

AN ORDINANCE setting forth the procedures for the issuance of Tax Increment Allocation Bonds funded by the special tax allocation fund for the Central Business District (Downtown Urbana) of the City of Urbana, Champaign County, Illinois

WHEREAS, the City of Urbana, Champaign County, Illinois (the "Municipality") has heretofore designated a portion of the Municipality as a "redevelopment project area" known as the Redevelopment Project Area (the "Project Area") in accordance with the provisions of the Real Property Tax Increment Allocation Redevelopment Act (the "Act"); and

WHEREAS, the Municipality has approved a redevelopment plan and redevelopment project for the Project Area and held the necessary public hearing required by the Act; and

WHEREAS, the City Council has determined that it is necessary and in the best interests of the Municipality that the Municipality issue tax increment allocation bonds for the purpose of paying the redevelopment project costs for the redevelopment project which has been approved for the Project Area:

NOW, THEREFORE, Be It Ordained by the City Council of the City of Urbana, Champaign County, Illinois, as follows:

Section 1. Definitions. That the following words and terms used in this ordinance shall have the following meanings unless the context or use indicates another or different meaning:

(1) "Act" means the Real Property Tax Increment Allocation Redevelopment Act of the State of Illinois, as amended and supplemented from time to time.

(2) "Bonds" means the Tax Increment Allocation Bonds (whether Initial or Parity) to be issued in accordance with the procedures set forth in this Ordinance and to be authorized by a Bond Ordinance.

(3) "Bond Ordinance" means an ordinance adopted by the City Council of the Municipality in accordance with the procedures set forth in this Ordinance authorizing the issuance of the Initial Bonds or Parity Bonds.

(4) "Municipality" means the City of Urbana, Champaign County, Illinois, and its successors and assigns.

(5) "Fund" means the special tax allocation fund for the Central Business District (Downtown Urbana) (hereinafter referred to as the "Project Area") established pursuant to Section 11-74.4-8 of the Act and created by an ordinance heretofore adopted by the City Council of the Municipality on December 15, 1980 and entitled:

Ordinance No. 8081-63, An Ordinance
Adopting Tax Increment Financing.

(6) "Government Securities" means bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of the United States of America and all securities or obligations, the prompt payment of principal and interest of which is guaranteed by a pledge of the full faith and credit of the United States of America.

(7) "Initial Bonds" means the first series of Bonds to be issued in accordance with the procedures set forth in this Ordinance.

(8) "Ordinance" means this ordinance as originally adopted and as the same may from time to time be amended or supplemented in accordance with the terms hereof.

(9) "Parity Bonds" means bonds to be issued in the future which will be payable ratably and equally with the Initial Bonds in the proceeds of the collection of the Pledged Taxes and otherwise as provided in this Ordinance.

(10) "Pledged Taxes" means the ad valorem taxes, if any, arising from the tax levies upon taxable real property in the Project Area by any and all taxing districts or municipal corporations having the power to tax real property in the Project Area, which taxes are attributable to the increase in the then current equalized assessed valuation of each taxable lot, block, tract or parcel of real property in the Project Area over and above the Initial Equalized Assessed Value of each such place of property, all as determined by the County Clerk of Champaign County in accordance with Section 11-74.4-9 of the Act.

(11) "Project" means the redevelopment project heretofore approved by the City Council of the Municipality by proceedings adopted on December 15, 1980, in furtherance of the objectives of the Redevelopment Plan, as Ordinance No. 8081-62.

(12) "Project Area" means the Redevelopment Project Area for the Central Business District (Downtown Urbana) described more fully in Exhibit A attached hereto and heretofore established by the City Council of the Municipality in accordance with the provisions of the Act.

(13) "Project Costs" means the sum total of all reasonable or necessary costs incurred or estimated to be incurred which are incidental to the Redevelopment Plan and the Project, including, without limitation, the following:

(a) Costs of studies and surveys, plans, and specifications; professional service costs including but not limited to architectural, engineering, legal, marketing, financial, planning or special services;

(b) Property assembly costs, including but not limited to acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land;

(c) Costs of rehabilitation, reconstruction or repair or remodeling of existing buildings and fixtures;

(d) Costs of the construction of public works or improvements;

(e) Financing costs, including but not limited to bond discount and all other necessary and incidental expenses related to the issuance of the Bonds and which may include payment of interest on the Bonds accruing during the estimated period of construction of the Project and not exceeding 18 months thereafter and including reasonable reserves related thereto;

(14) "Redevelopment Plan" means the comprehensive program of the Municipality for the Project Area heretofore approved by the City Council of the Municipality by proceedings

adopted on December 15, 1980, together with any amendments and supplements thereto, as Ordinance No. 8081-61.

(15) "Total Initial Equalized Assessed Value" means \$2,429,570, being the total initial equalized assessed value of the taxable real property within the Project Area determined by the County Clerk of Champaign County in accordance with the provisions of Section 11-74.4-9 of the Act.

