

ORDINANCE NO. 8283-4

AN ORDINANCE PROVIDING FOR THE FINANCING BY THE CITY OF URBANA, ILLINOIS, OF AN INDUSTRIAL PROJECT IN ORDER THAT URBANA - RED WHEEL, INC. MAY BE PROVIDED WITH FACILITIES TO ENCOURAGE DEVELOPMENT OF THE MUNICIPALITY: AUTHORIZING AND PROVIDING FOR THE ISSUANCE BY SAID CITY OF URBANA, ILLINOIS OF ITS INDUSTRIAL PROJECT REVENUE BOND (URBANA - RED WHEEL, INC. PROJECT) WHICH WILL BE PAYABLE SOLELY FROM THE RECEIPTS FROM A LOAN AGREEMENT: AUTHORIZING THE EXECUTION AND DELIVERY OF AN ASSIGNMENT AND AGREEMENT AS SECURITY FOR THE PAYMENT OF SAID BOND: CONFIRMING SALE OF SAID BOND TO THE PURCHASER THEREOF: AND RELATED MATTERS.

WHEREAS, the City of Urbana is authorized and empowered 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 from time to time supplemented and amended (collectively the "Act" or the "Enabling Ordinance"), to finance in whole or in part the cost of the acquisition, purchase, construction, reconstruction, improvement, equipping, betterment or extension of any industrial (including commercial projects) project in order to encourage development of the municipality and achieve one or more of the public policy purposes set forth in the Act; and

WHEREAS, the City of Urbana has heretofore entered into a Memorandum of Intent dated June 21, 1982, with Urbana - Red Wheel, Inc., an Illinois corporation (the "Borrower") pursuant to Resolution No. 8182-R50 adopted by this City Council; and

WHEREAS, the Project will increase employment opportunities, retain employment opportunities, encourage and increase

commerce and promote the health, safety and welfare of the City of Urbana, Illinois; and

WHEREAS, the Issuer proposes to sell the revenue bond hereinafter authorized upon a negotiated basis to the Purchaser;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS, AS FOLLOWS:

DEFINITIONS

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

"Acquisition and Construction Fund" means the City of Urbana, Illinois Acquisition and Construction Fund created by Section 5 hereof.

"Assignment" means the Assignment and Agreement dated as of the Dated Date by and between the Issuer and the Assignee.

"Bond" means the \$220,000 principal amount Industrial Project Revenue Bond (Urbana - Red Wheel, Inc. Project) issued under and pursuant to this Bond Ordinance.

"Bond Fund" means the City of Urbana, Illinois Bond Fund created in Section 7 hereof and designated in the form of Bond hereinafter set forth.

"Bond Ordinance" means this Ordinance.

"Bond Purchase Agreement" means the Bond Purchase Agreement dated as of the Dated Date between the Issuer and the Purchaser.

"Borrower" means Urbana - Red Wheel, Inc., an

Illinois corporation, and any successors and assigns.

"Code" means the Internal Revenue Code of 1954, as amended and supplemented.

"Dated Date" means July 1, 1982.

The term "default" means those defaults, exclusive of any period of grace, specified in and defined in Section 11 hereof.

The term "event of default" means those events specified in and defined in Section 11 hereof.

The words "hereof," "herein," "hereunder," and other words of similar import refer to this Ordinance as a whole.

"Interest Rate" means twelve and three-fourths percent (12.75%) per annum.

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

"Loan Agreement" means the Loan Agreement dated as of the Dated Date by and between the Issuer and the Borrower, including the Note of the Borrower executed and delivered pursuant thereto, as from time to time amended and supplemented.

"Mortgage" means the Mortgage and Security Agreement dated as of the Dated Date from the Borrower to the Issuer.

"Note" means the Promissory Note of the Borrower substantially in the form set forth in Exhibit C to the Loan Agreement.

"Overdue Rate" means the prime interest rate as defined and established daily by the Bank of Illinois in Champaign, Champaign, Illinois, an Illinois Banking corporation, which rate may change from day to day.

"Person" means natural persons, partnerships, associations, corporations and public bodies.

"Principal Amount" means \$220,000.

"Project" means the Building, Project Equipment and Project Site to be financed with the proceeds of the Bond, as each term is defined and described in the Loan Agreement.

