are hereby approved and the Mayor and the City Clerk of the City are hereby authorized and directed to execute and/or attest, accept, approve or deliver the Instruments in the name and behalf of the City, each of the Instruments 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 City executing and/or attesting, accepting, approving or delivering the same, their execution and/or attestation, acceptance, approval or delivery thereof to constitute conclusive evidence of their approval of any and all changes or revisions from the form of the Instruments now before this meeting, and the City Clerk is hereby authorized and directed to affix to the Instruments, as appropriate, the corporate seal of the City.

Section 10. Approval of the Sale of the Series 1980A Bonds. The sale of the Series 1980A Bonds to the Purchaser at the price of 100% of the principal amount thereof plus accrued interest, if any, thereon at the rate of nine per cent (9%) per annum from the date of such bonds to the date of delivery thereof, is hereby approved, ratified and confirmed.

Section 11. Authorization to Effect Execution and Delivery of the Instruments. The Mayor and the City Clerk of the City, for and on behalf of the City, are hereby authorized and directed to do any and all things necessary to effect the execution and/or attestation, acceptance, approval or delivery of the Instruments, to do any and all things necessary to effect the

performance of all obligations of the City under and pursuant to the Instruments, as appropriate, the execution and delivery of the Series 1980A Bonds, and the performance of all other acts of whatever nature necessary to effect and carry out the authority conferred by this ordinance and by the Instruments. The Mayor and the City Clerk of the City are hereby further authorized and directed, for and on behalf of the City, to execute all papers, documents, certificates, financing statements and other instruments that may be required for the carrying out of the authority conferred by this ordinance and by the Instruments, or to evidence said authority and its exercise.

The Trustee is hereby authorized to receive and receipt for the proceeds of the Series 1980A Bonds on behalf of the City and to hold, invest and disburse said proceeds in accordance with the provisions of the Indenture. All provisions of the Indenture, including those with respect to the acquisition, construction and equipping of the Project, the issuance and delivery of the Series 1980A Bonds and the receipt, custody, investment and application of the proceeds of the Series 1980A Bonds and the payments under the Loan Agreement and other revenues to be derived from the Project, are hereby in all respects adopted, ratified and confirmed for and on behalf of the City.

Section 12. Section 103(b)(6)(D) Election. The City hereby elects to have the provisions as to the \$10,000,000 limit in Section 103(b)(6)(D) of the Internal Revenue Code of 1954, as amended, applied to the Series 1980A Bonds; and the Mayor and the City Clerk of the City are hereby authorized, empowered and directed to take any and all further action which may be required to implement and effectuate such election, including without limitation the preparation and filing of such statements or other documents as may be deemed by them to be necessary or advisable in order to comply with the procedure set forth in Section 1.103-10(b)(2)(vi) of the Income Tax Regulations (26 CFR Part 1) under Section 103 of the Internal Revenue Code of 1954, as amended, and all acts heretofore taken by them in this connection are hereby ratified and confirmed.

Section 13. Authorization of Construction of the Project. To accomplish the purposes of the Enabling Ordinance there is hereby authorized the acquisition, construction and equipping of the Project in accordance with the Loan Agreement and the Indenture and the payment of the amounts therefor to be paid in accordance with the Loan Agreement and the Indenture.

Section 14. Designation of Trustee. The Millikin National Bank of Decatur, Decatur, Illinois is hereby designated Trustee under the Indenture. The City hereby recognizes, agrees to and approves the deposit of the proceeds of the Series 1980A Bonds with said Trustee, which proceeds shall be held and applied by said Trustee in accordance with the provisions of the Indenture. The Mayor and the City Clerk of the City are hereby authorized to direct the Trustee to authenticate and deliver the Series 1980A Bonds to the Purchaser upon payment in full of the purchase price therefor.

Section 15. Covenants and Stipulations of the City. All covenants, stipulations, obligations and agreements of the City contained in this ordinance and in the Instruments shall be deemed to be the covenants, stipulations, obligations and agreements of the City to the full extent authorized or permitted by law, and all such covenants, stipulations, obligations and agreements shall be binding upon the City and its successors from time to time and upon any board or body to which any powers or duties affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law. Except as otherwise provided in this ordinance or in the Instruments or other instruments contemplated hereby to which the City is or will be a party, all rights, powers and privileges conferred and duties and liabilities imposed upon the City, its officers or the members of its City Council by the provisions of this ordinance or the Instruments shall be exercised or performed by the City or by such officers or members as may be required by law to exercise such powers and to perform such duties.

No covenant, stipulation, obligation or agreement herein contained or contained in the Instruments shall be deemed

to be a covenant, stipulation, obligation or agreement of any member of the City Council of the City or any officer, agent or employee of the City in his individual capacity, and neither the members of the City Council of the City nor any officer of the City executing the Series 1980A Bonds shall be liable personally on the Series 1980A Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 16. Enabling Ordinance, this Ordinance and the Indenture a Contract. The provisions of the Enabling Ordinance, this ordinance and the Indenture shall constitute a contract with the holder or holders of the Series 1980A Bonds and continue in effect until the principal of, premium, if any, and interest on the Series 1980A Bonds shall have been fully paid.

Section 17. Separable Provisions. 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 and provisions hereof.

Section 18. Ordinances and Resolutions in Conflict Repealed. Except for Resolution No. 7980-R27 of the City relating to the Series 1980A Bonds, adopted on April 21, 1980, all ordinances and resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 19. Ordinance Effective Immediately. This ordinance shall take effect immediately upon its adoption.

* * *

PASSED by the corporate authorities of the City of Urbana, Champaign County, Illinois, this sixth day of October, 1980, by a roll call vote as follows:

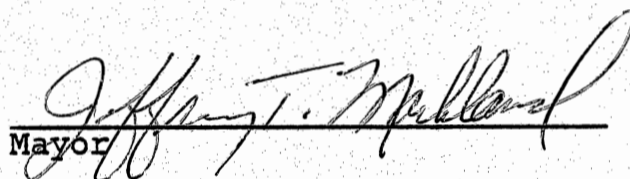
AYES: Castle, Cheverud, Edstrom, Johnson, Peterson, Scott, Wascher, Whelan, Wort - 9

NAYS: None

ABSENT: Moore and Stake - 2

ABSTENTION: Maloney - 1

APPROVED by the Mayor of the City of Urbana this 14th day of October 1980.



Mayor

ATTEST:



City Clerk

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10/8/80
BMC:11