(16) "UDAG Loan Agreement" means that certain Loan Agreement dated as of August 1, 1981, by and between the Municipality and Jumer's Castle Lodge, Inc., a Delaware corporation, as the borrower in connection with the hereinafter mentioned UDAG Grant.

(17) "UDAG Mortgage" means that certain Mortgage and Security Agreement dated as of August 1, 1981, from Jumer's Castle Lodge, Inc., a Delaware corporation, as mortgagor, to the Municipality as mortgagee in connection with the hereinafter mentioned UDAG Grant.

(18) "UDAG Note" means the \$285,000 promissory note issued by Jumer's Castle Lodge, Inc., a Delaware corporation, as maker, to the Municipality to evidence the loan to the aforesaid corporation of \$285,000 pursuant to the UDAG Loan Agreement and in accordance with an urban development action grant under Section 119 of the Housing and Community Development Act of 1974, 42 U.S.C. §5318, as amended, designated Grant Number B-81-AA-17-0012 (the "UDAG Grant"), which includes the provisions of the UDAG Grant Agreement in connection therewith,

preliminarily approved by the Department of Housing and Urban Redevelopment of the United States on October 9, 1980.

Section 2. Findings. That the City Council of the Municipality hereby finds that the Project Area has been established in accordance with the provisions of the Act and that it is necessary and in the best interests of the Municipality to issue the Bonds to enable the Municipality to pay Project Costs.

Section 3. The Bonds.

(a) Authorization. That the Bonds be issued and sold in a principal amount not to exceed \$3,300,000 and shall be issued pursuant to one or more individual Bond Ordinances authorizing each series of Bonds. The Bonds shall be dated, be numbered, and be of such denomination or denominations and bear interest at the rate or rates per annum as shall be provided in the Bond Ordinance authorizing the same. Interest on the Bonds shall be payable on the first days of May and December in each year and the Bonds shall mature on December 1 of each year in and after the year 1982.

(b) Redemption. Each series of Bonds shall be subject to redemption at the option of the Municipality at the prices (which shall be not less than the par value of the Bonds being redeemed and accrued interest to the date of redemption) and at the times and from the sources to be set forth in the Bond Ordinance authorizing such series.

Written notice of the Municipality's exercise of its option to redeem any or all of the bonds registered as to prin-

cipal shall be given by the Municipality to the holder of any such registered Bond by certified or registered mail to the last known address of such holder. The date of the mailing of such notice shall be not more than thirty (30) and not less than ten (10) days prior to such redemption date, and any such notice shall designate the date and place of redemption of the Bonds, shall designate the serial numbers and the aggregate principal amount of the Bonds to be redeemed, and shall state that on the designated date of redemption the Bonds will be redeemed by payment of the principal and accrued interest thereon, and that from and after the redemption date interest on the Bonds called for redemption shall cease to accrue.

(c) Payment and Execution. Both principal and interest of the Bonds are payable in lawful money of the United States of America at the main office of the Municipality. The Bonds shall be signed by the manual or facsimile signature of the Mayor of the Municipality with the corporate seal of the Municipality imprinted on or affixed thereto, and attested by the manual or facsimile signature of the City Clerk, and the interest coupons, if any, attached to the Bonds shall be signed by the facsimile signatures of said officials, and said officials, by the execution of the Bonds, shall adopt as and for their own proper signatures their respective facsimile signatures appearing on said coupons. The seal of the Municipality shall be impressed or printed upon the Bonds and the Coupons.

Section 4. Security. The Bonds, together with the interest and premium, if any, thereon, are payable from the col-

lection of the Pledged Taxes and the amounts on deposit in the various funds and accounts as provided herein, from the proceeds derived by the Municipality from the UDAG Loan Agreement, the UDAG Note, the UDAG Mortgage, or any guaranty in connection therewith (collectively herein sometimes referred to as the "UDAG Documents"), and from the full faith, credit and resources of the Municipality which are hereby irrevocably pledged. In the event the moneys to be received from the Pledged Taxes and the UDAG Documents are not sufficient to pay the principal of, premium, if any, and interest on the Bonds when the same are next to become due and payable, there is hereby directed to be levied a direct annual tax upon all of the taxable property within the Municipality sufficient, when added to the moneys to be derived from the Pledged Taxes anticipated and from the UDAG Documents as aforesaid, to pay the principal of, premium, if any, and interest on the Bonds as the same become due and payable, which levy shall be in addition to and exclusive of the maximum of all other taxes authorized to be levied by the Municipality and which levy however, shall be abated to the extent that moneys from other sources (including moneys derived pursuant to the UDAG Documents) are available for and designated by the City Council of the Municipality available to be applied for the payment of the Bonds and the Municipality certifies the amount of such moneys (including moneys derived pursuant to the UDAG Documents) available to the Champaign County Clerk. The proper officers of the Municipality at the earliest possible date, shall determine the