"Purchaser" means Bank of Illinois in Champaign, Champaign, Illinois, an Illinois banking corporation, with its principal office at 100 West University Avenue, Champaign, Illinois 61820.

AUTHORIZATION OF THE PROJECT

Section 2. That in order to promote the general welfare of the City of Urbana, Illinois and its inhabitants by increasing employment opportunities, retaining employment opportunities, encouraging and increasing commerce, the Project shall be and is hereby authorized to be financed as described herein. It is hereby found and declared that the financing of the Project and the use thereof by the Borrower as hereinafter provided is necessary to accomplish the public purposes described in the preamble hereto and in the Act.

AUTHORIZATION AND PAYMENT OF BOND

Section 3. That for the purpose of financing the cost of said Project there shall be and there is hereby authorized to be issued by the Issuer, its Industrial Project Revenue Bond (Urbana - Red Wheel, Inc. Project), in the Principal Amount dated the date of issuance thereof, and payable to the order of the Purchaser or to bearer in the amounts and on the dates

set forth in the Schedule of Payments attached to the form of the Bond in Section 4 hereof and bearing interest on the unpaid principal at the Interest Rate payable in quarterly installments as set forth in the Schedule of Payments attached to the Note following the date of the Bond; provided however that from and after any Effective Date of Taxability as defined in the Loan Agreement the Bond shall bear interest at the Overdue Rate. Interest shall be computed on the basis of a year of 360 days with 30-day months, from the date hereof until maturity on the principal amount from time to time remaining unpaid.

The Bond shall bear interest on any overdue principal and interest at the Overdue Rate until paid.

Upon written notice given by the Borrower on behalf of the Issuer, at least thirty business days prior to the installment payment date, the principal installments of the Bond are subject to prepayment on any interest payment date after (date of Bond), 1987, being the fifth year from the date of the Bond, in whole or in part in the inverse order of their maturity at a prepayment price of par plus accrued interest to the prepayment date and a prepayment premium (expressed as percentages of the principal amount) set forth in the table below:

<u>Period of Prepayment</u>	<u>Prepayment Amount</u>
(61st month), 1987 to (72nd month), 1988, inclusive	2.5%
(73rd month), 1988 to (84th month), 1989, inclusive	2.0%
(85th month), 1989 to (96th month), 1990, inclusive	1.5%
(97th month), 1990 to (108th month), 1991, inclusive	1.0%
(109th month), 1991 to (120th month), 1992, inclusive	.5%

If other funds in an amount in excess of \$1,000 shall become available in the Bond Fund, and are not otherwise required to be applied to the payment of Bond, the Purchaser shall, with-

out notice from the Borrower or the Issuer, promptly, but in any event within fifteen business days from the receipt of such funds, and after giving notice as hereinabove specified, apply such funds to the prepayment of the Bond at the prepayment price set forth above, and shall give notice to the Borrower of such prepayment. All principal installments of the Bond or portion thereof designated for prepayment will cease to bear interest on the specified prepayment date, provided funds for their prepayment are on deposit at the place of payment at that time.

The principal installments of and interest on the Bond shall be payable to the order of the Purchaser or its assigns in lawful money of the United States of America at the principal office of the Purchaser. The Purchaser shall at least annually note on the Payment Record attached as Schedule A to the Bond the date and amount of payment of each principal installment and interest then being paid and of interest theretofore paid and not yet noted thereon and upon request of the Borrower or the Issuer, the Bond shall be available for inspection by the Borrower or the Issuer at the principal office of the Purchaser. The Bond is nontransferrable by the Purchaser, except as a whole and after notice in writing to the Borrower and the Issuer of such transfer.

The Bond shall be signed by the Mayor and attested by the City Clerk of the Issuer and the corporate seal of the Issuer shall be affixed thereto.

The Bond, together with interest thereon, shall be a limited obligation of the Issuer secured by a mortgage and payable solely from the receipts derived from the Loan Agreement (except to the extent paid out of moneys attributable to the Bond

proceeds or the income from the temporary investment thereof) and shall be a valid claim of the owner thereof only against the Bond Fund and other moneys held by the Purchaser and the receipts derived from the Loan Agreement, which receipts shall be used for no other purpose than to pay the principal installments of, and interest on the Bond, except as may be otherwise expressly authorized in this Ordinance. The Bond and the obligation to pay interest thereon does not now and shall never constitute an indebtedness or a loan of credit of the Issuer, the State of Illinois or any political subdivision thereof, or a charge against their general taxing powers, within the meaning of any constitutional or statutory provisions of the State of Illinois, but shall be secured by a mortgage and payable solely from the receipts from the Loan Agreement. Without limiting the foregoing, the Issuer makes no representation that interest on the Bond is or will continue to be exempt from federal income taxation, and expressly disclaims any liability for absence or loss of any such exemption for any reason whatsoever.

