

ORDINANCE NO. 8384-38

AN ORDINANCE AUTHORIZING THE ISSUANCE OF \$350,000 IN AGGREGATE PRINCIPAL AMOUNT OF INDUSTRIAL DEVELOPMENT REVENUE BONDS (JOSEPH F. COBLE PROJECT) OF THE CITY OF URBANA, ILLINOIS, THE PROCEEDS OF WHICH SHALL BE LOANED TO JOSEPH F. COBLE TO ASSIST IN THE FINANCING OF AN INDUSTRIAL PROJECT; PROVIDING FOR THE PLEDGE OF REVENUES FOR THE PAYMENT OF SUCH BONDS; AUTHORIZING A LOAN AGREEMENT, TRUST INDENTURE, BOND PURCHASE AGREEMENT AND ASSIGNMENTS APPROPRIATE FOR THE PROTECTION AND DISPOSITION OF SUCH REVENUES AND TO FURTHER SECURE SUCH BONDS; AND AUTHORIZING OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE OF SUCH BONDS.

WHEREAS, the City of Urbana, Illinois, a municipality duly organized and validly existing under the laws of the State of Illinois (the "Issuer"), by virtue of the laws of the State of Illinois, including the Industrial Project Revenue Bond Act, Division 74 of Article 11 of the Illinois Municipal Code (ch. 24, sec 11-74-1 to 11-74-14, inclusive, Ill. Rev. Stats., 1981), as amended, is authorized and empowered among other things (a) to make a loan for the acquisition, construction and installation of an industrial project within the boundaries of the Issuer, (b) to issue and sell its revenue bonds to provide moneys for such loan, and (c) to enact this Bond Legislation and execute and deliver the assignments and agreements hereinafter identified; and

WHEREAS, this Issuing Authority has determined and does hereby confirm that the acquisition, construction and installation of the Project, as hereinafter defined, will promote the welfare of the people of the Issuer, create or preserve jobs and employment opportunities, and assist in the development of industrial activities to the benefit of the people of the Issuer, and that the Issuer, by assisting with the financing of the Project through the issuance of revenue bonds in the aggregate principal amount of \$350,000, will be acting in a manner consistent with and in furtherance of the provisions of the laws of such State, particularly the Industrial Project Revenue Bond Act, Division 74 of Article 11 of the Illinois Municipal Code (ch. 24, sec 11-74-1 to 11-74-14, inclusive, Ill. Rev. Stats., 1981), as amended.

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

Section 1. Definitions. In addition to the words and terms defined in the recitals and elsewhere in this Bond Legislation and in the Indenture, the words and terms defined

in this Section shall have the meanings herein specified unless the context or use clearly indicates another or different meaning or intent. Those words and terms not expressly defined herein and used herein with initial capitalization where rules of grammar do not otherwise require capitalization shall have the meanings assigned to them in the Agreement, as hereinafter defined.

"Act" means the Industrial Project Revenue Bond Act, Division 74 of Article 11 of the Illinois Municipal Code (ch. 24, sec 11-74-1 to 11-74-14, inclusive, Ill. Rev. Stats., 1981), as amended.

"Agreement" or "Loan Agreement" means the Loan Agreement dated as of April 1, 1984 between the Issuer and the Borrower, and any permitted amendments or supplements thereto.

"Bonds" means the Bonds authorized in Section 3 hereof.

"Bond Fund" means the Bond principal, premium and interest fund created by Section 8 hereof.

"Bondholder", "Holder" or "holder" means the person in whose name a registered Bond is registered.

"Bond Legislation" means this ordinance.

"Bond Purchase Agreement" means the Bond Purchase Agreement dated as of April 1, 1984 among the Issuer, the Trustee, the Borrower and the Original Purchaser, and any permitted amendments or supplements thereto.

"Bond Service Charges" for any time period means the principal, including any amortization or redemption requirements, interest, and redemption premium, if any, required to be paid by the Issuer on the Bonds for such time period. Any "late charge" and any payment required to be made on the Bonds with interest at the Interest Rate for Advances shall also constitute a Bond Service Charge.

"Borrower" means Joseph F. Coble, an individual residing in Illinois, and his successors and assigns.

"Code" means the Internal Revenue Code of 1954, as amended, and regulations promulgated thereunder.