sufficiency or insufficiency, as the case may be, of the moneys to be available from the Pledged Taxes and the UDAG Documents. In the event the Municipality should extend, and derive moneys from, a direct annual tax upon all of the taxable property within the Municipality, as hereinabove set forth, and in the event in any year or at any time thereafter the Municipality derives more moneys (hereinafter some referred to as "Excess Moneys") from the Pledged Taxes and pursuant to the UDAG Documents than that which is necessary and sufficient to pay the principal of, premium, if any, and interest on the Bonds, then such Excess Moneys shall be paid into the Municipality's general operating funds, on one or more occasions as may be necessary, until an amount has been paid back to the Municipality for general corporate purposes equal to the aggregate amount of all direct annual tax levies upon all of the taxable property within the Municipality as herein referred to. When such Excess Moneys are applied to pay back the Municipality for general corporate purposes as set forth in the preceding sentence, the Municipality shall in the next succeeding tax levy ordinance reduce the amount of such tax levy extension by the amount so applied; and when such Excess Moneys are available to be applied between second Monday in August in any year and the second Monday in December in any year, the Municipality shall accordingly abate the tax levy extended in that year. The Bonds shall be the general obligations of the Municipality, as herein provided, for which its full faith, credit and resources are hereby irrevocably pledged.

Section 5. Registration. The Bonds shall be registered at the option of the holder as to principal only in the office of the Clerk of the Municipality in the manner and subject to the conditions set forth in the form of Bond set out in Section 6 of this Ordinance.

Section 6. Form of Bond. The Bonds and coupons shall be in substantially the following form (with such omissions, revisions or additions as shall be appropriate to each series of Bonds as shall be set forth in each Bond Ordinance):

(Form of Bond)

UNITED STATE OF AMERICA
STATE OF ILLINOIS
COUNTY OF CHAMPAIGN
CITY OF URBANA
TAX INCREMENT ALLOCATION BOND
GENERAL OBLIGATION BOND
THE CENTRAL BUSINESS DISTRICT (DOWNTOWN URBANA)
REDEVELOPMENT PROJECT AREA
SERIES

Number _____

\$5,000

KNOW ALL MEN BY THESE PRESENTS, that the City of Urbana, Champaign County, Illinois (the "Municipality"), for value received hereby promises to pay the registered holder hereof, from the Special Tax Allocation Fund (the "Fund") for the Central Business District (Downtown Urbana) Redevelopment Project Area of the Municipality and certain reserves, as hereinafter mentioned, the sum of FIVE THOUSAND DOLLARS (\$5,000) on December 1, _____, together with interest on said sum from date hereof until paid at the rate of _____ percent (____%) per annum, payable semiannually on the first days of May and December in each year, beginning on May 1, 1982, upon presentation and surrender of the annexed interest coupons as they severally become due. Both principal of and interest on this bond are payable in lawful money of the United States of America at _____, _____, Illinois.

This bond and each bond of the series of which it forms a part together with any other bond of any other series payable from moneys derived pursuant to the UDAG Documents and moneys on deposit in the Fund (together, the "Bonds"), is issued pursuant to Division 74.4 of Article 11 of the Illinois Municipal Code (the "Act") and all laws amendatory thereof and supplemental thereto, and the principal of and interest on, and premium, if any, on the Bonds are payable from the ad valorem taxes, if any, arising from the taxes levied upon taxable real property in the Redevelopment Project Area for the Central Business District (Downtown Urbana) established by the Municipality in accordance with the provisions of the Act (the "Project Area") by any and all taxing districts or municipal corporations having the power to tax real property in the Project Area, which taxes are attributable to the increase in the then current equalized assessed valuation of each taxable lot, block, tract or parcel of real property in the Project Area over and above the initial equalized assessed value of each such piece of property, all as determined by the County Clerk of Champaign County in accordance with the provisions of the Act (the "Pledged Taxes"). The Bonds are also payable from the proceeds to be derived by the Municipality pursuant to that certain Loan Agreement dated as of August 1, 1981 (the "UDAG Loan