BOND FORM

Section 4. That the Bond and Payment Record - Schedule "A" shall be in substantially the following form with appropriate insertions of names, interest rates and maturities:

THIS BOND MAY BE TRANSFERRED
ONLY AS A WHOLE

UNITED STATES OF AMERICA

STATE OF ILLINOIS

COUNTY OF CHAMPAIGN

CITY OF URBANA, ILLINOIS

PAYABLE BY THE ISSUER SOLELY AND ONLY FROM RECEIPTS
DERIVED FROM THE LOAN AGREEMENT HEREIN DEFINED

Industrial Project Revenue Bond
(Urbana - Red Wheel, Inc. Project)

R-1

\$220,000

THE CITY OF URBANA, ILLINOIS, a municipality of the State of Illinois, created and existing under the Constitution and laws of the State of Illinois (the "Issuer"), for value received promises to pay solely and only from the source and as hereinafter provided, to the order of Bank of Illinois in Champaign, Champaign, Illinois, or its assigns, the principal sum of: TWO HUNDRED TWENTY THOUSAND DOLLARS (\$220,000) payable in the amounts and on the dates set forth in the Schedule of Payments attached hereto and bearing interest on the unpaid principal installments at the rate of twelve and three-fourths percent (12.75%) per annum (the "Interest Rate") payable in the amounts and on the dates set forth in the Schedule of Payments attached hereto; provided however that from and after any Effective Date of Taxability as defined in the hereinafter described Loan Agreement, this Bond shall bear interest at the prime interest rate as defined and established daily by the Bank of Illinois in Champaign, Champaign, Illinois, an Illinois Banking corporation, which rate may change from day to day. Interest shall be computed on the basis of a year of 360 days with 30-day months

from the date hereof until maturity on the principal amount from time to time remaining unpaid. This Bond shall bear interest on any overdue principal and interest at the prime interest rate as defined and established daily by the Bank of Illinois in Champaign, Champaign, Illinois, an Illinois Banking corporation, which rate may change from day to day (the "Overdue Rate"). Both principal hereof and interest hereon are payable in immediately available funds at the principal office of Bank of Illinois in Champaign, Champaign County, Illinois (the "Purchaser").

Payments of principal and interest, including prepayments of principal installments, shall be annually noted on the Payment Record - Schedule "A" made a part of this Bond as provided in the Bond Ordinance hereinafter identified pursuant to which this Bond is issued.

This Bond is issued in the principal sum of \$220,000 pursuant to the provisions of 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 from time to time supplemented and amended (the "Act"), and to Ordinance No. 8283-_____ passed by the City Council of the City of Urbana on _____, 1982 (the "Bond Ordinance") duly adopted by the City Council of the Issuer for the purpose of providing funds to finance the cost of the equipping of a restaurant facility (hereinafter called the "Project") and paying expenses incidental thereto, to the end that the Issuer may increase employment opportunities, retain employment opportunities, encourage and increase commerce within or within ten miles of the City of Urbana, Illinois. The proceeds of this Bond will be used by the Issuer to pay or reimburse Urbana - Red Wheel, Inc., an

Illinois corporation, (hereinafter called the "Borrower") for the costs of the Project, under the terms of a Loan Agreement dated as of July 1, 1982 (which agreement, as from time to time supplemented and amended, is hereinafter referred to as the "Loan Agreement").

This Bond is secured by a pledge and assignment of receipts derived by the Issuer pursuant to the Loan Agreement, the \$220,000 Promissory Note of the Borrower dated the date hereof (the "Note") and a mortgage and security agreement on the Project, as more fully described in the Bond Ordinance. Reference is made to the Bond Ordinance for a description of the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Issuer, the rights of the owners of this Bond, and the terms on which this Bond is or may be issued and to all the provisions of which the owner hereof by the acceptance of this Bond assents.

