

ORDINANCE NO. 8182- 22

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF \$640,000 AGGREGATE PRINCIPAL AMOUNT OF INDUSTRIAL REVENUE BONDS, SERIES A (SLM INSTRUMENTS, INC. PROJECT) OF THE CITY OF URBANA, ILLINOIS, FOR THE PURPOSE OF PROVIDING FUNDS TO FINANCE THE COST OF AN ECONOMIC DEVELOPMENT PROJECT TO BE OWNED BY SLM INSTRUMENTS, INC., AN ILLINOIS CORPORATION; AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN, MORTGAGE AND SECURITY AGREEMENT; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT RELATING TO THE SALE OF THE BONDS TO THE PURCHASERS NAMED OR REFERRED TO THEREIN; AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDENTURE OF TRUST APPROPRIATE FOR THE PROTECTION AND DISPOSITION OF THE REVENUES AND RECEIPTS DERIVED UNDER THE LOAN, MORTGAGE AND SECURITY AGREEMENT; AND AUTHORIZING OTHER MATTERS PERTAINING TO THE BONDS.

WHEREAS, the City of Urbana, Illinois (the "Issuer"), a home rule unit of the State of Illinois, pursuant to Section 6(a) of Article VII of the Constitution of the State of Illinois, is authorized by Ordinance No. 7475-3, passed May 20, 1974 and approved May 21, 1974, and Ordinance No. 8081-37, passed October 6, 1980 and approved October 14, 1980, as supplemented and amended (collectively the "Act"), to issue revenue bonds for the purposes set forth in the Act and to expend the proceeds thereof to finance, among other things, the cost of acquiring, constructing and improving "economic development projects" as defined in the Act, and to sell such bonds to others; and

WHEREAS, in furtherance of the purposes set forth in the Act, the Issuer has adopted certain proceedings indicating its intention to finance, by means of the sale and issuance of its industrial revenue bonds, the costs of acquiring, constructing and improving certain facilities to be located in the City of Urbana, Illinois (collectively referred to as the "Project") to be owned and used by SLM Instruments, Inc., an Illinois corporation (the "Company"), and in furtherance of its intention to authorize such actions as might be required to accomplish such financing; and

WHEREAS, pursuant to and in accordance with the provisions of the Act, the Issuer is now prepared to proceed to issue and sell its \$640,000 aggregate principal amount of Industrial Revenue Bonds, Series A (SLM Instruments, Inc. Project) (the "Bonds") to loan the proceeds of the Bonds to the Company in connection therewith to finance such costs, such Bonds to be secured by a Note, a Loan, Mortgage and Security Agreement and an Indenture of Trust (all as hereinafter defined) and to be payable solely from revenues derived under said Loan, Mortgage and Security Agreement, said Note and from other funds pledged under said Indenture of Trust; and

WHEREAS, the Note is to be secured by the Loan, Mortgage and Security Agreement; and

WHEREAS, the Bonds will be sold pursuant to a Bond Purchase Agreement (hereinafter defined) to the Original Purchaser named or referred to therein; and

WHEREAS, copies of the forms of the Loan, Mortgage and Security Agreement, Indenture of Trust, Note and Bond Purchase Agreement have been presented to and are before this meeting.

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

1. The following words and terms as used in this Bond Ordinance shall have the following meanings unless the context clearly indicates another or different meaning or intent:

"Act" means Ordinance No. 7475-3, passed May 20, 1974 and approved May 21, 1974, by the City Council of the Issuer, Ordinance No. 8081-37, passed October 6, 1980 and approved October 14, 1980 by the City Council of the Issuer, as supplemented and amended.

"Agreement" means the Loan, Mortgage and Security Agreement dated as of September 1, 1981 between the Issuer and the Company, as approved by this Bond Ordinance and as the same may be supplemented and amended from time to time in accordance with its terms.

"Bond Ordinance" means this ordinance.

"Bond Purchase Agreement" means that certain Bond Purchase Agreement between the Issuer and Busey First National Bank, Urbana, Illinois (the "Original Purchaser"), dated September 1, 1981, pertaining to the sale of the Bonds, as approved by this Bond Ordinance and as the same may be supplemented and amended from time to time in accordance with its terms.

"Bonds" or "Series A Bonds" means the \$640,0000 aggregate principal amount of Industrial Revenue Bonds, Series A (SLM Instruments, Inc. Project) of the Issuer authorized to be issued hereunder and under the Indenture.

"Company" means SLM Instruments, Inc., an Illinois corporation, and any surviving, resulting or transferee entity as provided in the Agreement.

"Indenture" means the Indenture of Trust dated as of September 1, 1981 between the Issuer and the Trustee, as approved by this Bond Ordinance and as the same may be supplemented and amended from time to time in accordance with its terms.

"Issuer" means the City of Urbana, Champaign County, Illinois.

"Note" means the \$640,000 principal amount First Mortgage Note dated as of the date of the Bonds from the Company to the Issuer.

"Project" means the economic development project described and defined as the Project in the Agreement.

"Trustee" means the Trustee under the Indenture, Busey First National Bank, Urbana, Illinois, its successors and assigns, or any successor trustee appointed pursuant to the Indenture.