Agreement") by and between the Municipality and Jumer's Castle Lodge, Inc., a Delaware corporation (the "Company") in accordance with which the Municipality is loaning to the Company the proceeds of an urban development action grant, the UDAG Grant, and pursuant to the UDAG Mortgage and the UDAG Note and any guaranty in connection therewith (collectively the "UDAG Documents"), as defined or referred to in the UDAG Loan Agreement. The proceeds to be derived from year to year pursuant to the UDAG Documents are pledged for the payment of the Bonds. The Bonds are general obligations of the Municipality for which the full faith, credit and resources of the Municipality have been and are hereby irrevocably pledged. The Municipality has levied a direct annual tax upon all taxable property within the Municipality, which when added to moneys to be derived from the Pledged Taxes and pursuant to the UDAG Documents, sufficient to pay the principal of, premium, if any, and interest on the Bonds as the same become due and payable, which levy, however, shall be abated to the extent that moneys from other sources are available to be applied to the payment of the Bonds. The Bonds are being issued for the purpose of paying the costs of a redevelopment project in the Project Area, all as more fully described in proceedings adopted by the City Council of the Municipality pursuant to the Act, in an Ordinance setting forth

the procedures for the issuance of the Bonds and in the bond ordinance adopted by the City Council of the Municipality on _____, 1981, and approved by its Mayor on the ____ day of _____, 1981 (the "Bond Ordinance"), to all the provisions of which the holder by the acceptance of this Bond assents. This Bond and each series of which it forms a part shall be subject to redemption at the option of the Municipality at par value and accrued interest to the date of redemption.

Notice of the redemption of any or all of said Bonds registered as to principal, shall be given by the Municipality to the registered holder thereof by certified or registered mail to the last known address of such holder. The date of the mailing of such notice shall be not more than thirty (30) and not less than ten (10) days prior to such redemption date, and when any or all of said Bonds shall have been called for redemption and payment made or provided for, interest thereon shall cease from and after the date so specified.

Under the Act and the Bond Ordinance, the Pledged Taxes and the moneys derived pursuant to the UDAG Documents shall be deposited in the Fund. Moneys on deposit in the Fund shall be used for paying the principal of, interest on, and premium, if any, on the Bonds and in making all required pay-

ments to the funds and accounts as provided by the terms of the Bond Ordinance.

It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in the issuance of this Bond, have been done and have happened and have been performed in regular and due form of law, and that provision has been made for depositing in the Fund the Pledged Taxes and the moneys derived pursuant to the UDAG Documents to be applied in the manner as hereinabove set forth, and the Municipality hereby covenants and agrees that it will properly account for the revenues derived from the Pledged Taxes and the moneys derived pursuant to the UDAG Documents and will comply with all the covenants of, and maintain the funds and accounts as provided by the Bond Ordinance.

This Bond shall be registered as to principal only in the name of the holder on the books of the Municipality in the office of the Municipal Clerk, such registration to be noted on the reverse side hereof by the Municipal Clerk, and thereafter the principal of such registered bond shall be payable only to the registered holder, or his or her legal representative or assigns. Any such Bond shall be transferable to another registered holder or back to bearer only upon presentation to the Municipal Clerk with a legal assignment duly acknowledged or

approved. The registration of this Bond shall not restrict the negotiability of the coupons merely by delivery.

IN WITNESS WHEREOF, the City of Urbana, Champaign County, Illinois, by its City Council, has caused this Bond to be signed by the (manual or facsimile) signature of its Mayor, its corporate seal to be printed hereon or affixed hereto and attested by the (manual or facsimile) signature of its Municipal Clerk, and has caused the coupons hereto attached to be signed by the facsimile signatures of said Mayor and said Municipal Clerk, which officials, by the execution of this Bond, do adopt as and for their own proper signatures their respective facsimile signatures appearing on said coupons, and has caused this Bond to be dated as of the _____ day of _____, 19____.

Mayor, City of Urbana,
Champaign County, Illinois

Attest:

City Clerk, City of Urbana
Champaign County, Illinois

(Form of Coupon

Number _____ \$ _____

On the _____ day of _____, 19____, the City of Urbana, Champaign County, Illinois, will pay to bearer out

of the Fund for the Central Business District (Downtown Urbana)
Redevelopment Project Area of said Municipality _____
Dollars (\$_____) in lawful money of the United States of
America at _____, _____, Illinois,
being interest then due on its Tax Increment Allocation Bond
[the Central Business District (Downtown Urbana) Redevelopment
Project Area], Series _____, dated _____, 19____,
Number _____.

Mayor, City of Urbana,
Champaign County, Illinois

City Clerk, City of Urbana,
Champaign County, Illinois

(Form for Registration as to principal)

<u>Date of Registration</u>	<u>Name of Registered Owner</u>	<u>Signature of Registrar</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

The Bonds may be registered as to interest and as to principal, and appropriate changes shall be made in connection therewith with respect to the above form of the Bond. The holder of any Bond registered as to principal may, if so provided in the Bond Ordinance, have any Bonds held by said person converted from a Bond registered as to principal to a Bond registered as to principal and interest; the holder of any Bond registered as to principal and interest may, if so provided in the Bond Ordinance, have any Bonds held by said person converted from a Bond registered as to principal and interest to a Bond registered as to principal with coupons.