Upon written notice given by the Borrower on behalf of the Issuer the principal installments of this Bond are subject to prepayment on any interest payment date after _____, 1987, being the fifth year from the date of this Bond, in whole or in part in the inverse order of their maturity at a prepayment price of par plus accrued interest to the prepayment date and a prepayment premium (expressed as percentages of the principal amount) set forth in the table below:

<u>Period of Prepayment</u>	<u>Prepayment Amount</u>
(61st month), 1987 to (72nd month), 1988, inclusive	2.5%
(73rd month), 1988 to (84th month), 1989, inclusive	2.0%
(85th month), 1989 to (96th month), 1990, inclusive	1.5%
(97th month), 1990 to (108th month), 1991, inclusive	1.0%
(109th month), 1991 to (120th month), 1992, inclusive	.5%

All principal installments of this Bond or portion thereof designated for prepayment will cease to bear interest on the specified prepayment date, provided funds for their prepayment are on deposit at the place of payment at that time.

This Bond is issued pursuant to and in full compliance with the Constitution of the State of Illinois, the Act, and the Bond Ordinance. This Bond and the obligation to pay interest hereon are limited obligations of the Issuer, secured by a mortgage and security agreement and payable solely out of the receipts derived by the Issuer from the Loan Agreement, and otherwise as provided in the Bond Ordinance and the Loan Agreement. This Bond and the obligation to pay interest hereon shall not be deemed to constitute an indebtedness or a loan of credit of the Issuer, the State of Illinois or any political subdivision thereof, or a charge against their general taxing powers, within the meaning of any constitutional or statutory provision of the State of Illinois. Without limiting the foregoing, the Issuer makes no representation that interest on the Bond is or will continue to be exempt from federal income taxation, and expressly disclaims any liability for absence or loss of any such exemption for any reason whatsoever. Pursuant to the provisions of the Loan Agreement, payments sufficient for the prompt payment when due of the principal installments of and interest on this Bond are to be paid by the Borrower to the Purchaser for the account of the Issuer and deposited in a special account created by the Issuer and designated "City of Urbana, Illinois Bond Fund (Urbana - Red Wheel, Inc. Project)," and all receipts under the Loan Agreement

have been duly pledged and assigned to the Purchaser for that purpose under the Bond Ordinance to secure payment of such principal installments and interest.

In certain events, on the conditions, in the manner and with the effect set forth in the Bond Ordinance, the principal installments of this Bond may become or may be declared due and payable before the stated maturity thereof, together with interest accrued thereon.

Modifications, alterations or amendments of the provisions of the Bond Ordinance may be made only to the extent and in the circumstances permitted by the Bond Ordinance.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Constitution of Illinois or by the Act to happen, exist and be performed precedent to and in the issuance of this Bond have happened, exist and have been performed in due time, form and manner as required by law.

IN WITNESS WHEREOF, the City of Urbana, Champaign County, Illinois, by its City Council, has caused this Bond to be signed on its behalf by its Mayor and attested by its City Clerk and the corporate seal of said Issuer to be affixed hereto, all as of _____, 1982.

CITY OF URBANA, ILLINOIS

By _____
Mayor

(SEAL)

Attest:

City Clerk

Schedule A

PAYMENT RECORD

<u>Date</u>	<u>Principal Payment</u>	<u>Balance Due</u>	<u>Interest Payment</u>	<u>Rate of Interest</u>	<u>Authorized Official Title</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

[End of Bond Form]

The Bond shall be subject to prepayment prior to maturity at the times, in the manner, and with the effect set forth above in the form of the Bond and otherwise as set forth in this Bond Ordinance and the Loan Agreement; provided, however, that no prepayment premium as above set forth in the table for months 61 through 120 in the form of the Bond shall be applicable in the event there occurs a "Determination of Taxability", as set forth in Section 6.6 of the Loan Agreement, and only in the case such Determination of Taxability shall arise out of, or result from, or in connection with, some act, omission, or fault of the Borrower; otherwise such prepayment premium is to apply during the period set forth in such table.

CUSTODY AND APPLICATION OF PROCEEDS
OF BOND: ACQUISITION AND CONSTRUCTION FUND

Section 5. There is hereby created and established with the Purchaser, which is hereby constituted and appointed as depository for the Issuer, a special fund in the name of the Issuer to be designated "City of Urbana, Illinois Acquisition and Construction Fund (Urbana - Red Wheel, Inc. Project)". The proceeds received by the Issuer upon the sale of the Bond shall be deposited in the Acquisition and Construction Fund which shall be held in a separate account by the Purchaser as depository. Moneys in the Acquisition and Construction Fund shall be expended in accordance with the provisions of the Loan Agreement, and particularly Section 3.6 thereof.