"Completion Date" means the date of completion of the acquisition, construction and installation of the Project as that date shall be certified as provided in Section 3.5 of the Agreement.

"Construction Fund" means the fund created by Section 7 hereof.

"Determination of Taxability" means (i) the filing by the Borrower or any other person or entity with the Internal Revenue Service of any statement, supplemental statement or other tax schedule, return or document (whether pursuant to Treasury Regulations Section 1.103-10(b)(2)(vi)(c) or otherwise) which discloses that an Event of Taxability has occurred, or (ii) the final assertion by the Internal Revenue Service or any agent thereof to the effect that interest on the Bond is includable in the gross income for federal income tax purposes of any Holder (other than a Holder who is a "substantial user" of the Project or a "related person", as those terms are used in Section 103 of the Code), or (iii) the final adoption of legislation or regulations or a final determination, decision, decree or ruling of any judicial or administrative authority which has the effect of requiring interest on the Bonds to be included in the gross income for Federal income tax purposes of any Holder (other than a Holder who is a "substantial user" of the Project or a "related person" as those terms are used in Section 103 of the Code). For purposes of clause (ii) in the preceding sentence, an assertion by the Internal Revenue Service or any agent thereof shall be considered final when the Holder, the Issuer and the Borrower shall have received an opinion of nationally recognized bond counsel to the effect that such assertion is correct, and for purposes of clause (iii) in the preceding sentence, a decision, decree or ruling by any judicial or administrative authority shall be considered final upon the expiration or waiver of all periods for judicial review or appeal, as the case may be.

"Eligible Investments" means (i) any bonds or other direct obligations of the United States of America; (ii) obligations of the Federal National Mortgage Association or the Government National Mortgage Association; (iii) obligations of the Federal Intermediate Credit Banks; (iv) obligations of Federal Banks for Cooperatives; (v) obligations of Federal Land Banks; (vi) obligations of the Federal Financing Bank; (vii) bank repurchase agreements issued by a Federal Reserve member bank, including the Trustee, fully secured by obligations of any of the kinds specified in clauses (i) through (vi) above; (viii) time deposits, certificates of deposit or bankers acceptances of banks or trust companies, including the

Trustee, organized under the laws of the United States of America or any state thereof, which have combined capital and earned and unearned surplus of at least \$25,000,000 in dollars of the United States of America; (ix) commercial paper (including that of an affiliate of the Trustee) or finance company paper which is rated not less than prime-one or A-1 or their equivalents by Moody's Investors Service, Inc., or Standard & Poor's Corporation, respectively, or their successors, or both, if rated by both; (x) obligations, of any state of the United States of America or of any political subdivision or other instrumentality of any such state, which are rated at least "A" or its equivalent by either Moody's Investors Service, Inc., or Standard & Poor's Corporation, or their successors, or both, if rated by both; (xi) passbook savings accounts; or (xii) interests in any money market funds investing exclusively in obligations identified in clauses (i) through (x) hereof.

"Event of Taxability" means the occurrence of circumstances which a Determination of Taxability shall have found to have occurred, or which shall constitute a Determination of Taxability, and which results in the interest payable on the Bonds becoming includable in the gross income for Federal income tax purposes of any Holder (other than a Holder who is a "substantial user" of the Project or a "related person" as those terms are used in Section 103 of the Code), such occurrence of circumstances relating to a specific point in time.

"Executive" means the Mayor of the Issuer.

"Guarantors" means Joseph F. Coble and Johanna K. Coble, their heirs, successors and assigns.

"Guaranty Agreement" means the Guaranty Agreement dated as of April 1, 1984 executed by the Guarantors and accepted by the Trustee, and any permitted amendments or supplements thereto.

"Indenture" means the Trust Indenture dated as of April 1, 1984, between the Issuer and the Trustee, including this Bond Legislation as a part thereof, and any permitted amendments or supplements thereto.

"Interest Payment Date" or "interest payment date" means, with respect to the Note, the first day of each calendar month commencing May 1, 1984, and, with

respect to the Bonds, the first day of April and October, commencing October 1, 1984 and continuing semi-annually thereafter.

"Interest Rate for Advances" means 21% per annum; provided that in no event shall the Interest Rate for Advances exceed the rate permitted by law.