Section 7. Pledged Taxes Fund - Accounts. There is hereby ordered created, established and maintained the special tax allocation fund pursuant to Section 11-74.4-8 of the Act (and continued and maintained if heretofore created and established) by the Municipality and known as the "Fund." All of the Pledged Taxes, any amounts received from the sale of property acquired or constructed and paid for from Bond proceeds and any other revenues from any source whatsoever designated, including the proceeds derived pursuant to the UDAG Documents, to pay principal of, interest on and premium, if any, on the

Bonds shall be set aside as collected and be deposited in the Fund. The Bonds are secured by a pledge of all of the moneys on deposit in the Principal and Interest Account of the Fund and such pledge is irrevocable until the Bonds have been paid in full or until the obligations of the Municipality are discharged under this Ordinance and any Bond Ordinance.

In accordance with the provisions of the Act, the Pledged Taxes are to be paid to the Municipal Treasurer by the Officers who collect or receive the Pledged Taxes. Whenever the Municipal Treasurer receives any of the Pledged Taxes he or she shall promptly deposit the same into the Fund. The moneys on deposit in the Fund shall be used solely and only for the purpose of carrying out the terms and conditions of this Ordinance and any Bond Ordinance and shall be deposited as hereinafter provided to the following accounts within the Fund:

(1) The Principal and Interest Account. There is hereby created a special account within the Fund to be known as the "Principal and Interest Account." Moneys deposited by the Municipality into the Fund shall first be deposited into the Principal and Interest Account and, except as hereinafter provided, such moneys shall be used solely and only for the purpose of paying principal of and interest on the Bonds as the same become due.

If, on or before sixty days before the principal payment date on any of the Bonds, there are funds in the Principal and Interest Account in excess of the amount necessary to pay such principal and interest on such date and the two dates sub-

sequent thereto such funds shall be transferred by the Municipality into the General Account.

(2) The General Account. There is hereby created a special account within the fund to be known as the "General Account," which the Municipality agrees to maintain. Moneys on deposit in the General Account shall be used to remedy any deficiencies in the Principal and Interest Account and thereafter shall, at the discretion of the City Council of the Municipality, be used for one or more of the following purposes:

(a) for the purpose of paying any Project Costs not paid from other sources; or

(b) for the purpose of redeeming Bonds in accordance with the provisions of the Bond Ordinances authorizing the same; or

(c) for the purpose of purchasing Bonds at a price not in excess of par and accrued interest to the date of purchase; or

(d) for the purpose of refunding, advance refunding, or prepaying any Bonds; or

(e) for the purpose of distributing such funds to the taxing districts or municipal corporations having the power to tax real property in the Project Area in accordance with the provisions of the Act; or

(f) for any other purpose related to the Project or the Redevelopment Plan permitted by the Act.

(3) Investments. The moneys on deposit in the Fund and the various accounts therein may be invested from time to

time in qualified investments. Any such investments may be sold from time to time by the Municipality as moneys may be needed for the purposes for which the Fund and such accounts have been created. In addition, the Municipality shall sell such investments when necessary to remedy any deficiency in the Principal and Interest Account. Any earnings or losses on such investments shall be attributed to the account within the Fund for which the investment was made.

Section 8. General Covenants. The Municipality covenants and agrees with the holders of the Bonds and coupons that, so long as any Bonds or coupons remain outstanding and unpaid:

(1) The Municipality will punctually pay or cause to be paid the principal of, interest on and premium, if any, to become due in respect to the Bonds in strict conformity with the terms of the Bonds, this Ordinance and any Bond Ordinance, and it will faithfully observe and perform all of the conditions, covenants and requirements thereof.

(2) The Municipality will pay and discharge, or cause to be paid and discharged, any and all lawful claims which, if unpaid, might become a lien or charge upon the Pledged Taxes or any part thereof, or upon the Fund or which might impair the security of the Bonds. Nothing herein contained shall require the Municipality to make any such payment so long as the city in good faith shall contest the validity of said claims.

(3) The Municipality will keep, or cause to be kept, proper books of records and accounts, separate from all other records and accounts of the Municipality, in which complete and correct entries shall be made of all transactions relating to the Project, the Fund, and the Pledged Taxes. Such books of record and accounts shall at all times during business hours be subject to the inspection of the holders of not less than ten percent (10%) of the principal amount of the Bonds then outstanding, or their representatives authorized in writing.

The Municipality will cause to be prepared and filed with the Municipal Clerk annually, within one hundred twenty (120) days after the close of each fiscal year of the Municipality so long as any of the Bonds are outstanding, complete financial statements with respect to the preceding fiscal year showing the Pledged Taxes received, all disbursements from the Fund and accounts created by this Ordinance and the financial condition of the Project, including the balances in all funds and accounts relating to the bonds and the Project as of the end of such fiscal year. The Municipality will furnish a copy of such statements to any Bondholder upon request.