The Purchaser, as depository, shall keep and maintain adequate records pertaining to the Acquisition and Construction Fund and all disbursements therefrom, and after the Project has been completed and a certificate of payment of all costs filed as provided in this Section, the Purchaser shall deliver copies of such records to the Issuer and the Borrower.

The completion of the Project and payment of all costs and expenses incident thereto shall be evidenced by the filing with the Issuer and the Purchaser of a certificate of the Authorized Borrower Representative required by Section 3.7 of the Loan Agreement. Any moneys thereafter remaining in the Acquisition and Construction Fund shall be applied in accordance with Section 3.6 of the Loan Agreement.

PAYMENT OF AMOUNTS UNDER THE LOAN AGREEMENT

Section 6. It is the declared intention of the Issuer to authorize the disbursement of the proceeds of the Bond in order to finance the acquisition, construction and installation of the Project pursuant to the Loan Agreement in substantially the form which has been presented to and is hereby approved by the City Council of the Issuer.

The Mayor is hereby authorized to execute and acknowledge the Loan Agreement for and on behalf of the Issuer, and the City Clerk is hereby authorized to attest same and to affix thereto the corporate seal of the Issuer.

The Loan Agreement and the Note and the receipts therefrom, including all moneys received under their terms and conditions are intended to be sufficient to pay the principal installments of and interest on the Bond hereby authorized and are hereby pledged and ordered paid into the Bond Fund. The Loan Agreement provides that the Borrower shall remit (or cause to be remitted or paid) the required payments thereunder directly to the Purchaser for the account of the Issuer for deposit in said Bond Fund and such provision is hereby expressly approved.

RECEIPTS: BOND FUND

Section 7. Notwithstanding any provision of this Bond Ordinance or the Loan Agreement to the contrary, the Bond and all payments required of the Issuer hereunder are not general obligations of the Issuer but are special and limited obligations secured by a mortgage and security agreement and are payable by the Issuer solely and only out of the receipts derived from the Loan

Agreement and the Note and otherwise as provided herein and therein.

There is hereby created by the Issuer and ordered established with the Purchaser as depository, a special fund to be designated "City of Urbana, Illinois Bond Fund (Urbana - Red Wheel, Inc. Project)" (herein sometimes referred to as the "Bond Fund"), which shall be used to pay the principal installments of and the interest on the Bond.

There shall be deposited into the Bond Fund, as and when received, (a) a sum equal to the accrued interest paid by the purchaser of the Bond, if any; (b) all prepayments specified in Article IV of the Loan Agreement; (c) all payments and other amounts paid by the Borrower pursuant to Section 3.3 of the Loan Agreement; and (d) all other moneys received by the Purchaser under and pursuant to any of the provisions of the Loan Agreement and the Note. The Purchaser is authorized and directed to apply amounts available therefor in the Bond Fund to the payment when due of the principal of and interest on the Bond.

The Issuer covenants and agrees that should there be a default under the Loan Agreement, the Issuer shall fully cooperate with the Purchaser and with the owners of the Bond to enforce the obligations of the Borrower under the Loan Agreement, the Mortgage and the Note to the end of fully protecting the rights and security of such owners. Nothing herein shall be construed as requiring the Issuer to use any funds or receipts from any source other than funds and receipts derived from the Loan Agreement and the Note, or to undertake to perform the obligations of the Borrower under the Loan Agreement or the Note

including without limitation the obligation to complete the Project.

Any amounts remaining in the Bond Fund, after payment in full of the principal installments of and interest on the Bond (or provision for payment thereof as provided in this Ordinance) and the charges and expenses of the Purchaser, shall be paid to the Borrower upon the expiration or sooner termination of the term of the Loan Agreement.