"Issuer" means the City of Urbana, Illinois, a municipality duly organized and validly existing under the Constitution and laws of the State of Illinois.

"Issuing Authority" means the City Council of the Issuer.

"Mortgage" means the Open-End Mortgage and Security Agreement dated as of April 1, 1984, whereby the Borrower has granted to the Trustee, as security for payment of the Note and the Bonds, a mortgage on and security interest in the Project and the Project Site, and any permitted amendments or supplements thereto.

"Note" means the Promissory Note, in the form attached as Exhibit C to the Loan Agreement, issued by the Borrower to the Issuer concurrent with the delivery of the Loan Agreement.

"Note Payments" means any and all payments of principal of and interest and prepayment premiums on the Note.

"Original Purchaser" means The Cincinnati Insurance Company, an Ohio corporation.

"Outstanding Bond" or "Bond outstanding" or "outstanding" as applied to the Bonds, means, as of any date, any Bond which has been authenticated and delivered, or is then being delivered, by the Trustee under the Indenture except:

(a) Any Bond surrendered and replaced upon exchange or transfer, or cancelled because of payment or redemption, at or prior to such date;

(b) Any Bond for the payment, redemption or purchase for cancellation of which sufficient moneys have been deposited prior to such date with the Trustee (whether upon or prior to the maturity or redemption date of any such Bonds), or which is deemed to have been paid and discharged pursuant to the provisions of Section 8.02 of the Indenture; provided that if such Bond is

to be redeemed prior to the maturity date thereof, notice of such redemption shall have been given or arrangements satisfactory to the Trustee shall have been made therefor, or waiver of such notice satisfactory in form to the Trustee shall have been filed with the Trustee; and

(c) Any Bond in lieu of which another has been authenticated (or payment, when due, of which is made without replacement) under Section 2.04 of the Indenture:

and also except that

(d) For the purpose of determining whether the holders of the requisite principal amount of Bonds have made or concurred in any notice, request, demand, direction, consent, approval, order, waiver, acceptance, appointment or other instrument or communication under or pursuant to this Indenture, Bonds owned by or for the account of the Borrower or the Guarantors shall be disregarded and deemed to be not outstanding.

"Payment in Full of the Bonds" means the first date when the Bonds are no longer deemed to be outstanding pursuant to Section 8.02 of the Indenture.

"person" means natural persons, firms, associations, corporations and public bodies.

"Pledged Receipts" means (a) the Note Payments, (b) subject to the provisions of Sections 3.04, 4.02 and 8.02 of the Indenture with respect to the Trustee holding moneys for the benefit of any Bondholder, all other moneys received by the Issuer, or the Trustee for the account of the Issuer, in respect of the Agreement or the Project, except certain expense, reimbursement and indemnity payments which are, pursuant to the provisions of the Agreement, to be made by the Borrower directly to the Issuer or the Trustee, (c) any moneys on deposit in the Construction Fund, the Bond Fund or the Reserve Fund, and (d) the income and profit from the investment of any moneys while held in the Construction Fund, the Bond Fund or the Reserve Fund.

"Project" means the Project Site and the real, personal, or real and personal property, including undivided interests or other interests therein, identified in Exhibit A to the Agreement, or acquired,

constructed or installed as a replacement or substitution therefor or an addition thereto, or as may result from a revision of the plans and specifications therefor in accordance with the provisions of the Loan Agreement or Mortgage.

"Project Site" means the real estate and interests in real estate constituting the site of and part of the Project, as described in Exhibit B to the Agreement.

"registered Bonds" means fully registered Bonds; and "fully registered Bonds" means Bonds without coupons registered as to both principal and interest.

"Reserve Fund" means the Reserve Fund created in Section 8(a) hereof.

"Reserve Fund Payments" means the amount payable by the Borrower to the Trustee, as determined by Section 4.1(d) of the Loan Agreement, which amount shall be deposited in the Reserve Fund.

"Second Mortgage" means the Second Mortgage dated as of April 1, 1984, whereby the Guarantors have granted to the Trustee, as security for payment of the Note and Bonds, a mortgage on the personal residence of the Guarantors and the land appurtenant thereto.

"State" means the State of Illinois.