(4) The Municipality will preserve and protect the security of the Bonds and the rights of the holders of the Bonds, and will warrant and defend their rights against all claims and demands of all persons. From and after the sale and delivery of any of the Bonds by the Municipality, the Bonds and coupons appertaining thereto shall be incontestable by the Municipality.

(5) The Municipality will continue to implement the Project with all practicable dispatch in accordance with its stated objectives and purposes in conformity with the Redevelopment Plan and the Act.

(6) The Municipality will adopt, make, execute and deliver any and all such further ordinances, resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention of, or to facilitate the performance of, this Ordinance and any Bond Ordinance, and for the better assuring and confirming unto the holders of the Bonds of the rights and benefits provided in this Ordinance and any Bond Ordinance.

Section 9. Additional Bonds. That as long as any of the Bonds are outstanding no obligations or bonds shall be issued which are payable from the Pledged Taxes except upon compliance with the provisions of this Section.

I.

The Municipality reserves the right to issue Parity Bonds for the purpose of paying Project Costs upon compliance with the following conditions:

- (a) The Municipality must be in full compliance with all of the requirements of this Ordinance and any Bond Ordinance and the amounts required to be deposited in the Funds and accounts provided for by this Ordinance must have been deposited in full to the date of the delivery of such Parity Bonds; and
- (b) All Bonds issued under this Section shall mature as to principal on December 1 and as to interest on May 1 and December 1; and

- (c) The ordinance authorizing the issuance of Parity Bonds may provide for such additional reserve accounts, and additional provisions for the protection of Bondholders as the Municipality then deems appropriate.

II.

Without compliance with the conditions set forth in I above, the Municipality reserves the right to issue bonds payable from the Pledged Taxes to refund, advance refund or prepay all of the Bonds then outstanding.

Section 10. Sale of the Bonds. That the Bonds shall be sold on such terms as shall be agreed upon between the Municipality and the purchaser thereof.

Section 11. Use of Bond Proceeds. The accrued interest received by the Municipality from the purchaser of the bonds and capitalized interest, if any, shall be deposited in the Principal and Interest Account of the Fund and be used to pay the interest first coming due on the Bonds. When the consideration for the issuance of the Bonds is money, the Municipality shall then pay from the Bond proceeds the expenses incurred in the issuance of the Bonds, and the balance of the Bond proceeds shall be placed by the Municipality in a special fund to be designated as the "Project Fund." The moneys in the Project Fund shall be kept separate and apart from all other funds of the Municipality. Funds in the Project Fund (including any interest earned thereon) shall be used to pay or to reimburse the Municipality for the payment of Project Costs, and such funds shall be held therein for the benefit of the Municipality for such purpose and for the benefit of the holder or holders of any of the Bonds as their interests may appear.

Funds on deposit in the Project Fund shall be withdrawn by the Municipality upon the submission to any bank or other person holding or in charge of disbursing such funds of the following:

(a) A duplicate of an order signed by the Mayor of the Municipality stating that the order is issued to pay or reimburse the Municipality for a part of the Project Costs and stating further that the issuance of the order has been approved by the City Council of the Municipality; and

(b) A certificate executed by the Comptroller of the Municipality, stating that the order has been issued for the purpose of paying Project Costs, and stating further the specific nature of the work completed or property acquired, and the amount due and payable therefor at the time.

Within sixty (60) days after the completion of the Project and after all Project Costs have been paid, the Treasurer of the Municipality shall certify to the City Council of the Municipality that the Project has been completed in accordance with the plans and specifications therefor, and has been fully paid for. The City Council of the Municipality shall pass upon the sufficiency of said certificate and if the City Council approves said certificate, the Mayor and the Treasurer shall certify to any bank or other person holding or in charge of disbursing funds in the Project Fund that the Project has been completed and paid for, and if after such payment there remain any moneys in the Project Fund, such bank or other person shall transfer such moneys to the Municipality for deposit into the Fund.

Funds on deposit in the Project Fund may, by direction of the Municipality, be invested in qualified investments.

Qualified investments shall include any investment not prohibited to the Municipality by law. Any such investments shall mature or be callable at the option of the holder on or before the date on which moneys will be needed to pay the Project Costs as the same become due.

Any grant moneys or other funds received by the Municipality for the purpose of paying Project Costs shall be deposited in the Project Fund and disbursed as herein provided.

Any moneys or other funds to be applied as provided above in paragraph (f) of subsection (2) of Section 7 of this Ordinance shall be deposited in the Project Fund and disbursed as herein provided.