ASSIGNMENT

Section 8. As security for the due and punctual payment of the principal installments of and interest on the Bond hereby authorized the Issuer hereby assigns and pledges to the Purchaser all receipts derived by the Issuer pursuant to the Loan Agreement and the Note (except any payment made pursuant to Section 6.5 of the Loan Agreement relating to indemnification of the Issuer by the Borrower) and all rights and remedies of the Issuer under the Loan Agreement and the Note and the Mortgage to enforce payment thereof including a mortgage and security interest in the Project and evidence of such assignment, pledge and of the agreement of the Purchaser to accept its responsibilities with respect to the Bond Fund created pursuant to Section 7 hereof, the Mayor is hereby authorized to execute for and on behalf of the Issuer, the Assignment and the City Clerk is hereby authorized to attest the same and to affix thereto the corporate seal of the Issuer, and the Mayor and City Clerk are authorized and directed to cause the Assignment to be executed by the Purchaser (such execution to be effective notwithstanding any failure of the Purchaser to in

fact effect such execution), with the Assignment to be in substantially the form which has been presented to and is hereby approved by the governing body of the Issuer.

INVESTMENTS; ARBITRAGE

Section 9. Any moneys held as part of the Acquisition and Construction Fund created pursuant to Section 5 hereof or as part of the Bond Fund created pursuant to Section 7 hereof, may be invested or reinvested on the direction of the Borrower, in accordance with the provisions of Section 3.10 of the Loan Agreement. Any such investment shall be held by or under control of the Purchaser and shall be deemed at all times a part of the fund from which such investment was made and the interest accruing thereon and any profit realized from such investments shall be credited to such fund, and any loss resulting from such investments shall be charged to such fund, which loss shall be an obligation of the Borrower as provided in the Loan Agreement.

As and when any amount invested pursuant to this Section may be needed for disbursement, the Borrower may direct the Purchaser to cause a sufficient amount of the investments to be sold and reduced to cash to the credit of such funds regardless of the loss on such liquidation.

With respect to Section 103(c) of the Code, the Borrower has made certain certifications and representations to the Issuer in Section 3.11 of the Loan Agreement, which certifications and representations by this reference are incorporated herein and made a part hereof and the governing body of the Issuer, acting in reliance on such certifications and representations, adopts and ratifies such certifications and representations and hereby

covenants with the purchaser and the owners of the Bond that so long as any principal installment of the Bond remains unpaid, the City Council of the Issuer will not take or authorize the taking of any action which will cause the Bond to be classified as an "arbitrage bond" within the meaning of Section 103(c) of the Code and any lawful regulations promulgated or proposed thereunder, including Section 1.103-13 and Section 1.103-14 of the Income Tax Regulations (26 CFR Part 1) as the same presently exist, or may from time to time hereafter be amended, supplemented or revised. For purposes of certifying as to matters of arbitrage, the Mayor is hereby designated an officer responsible for issuing the Bond.

GENERAL COVENANTS

* Section 10. The Issuer covenants that it will promptly cause to be paid solely and only from the source mentioned in the Bond, the principal installments of and interest on the Bond hereby authorized at the place, on the dates and in the manner provided herein and in the Bond according to the true intent and meaning thereof. The Bond and the obligation to pay interest thereon are limited obligations of the Issuer, secured by a mortgage and security agreement and payable solely out of the receipts derived by the Issuer from the Loan Agreement and otherwise as provided herein and in the Loan Agreement. The Bond and the obligation to pay interest thereon shall not be deemed to constitute an indebtedness or a loan of credit of the Issuer, the State of Illinois or any political subdivision thereof, or a charge against their general taxing powers, within the meaning of any constitutional or statutory provision of the State of Illinois. The Issuer covenants that it will faithfully perform at

all times any and all covenants, undertakings, stipulations and provisions contained in this Bond Ordinance, in the Bond and in all proceedings of its City Council pertaining thereto. The Issuer covenants that it is duly authorized under the Constitution of the State of Illinois, including particularly and without limitation the Act, to issue the Bond authorized hereby, and to pledge and assign the receipts hereby pledged and assigned in the manner and to the extent herein set forth; and that all action on its part for the issuance of the Bond has been duly and effectively taken and that the Bond is and will be a valid and enforceable limited obligation of the Issuer according to the true intent and meaning thereof.

The Issuer covenants that it will execute, acknowledge and deliver such instruments and other documents as the owners of the Bond or the Purchaser may reasonably require for the better assuring, granting, pledging and assigning unto the Purchaser the interest of the Issuer in the Loan Agreement and the Note as well as the rights of the Issuer in and to the receipts hereby assigned and pledged to the payment of the principal installment of and interest on the Bond. The Issuer covenants and agrees that, except as herein and in the Loan Agreement provided, it will not sell, convey, mortgage, encumber or otherwise dispose of any part of the receipts derived from the Loan Agreement and the Note or of its rights under the Loan Agreement and the Note.