"Taxable Rate of Interest" means the Interest Rate for Advances, provided that in the event that the Event of Taxability is due solely to the enactment of Amended Substitute H.R. 4170, 98th Cong., 2nd Sess. (1984) or any successor legislation, with an effective date prior to the date of enactment of such legislation and on or prior to the date of delivery of the Bonds, i.e., in the event of a retroactive effective date for such legislation, the Taxable Rate of Interest shall be equal to 14% per annum.

"Trustee" means the Trustee at the time acting as such under the Indenture, originally The Fifth Third Bank, as Trustee, and any successor Trustee as determined or designated under or pursuant to the Indenture.

Any reference herein to the Issuer, the Issuing Authority, the Trustee, or to any officer or official thereof, shall include those succeeding to their respective functions, duties or responsibilities pursuant to or by operation of law or who are lawfully performing such functions. Any reference

herein to any other person or entity shall include his or its respective successors and assigns. Any reference to a section or provision of the Code, the Illinois Constitution or to a section, provision or chapter of the Illinois Revised Statutes shall include such section or provision or chapter as from time to time amended, modified, revised, supplemented, or superseded; provided, however, that no such change shall alter the obligation to pay the Bond Service Charges in the amounts and manner, at the times, and from the sources provided in this Bond Legislation and the Indenture, except as otherwise herein permitted, or shall be deemed applicable by reason of this provision if such change would in any way constitute an impairment of the rights of the Issuer or the Borrower under the Agreement.

Unless the context shall otherwise indicate, words importing the singular number shall include the plural number, and vice versa, any pronoun shall be deemed to cover all genders, and the terms "herein", "hereof", "hereby", "hereto", "hereunder", and similar terms, mean this Bond Legislation and the Indenture and not solely the portion hereof in which any such word is used.

Section 2. Determinations of Issuing Authority. The Issuing Authority hereby finds and determines that the Project is an "industrial project" as defined in the Act and is consistent with the provisions of the Act.

Section 3. Authorization of Bonds. It is hereby determined to be necessary to, and the Issuer shall, issue, sell and deliver, as provided herein and pursuant to the authority of the Act, the Bonds in the aggregate principal amount of \$350,000 for the purpose of financing costs of acquiring, constructing and installing the Project, including costs incidental thereto and of the financing thereof, all in accordance with the provisions of the Loan Agreement and the Bond Purchase Agreement. The Bonds shall be designated "Industrial Development Revenue Bonds (Joseph F. Coble Project)".

Section 4. Terms of the Bonds. The Bonds shall be issued only in fully registered form in the denomination of \$5,000 and any integral multiple thereof. The Bonds shall be initially issued in the name of the Original Purchaser, dated as of the date of their initial delivery to the Original Purchaser, in such denominations as shall be requested by the Original Purchaser, and in substantially the form set forth therefor in the Indenture. The Bonds shall mature on April 1, 2004, subject to amortization and prior redemption. Upon any exchange or transfer and surrender of any Bond in accordance with the provisions of the Indenture, the Issuer shall execute



and the Trustee shall authenticate and deliver one or more new Bonds in exchange therefor as provided in the Indenture. Any such new fully registered Bond shall be dated as of the interest payment date next preceding the date of its authentication, except that if authenticated on an interest payment date, it shall be dated as of such date of authentication; provided that if at the time of authentication interest thereon is in default, it shall be dated as of the date to which interest has been paid. Each Bond shall be of a single maturity, except as otherwise provided in the Indenture. The Bonds shall be numbered consecutively from R-1 upwards in order of issuance.

The Bonds shall bear interest from their respective dates at a fixed rate of eleven and one-half percent (11-1/2%) per annum on the outstanding principal amount thereof. Interest on the Bonds shall be payable semiannually on April 1 and October 1, commencing October 1, 1984. Interest shall be calculated on a 360 day per year basis.