2. The Issuer does hereby authorize the loaning of the proceeds of the Bonds to the Company to finance the costs of the acquisition, construction and installation of the Project as contemplated by the Agreement and does hereby determine that such financing is in furtherance of the public purposes set forth in the Act.

3. To provide for the financing of the costs of acquisition, construction and installation of the Project, the Issuer does hereby authorize the issuance of industrial revenue bonds of the Issuer pursuant to the Act, to be designated "City of Urbana, Champaign County, Illinois, Industrial Revenue Bonds, Series A (SLM Instruments, Inc. Project)," in the aggregate principal amount of \$640,000 to have such terms and provisions as are provided in the Indenture.

4. The Bonds shall be issuable as fully registered Bonds in the denomination of \$5,000 and any integral multiple thereof. The Bonds shall be lettered R and shall be numbered separately from 1 upward.

A single Bond in the amount of \$640,000 is hereby authorized. Such single Bond may be converted to Bonds in the denomination of \$5,000 and any integral multiple thereof pursuant to and in accordance with the Indenture.

The Bonds shall be dated not earlier than September 1, 1981 and not later than the date of the sale and delivery of the Bonds to the Original Purchaser thereof, and shall mature as provided in the Indenture, and shall bear interest at the rate per annum as set forth in the Indenture, determined and calculated as follows:

$$\text{Base Interest Rate} \times \left[1 + \left[\frac{46\% - \text{Marginal Tax Rate}}{46\%} \right] \right],$$

where the "Base Interest Rate" shall mean and is hereby defined as the rate per annum equal to sixty-five percent (65%) of the sum of the interest rate established and determined by the auction average on a discount basis for United States Treasury Bills having

maturities of twenty-six (26) weeks, issued on or immediately prior to any interest payment date, plus four and one-half percent (4.5%); and where the "Marginal Tax Rate" shall mean and is hereby defined as the maximum marginal rate of Federal income taxation applicable to corporate income under Section 11 of the Internal Revenue Code or any successor provision. (As of this date the maximum marginal rate of Federal income taxation applicable to corporate income is forty-six percent (46%).)

The Bonds (i) shall be executed in such manner as is provided in the Indenture, (ii) shall be limited obligations of the Issuer and shall never constitute nor give rise to a pecuniary liability of such Issuer or a charge against its general credit or taxing powers and (iii) are payable solely from the payments to be made by the Company pursuant to the Agreement and the Note otherwise as provided in the Indenture.

The Bonds shall be subject to redemption prior to maturity, shall be payable in such medium of payment at such place or places at such times and shall have such other terms, covenants, conditions and provisions as are provided in the Indenture.

5. Pursuant to the Agreement, the Company is obligated among other things to pay an amount necessary in each year to pay principal of, premium, if any, and interest on the Bonds. The maintenance and repair costs of the Project, all taxes in connection therewith and other charges, and all costs of maintaining proper insurance, all as specified in the Indenture, will be assumed and paid by the Company, and, accordingly, the Issuer has no obligation with respect thereto and all such costs, expenses, taxes and charges shall be paid by the Company as provided in the Indenture.

6. The Indenture and the Agreement, in substantially the forms submitted to this meeting, are hereby authorized and approved; the Mayor of the Issuer is hereby authorized and directed to execute and deliver the Agreement and the Indenture and the City Clerk of the Issuer is authorized and directed to attest such execution and to affix the seal of the Issuer to such instruments, both with such changes therein as are not inconsistent with this Bond Ordinance and as are approved by the Mayor, the execution or acceptance thereof, as the case may be, to constitute conclusive evidence of such approval.

7. The sale of the Bonds pursuant to the terms and provisions of the Bond Purchase Agreement to the Original Purchaser named or referred to therein at a price of at least 100% of the aggregate principal amount thereof, plus accrued interest, if any, from the date of the Bonds to the date of delivery thereof to the Original Purchaser of the Bonds is hereby authorized and approved, and the Mayor is hereby authorized and directed to execute and deliver the Bond

Purchase Agreement and the City Clerk is authorized and directed to attest such execution and to affix the seal of the Issuer to such instrument, with such changes therein as are not inconsistent with this Bond Ordinance and as are approved by the Mayor, the execution thereof to constitute conclusive evidence of such approval.

8. The Mayor and City Clerk of the Issuer are hereby authorized and directed to execute and deliver the Bonds in accordance with the Indenture and the Bond Purchase Agreement and to execute and deliver all other documents and instruments which may be desirable or necessary in connection with the Bond Purchase Agreement, the Agreement, the Indenture, the Bonds, or otherwise, in order to give effect to this Bond Ordinance.

9. That all acts and doings of the officers of the Issuer which are in conformity with the purposes and intent of this Bond Ordinance and in furtherance of the issuance and sale of the Bonds, in the aggregate principal amount of \$640,000, the acquisition, construction and installation of the Project, and the loaning of the proceeds of the Bonds to the Company be, and the same hereby are, in all respects, approved and confirmed.

10. That the provisions of this Bond 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.

11. That all ordinances, resolutions, orders and any parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

12. This Bond Ordinance shall be effective immediately upon its passage and approval.

PASSED by the City Council this 21st day of September, 1981.


Ruth S. Brookens
Ruth S. Brookens, City Clerk

APPROVED by the Mayor this 24th day of September, 1981.

Jeffrey T. Markland
Jeffrey T. Markland, Mayor