The Issuer covenants and agrees that all books and documents in its possession relating to the receipts derived from the Loan Agreement and the Note shall at all reasonable times be open to inspection by the owners of the Bond or such accountants

or other agencies as such owners may from time to time designate.

EVENTS OF DEFAULT AND REMEDIES

Section 11. If any of the following events occur it is hereby defined as and declared to be and to constitute an "event of default";

(a) Default in the due and punctual payment of any interest on the Bond or of any principal installments of the Bond, whether at the stated maturity thereof, or upon proceedings for prepayment thereof.

(b) Any event of default under Section 7.1 of the Loan Agreement shall have occurred.

Upon the occurrence of an event of default and so long as such event is continuing, the Purchaser by notice in writing delivered to the Issuer and the Borrower, may declare the principal installments of the Bond and the interest accrued thereon immediately due and payable, and such principal installments and interest shall thereupon become and be immediately due and payable. Upon any such declaration all payments under the Loan Agreement and the Note from the Borrower immediately shall become due and payable as provided in Section 7.2 of the Agreement.

While any principal installments of the Bond or interest are unpaid, the Issuer shall not exercise any of the remedies on default specified in Section 7.3 of the Loan Agreement without prior written consent of the Purchaser.

Upon the occurrence of an event of default, the Purchaser may pursue any available remedy at law or in equity by suit, action, mandamus or other proceeding to enforce the payment of the principal installments and interest on the Bond and to

enforce and compel the performance of the duties and obligations of the Issuer as herein set forth.

No remedy by the terms of this Ordinance conferred upon or reserved to the Purchaser is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Purchaser or to the owner hereunder or now or hereafter existing at law or in equity or by statute.

No delay or omission to exercise any right, power or remedy accruing upon any event of default shall impair any such right, power or remedy or shall be construed to be a waiver of any such event of default or acquiescence therein; and every such right, power or remedy may be exercised from time to time as often as may be deemed expedient.

All moneys received pursuant to any right given or action taken under the provisions of this Section or under the provisions of Article VII of the Loan Agreement (after payments of the costs and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Issuer, the Purchaser or the owners of the Bond) and all moneys in the Acquisition and Construction Fund at the time of the occurrence of an event of default shall be deposited in the Bond Fund and all such moneys in the Bond Fund shall be applied to the payment of the principal installments and interest then due and unpaid upon the Bond to the person entitled thereto.

Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such

times, and from time to time, as the Purchaser shall determine, but in any event within fifteen business days after deposit of such moneys in the Bond Fund. The Purchaser shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the owner of any Bond until such Bond shall be presented to the Purchaser for appropriate endorsement or for cancellation if fully paid.

Whenever all principal installments and interest on the Bond have been paid under the provisions of this Section and all expenses of the Purchaser and the Issuer have been paid, any balance remaining in the Bond Fund shall be applied to the Borrower.

With regard to any default concerning which notice is given to the Borrower under the provisions of this Section, the Issuer hereby grants the Borrower full authority for the account of the Issuer to perform or observe any covenant or obligation alleged in said notice not to have been performed or observed, in the name and stead of the Issuer with full power to do any and all things and acts to the same extent that the Issuer could do in order to remedy such default.

SALE OF THE BOND; EXECUTION OF BOND PURCHASE AGREEMENT

Section 12. The sale of the Bond (the execution and issuance of which is authorized pursuant to Section 13 hereunder) to the Purchaser at a price of the Principal Amount, plus accrued interest, if any, and payment pursuant to the Bond Purchase Agreement is hereby in all respects authorized, approved and confirmed. The Bond Purchase Agreement in substantially the form which has been presented to this City Council is hereby approved.

The Mayor is hereby authorized and directed to execute said Bond Purchase Agreement for and on behalf of the Issuer, and the City Clerk is hereby authorized to attest the same and to affix thereto the corporate seal of the Issuer.