Principal on the Bonds shall be payable annually on April 1, 1985, and on each April 1 thereafter to and including April 1, 2004, in the following amounts:

<u>Principal Payment Date</u>	<u>Principal Payment Amount</u>
April 1, 1985	\$ 10,000
April 1, 1986	10,000
April 1, 1987	10,000
April 1, 1988	10,000
April 1, 1989	10,000
April 1, 1990	10,000
April 1, 1991	10,000
April 1, 1992	10,000
April 1, 1993	10,000
April 1, 1994	10,000
April 1, 1995	25,000
April 1, 1996	25,000
April 1, 1997	25,000
April 1, 1998	25,000
April 1, 1999	25,000
April 1, 2000	25,000
April 1, 2001	25,000
April 1, 2002	25,000
April 1, 2003	25,000
April 1, 2004	25,000

The principal payable on any outstanding Bond in accordance with the foregoing paragraph shall be an amount which bears the same ratio to the aggregate amount of principal

payable on all outstanding Bonds as the outstanding principal amount of such Bond bears to the aggregate outstanding principal amount of all Bonds.

The Bonds are subject to optional redemption prior to maturity, in whole or in part by lot, on April 1, 1994, or on any Interest Payment Date on the Bonds thereafter, in the event of prepayment of the Note in full or in part by the Borrower as provided by the first paragraph of Section 6.1 of the Loan Agreement. The redemption date in any such event shall be the date set by the Borrower for prepayment of the Note in accordance with the provisions of such paragraph. The redemption price in any such event shall be equal to the following percentages of the principal amount redeemed, plus in each case accrued interest to the date fixed for redemption:

<u>Prepayment Date</u>	<u>Redemption Price</u>
April 1, 1994 or October 1, 1994	105-3/4%
April 1, 1995 or October 1, 1995	104-3/4%
April 1, 1996 or October 1, 1996	103-3/4%
April 1, 1997 or October 1, 1997	102-3/4%
April 1, 1998 or October 1, 1998	101-3/4%
April 1, 1999 or October 1, 1999	100-3/4%
April 1, 2000 and thereafter	100%

The Bonds are also subject to optional redemption in whole in the event of the exercise by the Borrower of its option to prepay the Note in full as provided by the fifth paragraph of Section 6.1 of the Loan Agreement, at a redemption price of 100% of the principal balance of the Bonds outstanding on the date of redemption, plus accrued interest to the redemption date.

The Bonds shall also be callable for redemption in whole or in part by lot, upon occurrence of any of the circumstances which operate to require prepayment of the Note in whole or in part by the Borrower in accordance with the provisions of the third paragraph of Section 6.1 and the first and third paragraphs of Section 6.2 of the Loan Agreement. The redemption date in any of such events shall be the date set by the Borrower, (or in default thereof, by the Trustee) for the prepayment of the Note in whole or in part in accordance with the provisions of the Loan Agreement. The redemption price in any of such events shall be 100% of the principal amount of the Bonds to be redeemed on the date of redemption, plus accrued interest to the redemption date; provided that upon any call for redemption of the Bonds due to a Determination of Taxability, the redemption price shall be increased by an amount equal to the difference between (a)(i) the aggregate amount of interest which would have been payable on the Bonds

if the interest rate on the Bonds, commencing on the date of the Event of Taxability, had been the Taxable Rate of Interest, plus (ii) any penalties and interest payable by the Bondholders to any taxing authority as a result of the loss of the tax-exempt status of interest on the Bonds, plus (iii) all attorneys fees and other costs incurred by the Bondholders in contesting or resisting the loss of the tax-exempt status of interest on the Bonds, and (b) the aggregate amount of interest actually paid on the Bonds to the redemption date.

Notice from the Borrower to the Trustee that the Note is to be prepaid in whole or in part pursuant to the Agreement shall constitute the direction of the Issuer to the Trustee to call a portion or all, as the case may be, of the then outstanding Bonds, and no separate notice from the Issuer to the Trustee shall be required.

When less than the entire unmatured portion of the Bonds shall be called for redemption at any time or from time to time, the Bonds or portions of fully registered Bonds to be redeemed shall be selected by lot by the Trustee in such manner as the Trustee may determine.

Notice of the call for any redemption of Bonds, identifying by designation, letters, numbers, or other distinguishing marks, the Bonds (in amounts of \$5,000 or any multiple thereof) or portions of fully registered Bonds to be redeemed, the redemption price to be paid, the date fixed for redemption and the place or places where the amounts due upon such redemption are payable, shall be given by the Trustee on behalf of the Issuer by mailing a copy of the redemption notice by registered or certified mail at least thirty days prior to the date fixed for redemption to the holder or holders thereof at the address shown on the registration books kept by the Trustee; provided, however, that failure to give such notice to any Bondholder by mailing, or any defects in such notice to any Bondholder, shall not affect the validity of the proceedings for the redemption of any of the other Bonds. The holder or holders of Bonds may waive any notice of redemption in writing, and in such event, no notice of any kind need be given with respect to the Bonds of such holder or holders to be so redeemed.