Section 12. Arbitrage. The City Council certifies and covenants with the purchasers and holders of the Bonds from time to time outstanding, that so long as any of the bonds remain outstanding, moneys on deposit in any fund or account in connection with the Bonds, whether or not such moneys were derived from the proceeds of the sale of the Bonds or from any other sources, will not be used in a manner which will cause such Bonds to be "arbitrage bonds" within the meaning of Section 103(c) of the Internal Revenue Code of 1954, as amended, and any lawful regulations promulgated or proposed thereunder, including Treas. Reg. Sections 1.103-13, 1.103-14 and 1.103-15, as the same presently exist, or may from time to time hereafter be amended, supplemented or revised. The City Council reserves the right, however, to make any investment of such moneys not prohibited by Illinois law and this Ordinance, if, when and to

the extent the said Section 103(c) or regulations promulgated thereunder shall be repealed or relaxed or shall be held void by final decision of a court of competent jurisdiction, but only if any investment made by virtue of such repeal, relaxation or decision would not, in the opinion of counsel of recognized competence in such matters, result in making the interest on the bonds subject to federal income taxation.

Section 13. This Ordinance a Contract. The provisions of this Ordinance shall constitute a contract between the Municipality and the holders of the Bonds, and no changes, additions or alterations of any kind shall be made hereto, except as herein provided, until such time as the Bonds and the interest thereon shall be paid in full, or unless and until adequate provision is made for the payment of the Bonds and the interest thereon.

The Municipality covenants and agrees with the holders of any outstanding Bonds or coupons attached thereto that any such holder may, either in law or in equity, by suit, action, mandamus or other proceedings, enforce or compel performance by the officials of the Municipality of all duties required by law, by this Ordinance and by any Bond Ordinance, including the application of the Pledged Taxes or the proceeds to be derived by the Municipality pursuant to the UDAG Documents to the respective accounts and funds created by this Ordinance and in the time and manner as herein provided.

Section 14. Discharge. The Municipality may discharge its obligations under this Ordinance and the Bond Ordinances in any one or more of the following ways:

(a) by paying, or causing to be paid, the principal of, premium, if any, and interest on all of the Bonds outstanding as and when the same become due, either at maturity or by redemption prior to maturity; or

(b) by depositing in the Fund cash or Government Securities in such amount as will, together with the income or increment to accrue thereon without consideration of any reinvestment thereof, be fully sufficient to pay and discharge the indebtedness on all Bonds at their respective maturity or redemption dates, as the case may be, including all interest thereon.

Section 15. Partial Invalidity. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Ordinance.

Section 16. Prior Inconsistent Proceedings. All ordinances, resolutions or orders, or parts thereof, in conflict with the provisions of this Ordinance, are to the extent of such conflict hereby repealed.

Section 17. Amendments to this Ordinance. This Ordinance may be amended at any time, provided, however, that any such amendment shall not diminish or impair the rights of the holder of any outstanding Bond.

Section 18. Publication and Effective Date. Within ten (10) days after the passage of this Ordinance by the City

Council of the Municipality and its approval by the Mayor, this Ordinance shall be published in pamphlet form. After such publication, this Ordinance shall be in full force and effect and the City Council may then proceed to the adoption of Bond Ordinances and the sale of the Bonds.

This Ordinance is hereby passed by the affirmative vote, the "ayes" and "nays" being called, of a majority of the Members of the Council of the City of Urbana, Illinois, at a regular meeting of said Council on the 12th day of August, 1981.

PASSED by the City Council this 12th day of August, 1981.


Ruth S. Brookens
Ruth S. Brookens, City Clerk

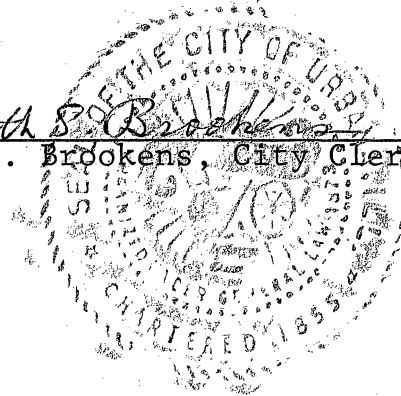
APPROVED by the Mayor this 14th day of August, 1981.

Jeffrey T. Markland
Jeffrey T. Markland, Mayor

CERTIFICATE OF PUBLICATION

I, RUTH S. BROOKENS, City Clerk, City of Urbana,
Illinois, do herewith certify that I caused the above Ordinance
to be duly published in pamphlet form on the 14th day of
August, 1981.

Ruth S. Brookens
Ruth S. Brookens, City Clerk



Alderman _____ moved and Alderman _____ seconded the motion that said Ordinance as presented and read by the Municipal Clerk be adopted.

After a full and complete discussion thereof, the Mayor directed that the roll be called for a vote upon the motion to adopt the ordinance as read.

Upon the roll being called, the following Aldermen voted AYE:

NAY: _____

ABSENT: _____

Whereupon the Mayor declared the motion carried and the foregoing ordinance adopted, and henceforth did approve and sign the same as above indicated and did direct the City Clerk to record the same in full in the records of the City Council of the City of Urbana, Champaign County, Illinois.

Other business not pertinent to the adoption of said ordinance was duly transacted at said meeting.