PERFORMANCE PROVISIONS

Section 13. The Mayor and City Clerk, for and on behalf of the Issuer be, and each of them hereby is, authorized and directed to do any and all things necessary to effect the performance of all obligations of the Issuer under and pursuant to this Ordinance, the execution and delivery of the Bond and the performance of all other acts of whatever nature necessary to effect and carry out the authority conferred by this Ordinance. The Mayor and City Clerk be, and they are hereby, further authorized and directed for and on behalf of the Issuer, to execute all papers, documents, certificates and other instruments that may be required for the carrying out of the authority conferred by this Ordinance or to evidence said authority and to exercise and otherwise take all necessary action to the full realization of the rights, accomplishments and purposes of the Issuer under the Loan Agreement, the Assignment, the Bond Purchase Agreement and the Mortgage and to discharge all of the obligations of the Issuer thereunder.

NOTICES

Section 14. It shall be sufficient service of any notice or other paper on the Issuer if the same shall be duly mailed to the Issuer by registered or certified mail, postage prepaid, return receipt requested, addressed to the Issuer at City of Urbana, 400 N. Vine Street, Urbana, Illinois

61801, Attention: Mayor, or to such other address as the Issuer may from time to time file with the Purchaser and the Borrower. It shall be sufficient service of any notice or other paper on the Borrower if the same shall be duly mailed to the Borrower by registered or certified mail, postage prepaid, return receipt requested, addressed to Urbana - Red Wheel, Inc., 3022 - 45th Street, P.O. Box 1928, Highland, Indiana 46322 Attention: President, or to such other address as the Borrower may from time to time file with the Issuer and the Purchaser. It shall be sufficient service of any notice or other paper on the Purchaser if the same shall be duly mailed to the Purchaser by registered or certified mail, postage prepaid, return receipt requested, addressed to the Purchaser at Bank of Illinois in Champaign, 100 W. University Avenue, Champaign, Illinois 61820 Attention: President, or to such other address as the Purchaser may from time to time file with the Issuer and the Borrower.

**ORDINANCE A CONTRACT: PROVISIONS FOR
MODIFICATIONS, ALTERATIONS AND AMENDMENTS**

Section 15. The provisions of this Ordinance shall constitute a contract between the Issuer and the owner or owners of the Bond hereby authorized; and after the issuance of the Bond no modification, alteration, or amendment or supplement to the provisions of this Ordinance shall be made in any manner except with the written consent of the owner or owners of the Bond until such time as all principal installments of, and interest on the Bond shall have been paid in full.

SALE OF BOND

Section 16. The sale of the Bond to the Purchaser under and pursuant to the Bond Purchase Agreement is hereby approved. The Mayor and City Clerk are hereby authorized to execute and deliver the Bond Purchase Agreement for and on behalf of the Issuer.

SATISFACTION AND DISCHARGE

Section 17. All rights and obligations of the Issuer and the Borrower under the Loan Agreement, the Note, the Assignment, the Bond, the Mortgage, the Bond Purchase Agreement and this Ordinance shall terminate and such instruments shall cease to be of further effect, and the Purchaser shall cancel the Bond, deliver it to the Issuer, and deliver a copy of the cancelled Bond to the Borrower, and shall assign and deliver to the Borrower any moneys in the Bond Fund required to be paid to the Borrower under Section 7 hereof (except moneys held by the Purchaser for the payment of principal of or interest on the Bond) when:

(a) all expenses of the Issuer and the Purchaser shall have been paid;

(b) the Issuer and the Borrower shall have performed all of their covenants and promises in the Loan Agreement, the Note, the Assignment, the Bond, the Mortgage, the Bond Purchase Agreement and in this Ordinance; and

(c) all principal installments and interest on the Bond have been paid.

SEVERABILITY

Section 18. If any section, paragraph, clause or provision of this Ordinance shall be ruled by any court of

competent jurisdiction to be invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions hereof.

CAPTIONS

Section 19. The captions or headings of this Ordinance are for convenience only and in no way define, limit or describe the scope or intent of any provision of this Ordinance.

PROVISIONS IN CONFLICT REPEALED

Section 20. All ordinances, resolutions, and orders, or parts thereof, in conflict with the provisions of this Ordinance, are, to the extent of such conflict, hereby repealed, and this Ordinance shall be in full force and effect upon its passage and signing.

PASSED by the City Council this 19th day of July, 1982.

Ruth S. Broshens

City

Clerk

APPROVED by the Mayor the 19th day of July, 1982.

Jeffrey T. Mahland

Mayor