Bond Service Charges on the Bonds shall be payable to the persons appearing on the registration books (as provided for in the Indenture) as the registered holders thereof, by check or draft mailed or delivered by the Trustee to such registered holders at their addresses as they appear on such registration books; provided that the final payment of principal of any Bond shall be payable at the corporate trust office of the Trustee upon presentation and surrender of such Bond.

All payments of Bond Service Charges shall be made in lawful money of the United States of America, without deduction for services as paying agent. If any Bond Service Charges are not paid when due, the Issuer shall also pay to the Trustee, for distribution to the Bondholders, a "late charge" equal to 4% of such Bond Service Charges to cover the extra expenses involved in handling delinquent payments. In addition, upon acceleration of the Bonds, the amounts payable upon such acceleration, together with interest thereon at the Interest Rate for Advances from the date of acceleration, shall continue as an obligation of the Issuer until paid. Moneys received by the Trustee as "late charges" and interest at the Interest Rate for Advances shall be paid by the Trustee to the persons holding or formerly holding Bonds which were not paid principal, premium and/or interest at the time required herein. The fact and period of holding any Bond shall be determined as provided in Section 9.01 of the Indenture.

If Bonds or portions of fully registered Bonds are duly called for redemption and if on such redemption date moneys for the redemption of all the Bonds to be redeemed, together with accrued interest to the redemption date, shall be held by the Trustee so as to be available therefor, then from and after such redemption date such Bonds or portions of fully registered Bonds shall cease to bear interest.

The Bonds shall be executed on behalf of the Issuer by the Executive of the Issuer, and attested by the City Clerk, provided that any and all of such signatures may be facsimiles, and the seal of the Issuing Authority shall be impressed thereon or a facsimile of such seal placed thereon. In case any officer whose signature or a facsimile thereof shall appear on any Bond shall cease to be such officer before the issuance, authentication or delivery of the Bonds, such signature or facsimile thereof shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until after that time.

Section 5. Security for the Bonds. As provided herein, the Bonds shall be payable solely from the Bond Fund, the Reserve Fund and the Pledged Receipts and secured by a pledge of and lien on the Pledged Receipts, the Bond Fund and the Reserve Fund, and shall be further secured by the Mortgage, the Second Mortgage, the Guaranty Agreement and the Indenture. Anything in the Bond Legislation, the Indenture, the Bonds or any other agreement or instrument to the contrary notwithstanding, neither the Bond Legislation, the Bonds, the Indenture nor the Loan Agreement shall represent or constitute a debt or pledge of the faith and credit or the taxing power of the Issuer, and each Bond shall contain on the face thereof a statement to that effect. Nothing herein shall be deemed to

prohibit the Issuer, of its own volition, from using, to the extent it may be lawfully authorized to do so, any other resources or revenues for the fulfillment of any of the terms, conditions or obligations of the Indenture, the Bond Legislation or the Bonds.

Section 6. Sale of Bonds. The Bonds are hereby sold and awarded to the Original Purchaser, in accordance with its offer therefor in the Bond Purchase Agreement, at a purchase price of 100% of the principal amount of the Bonds being purchased by it, aggregating \$350,000, plus accrued interest (if any) from the date of the Bonds to their date of delivery to the Original Purchaser. The Executive is authorized and directed to make on behalf of the Issuer the necessary arrangements with the Trustee and the Original Purchaser to establish the date, location, procedure and conditions for the delivery of the Bonds to the Original Purchaser, and to take all steps necessary to effect due execution, authentication and delivery to the Original Purchaser of the Bonds purchased by it under the terms of this Bond Legislation, the Indenture and the Bond Purchase Agreement. It is hereby determined that the price for and the terms of the Bonds, and the sale thereof, all as provided in this Bond Legislation and the Bond Purchase Agreement, are in the best interest of the Issuer and consistent with all legal requirements.