Upon motion duly made and seconded, the meeting was adjourned.

The foregoing is a true and correct excerpt from the meeting of the City Council and of the actions of the City Council and of the Mayor in connection with the Ordinance and the attached Ordinance, consisting of 30 pages, this page and the following page excluded, is a true and correct copy of the

Ordinance adopted and approved as aforesaid, all being in compliance with the laws of this State in respect to open meetings.

City Clerk, Ruth S. Brookens

THIS IS THE ATTACHMENT WHICH IS REFERRED TO IN
ORDINANCE NO. 8182-10 AND IS INCORPORATED
THEREIN BY REFERENCE.

Ruth S. Brookens
Ruth S. Brookens, City Clerk

August 12, 1981
Date

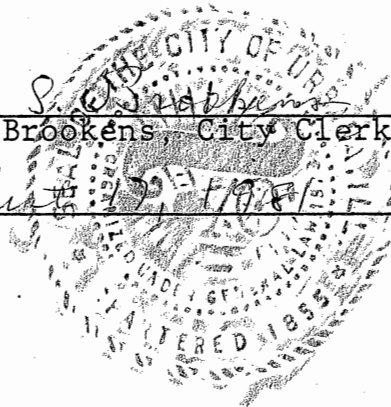


Exhibit A

DOWNTOWN URBANA CONSERVATION-REDEVELOPMENT DISTRICT AREA BOUNDARY

LEGAL DESCRIPTION

The City of Urbana proposes that the Redevelopment Project Area encompasses the following area within the corporate limits of the City, more particularly described to wit: Commencing at a point on the West R.O.W. line of Race Street 160.00' North of the North R.O.W. line of Griggs Street said point being the North R.O.W. line of the Norfolk & Western R.R.; thence Easterly along said North R.O.W. line to the East R.O.W. line of Vine Street (IL. Rt. 130); thence South along said East R.O.W. line to the South R.O.W. line of Water Street; thence West 411.40' along said South R.O.W. line to the East R.O.W. line of Walnut Street; thence South 391.50' along said East R.O.W. line to the South R.O.W. line of Main Street; thence West 298.38' along said South R.O.W. line to the East R.O.W. line of Broadway Avenue; thence South 414.38' along said East R.O.W. line to the North line of Lot 1 of the Central Business Addition; thence S 88° 35' 42" W, 82.50'; thence S 0° 54' 38" E, 142.70'; thence S 89° 05' 22" W, 178.83'; thence S 1° 03' 33" E, 55.02'; thence N 89° 05' 22" E, 15.67'; thence S 0° 54' 38" E, 76.33'; thence N 89° 05' 22" E, 69.00'; thence S 0° 54' 38" E, 224.99'; thence S 88° 32' 22" W, 19.95'; thence S 1° 05' 18" E, 58.08'; thence N 88° 38' 31" E, 198.00'; thence S 1° 04' 20" E, 198.96' to the South R.O.W. line of Illinois Street (the aforementioned bearings were derived from the plat of the Central Business Addition, Urbana, Illinois); thence West 255.75' along said South R.O.W. line to the East line of Crane Alley; thence south 121.50' along said East line to the South line of Cedar Alley; thence East 241.25' to the West R.O.W. line of Race Street; thence Northerly 952.66' along said West R.O.W. line to the South R.O.W. line of Elm Street; thence West 398.50' along said South R.O.W. line to the West R.O.W. line of Cedar Street; thence North 348.45' along said West R.O.W. line to the North R.O.W. line of Springfield Avenue; thence East along said North R.O.W. line to the intersection of the South R.O.W. line of Main Street; thence Northwesterly along said South R.O.W. line to an extension of the West property line of Lot 1 in Northy's Addition; thence Northeasterly 66.00' along said property line extended to the North R.O.W. line of Main Street; thence Southeasterly 123.10' along said North R.O.W. line to the West property line of Lot 4 in Blackshaws Addition; thence North along said West property line to the North line of Blackshaws Addition; thence East 16.25' along said North line to the West line of Hooper and Parks Addition; thence North 44.79' along said West line; thence East 255.33' parallel to the South property line of Lot 7 in Hooper and Parks Addition, to the East R.O.W. line of Race Street; thence south 0.29' along said East R.O.W. line to the North line of Goose Alley; thence East 173.25' along said North line to the West line of Crane Alley; thence North 180.50' along said West line to the North R.O.W. line of Water Street; thence East 27.00' along said North R.O.W. line; thence North 107.24' parallel with the East line of Crane Alley; thence West 257.67', parallel with the North R.O.W. line of Water Street to the West R.O.W. line of Race Street; thence North 385.84' along said West R.O.W. line to the point of beginning; said tract containing 34 acres ± and being situated in the South Half of Section 8 and the North Half of Section 17, Township 19 North, Range 9 East of the Third Principal Meridian, Champaign County, Illinois.