Section 7. Allocation of Proceeds of Bond - Construction Fund. There is hereby created by the Issuer and ordered maintained, as a separate deposit account (except when invested as hereinafter provided) in the custody of the Trustee, a trust fund in the name of the Issuer to be designated "City of Urbana, Illinois - Joseph F. Coble Construction Fund". All of the sums from the sale of the Bonds, except accrued interest, if any, received upon the sale of the Bonds to the Original Purchaser, shall be deposited in the Construction Fund and disbursed by the Trustee in accordance with the Loan Agreement. The Trustee is authorized and directed to make each such disbursement. The moneys to the credit of the Construction Fund (including the proceeds from the sale of investments thereof) shall, pending applications thereof as above set forth, be subject to a lien and charge in favor of the Bondholders.

Section 8. Source of Payment - Bond Fund. As provided in the Agreement, Note Payments, sufficient in time and amount to pay the Bond Service Charges as they come due, are to be paid by the Borrower directly to the Trustee for the account of the Issuer and deposited in the Bond Fund.

There is hereby created by the Issuer and ordered maintained, as a separate deposit account (except when invested as hereinafter provided) in the custody of the Trustee, a trust

fund to be designated "City of Urbana, Illinois - Joseph F. Coble Bond Fund". There are also hereby created two separate subaccounts in the Bond Fund, to be designated the "Principal Account" and the "Interest Account". Subject to the provisions of the Agreement, the Bond Fund and the moneys therein are hereby pledged to and shall be used solely and exclusively for the payment of Bond Service Charges as they fall due at stated maturity or by amortization or redemption, all as provided herein and in the Indenture and the Agreement, with Bond Service Charges representing repayment of principal on the Bonds, whether at maturity, acceleration or by mandatory or optional redemption, being paid only from the Principal Account and with Bond Service Charges representing all other amounts being paid only from the Interest Account, except as provided in Section 8.02 of the Trust Indenture relating to defeasance of the Bonds.

Except as otherwise provided in the Agreement, the Mortgage or this Bond Legislation, and except for payments to be deposited into the Reserve Fund, there shall be deposited into the Bond Fund, as and when received, all Pledged Receipts, as follows: all portions of the Note Payments representing a payment of principal, all moneys from the Reserve Fund or investment of Reserve Fund moneys transferred from the Reserve Fund or otherwise credited to the Bond Fund and any other payments received by the Trustee to be used to repay principal on the Bonds, shall be deposited into the Principal Account, and accrued interest, if any, received upon the sale of the Bonds to the Original Purchaser and all other Pledged Receipts shall be deposited into the Interest Account.

The Issuer covenants and agrees that, until Payment in Full of the Bonds, it will deposit or cause to be deposited in the Bond Fund Pledged Receipts sufficient in time and amount to pay the Bond Service Charges as the same become due and payable, and to this end the Issuer covenants and agrees that it will diligently and promptly proceed in good faith and use its best efforts to enforce the Agreement and that, should there be an event of default under the Agreement, the Issuer shall fully cooperate with the Trustee and with the Bondholders to fully protect the rights and security of the Bondholders hereunder. Nothing herein shall be construed as requiring the Issuer to use or apply to the payment of Bond Service Charges any funds other than the Bond Fund, the Reserve Fund and the Construction Fund or revenues from any source other than Pledged Receipts.

The Issuer covenants and agrees, whenever the moneys and investments in the Bond Fund and the Reserve Fund (or otherwise held by the Trustee for such purpose) are sufficient in amount to redeem the entire principal amount of the Bonds

then outstanding and to pay interest to accrue thereon to the date or dates of such redemption, and any applicable premiums, to take and cause to be taken, upon notification by the Borrower or the Trustee, the necessary steps to redeem the Bonds on the next succeeding redemption date or dates for which the required notice of call for redemption may be given.

Section 8(a). Reserve Fund. There is hereby created by the Issuer and ordered maintained, as a separate deposit account (except when invested as hereinafter provided) in the custody of the Trustee, a trust fund to be designated "City of Urbana, Illinois - Joseph F. Coble Reserve Fund" (hereinafter called the "Reserve Fund"). As provided in Section 4.1(d) of the Agreement, Reserve Fund Payments are to be paid by the Borrower directly to the Trustee for the account of the Issuer and deposited in the Reserve Fund. There shall be deposited or credited to the Reserve Fund the Reserve Fund Payments, and income earned on the investment of moneys credited to such Reserve Fund, until the balance in the Reserve Fund is equal to \$52,500. Until the principal amount of the Reserve Fund shall total \$52,500, the Trustee shall invest the moneys in the Reserve Fund as provided in Section 10 hereof and shall accumulate such income in the Reserve Fund and add such income to the principal thereof. When the principal amount of the Reserve Fund shall aggregate \$52,500, the Trustee shall credit all further income received from the investment thereof to the Principal Account of the Bond Fund.

If, on any Interest Payment Date, the balance in the Bond Fund is insufficient to pay the required Bond Service Charges, then the Trustee shall immediately transfer from the Reserve Fund to the Bond Fund an amount sufficient to make up such deficiency in the Bond Fund. With the approval of the Borrower, which approval shall not be unreasonably withheld, the Trustee may also make withdrawals from the Reserve Fund to pay the fees and expenses of the Trustee. After any such transfer as aforesaid, the Trustee shall again receive and credit Reserve Fund Payments to the Reserve Fund until the principal amount thereof shall again total \$52,500.

Section 9. Covenants of Issuer. In addition to other covenants of the Issuer in the Bond Legislation and the Indenture, the Issuer further covenants and agrees as follows:

- (a) Payment of Bond Service Charges. The Issuer will, solely from the sources herein provided, pay or cause to be paid the Bond Service Charges on the Bonds on the dates, at the places and in the manner provided herein and in the Bonds.
- (b) Performance of Covenants, Authority and Actions. The Issuer will at all times faithfully observe and



perform all agreements, covenants, undertakings, stipulations and provisions contained in the Bond Legislation, the Agreement, the Bond Purchase Agreement, the Indenture and the Bonds, and required therein to be observed and performed by the Issuer. The Issuer warrants and covenants that it is, and upon delivery of the Bonds will be, duly authorized by the Constitution and laws of the State, including particularly and without limitation the Act, to issue the Bonds, to execute the Indenture, the Bond Purchase Agreement, the Agreement and the assignment of the Note, and to provide the security for payment of the Bond Service Charges in the manner and to the extent herein and in the Indenture set forth; that all actions on its part for the issuance of the Bonds and execution and delivery of the Indenture, the Bond Purchase Agreement, the Agreement and the assignment of the Note, have been or will be duly and effectively taken; and that the Bonds will be valid, binding and enforceable special obligations of the Issuer according to the terms thereof. Each provision of the Bond Legislation, Indenture, the Bond Purchase Agreement, the Agreement and the Bonds is binding upon each such officer of the Issuer as may from time to time have the authority under law to take such actions as may be necessary to perform all or any part of the duties required by such provision; and each duty of the Issuer and of its officers undertaken pursuant to such proceedings for the Bonds is established as a duty of the Issuer and of each such officer having authority to perform such duty.

- (c) Pledged Receipts. Except as otherwise provided in the Bond Legislation, Indenture, Bond Purchase Agreement and Agreement, the Issuer will not make any pledge or assignment of or create any lien or encumbrance upon the Construction Fund, the Bond Fund, the Reserve Fund or the Pledged Receipts, other than the pledge and assignment thereof under the Bond Legislation, Indenture and Agreement.
- (d) Recordings and Filings. The Issuer will cause all necessary financing statements, amendments thereto, continuation statements and instruments of similar character relating to the pledges and assignments made by the Issuer to secure the Bonds, to be recorded or filed in such manner and in such places as and to the extent required by law in order to fully preserve and protect the security of the Bondholders and the rights of the Trustee under the Indenture; and in pursuance hereof the Borrower has covenanted to cause to be



delivered to the Trustee certain opinions of counsel, all as set forth in the Agreement.

- (e) Inspection of Project Books. All books and documents in the Issuer's possession relating to the Project or to the Pledged Receipts shall at all reasonable times be open to inspection by such employees, accountants or other agents of the Trustee as the Trustee may from time to time designate.
- (f) Maintenance of Agreement. The Issuer shall do all things and take all actions on its part necessary to comply with the obligations, duties and responsibilities on the part of the Issuer under the Agreement, and will take all actions within its authority to maintain the Agreement in effect in accordance with the terms thereof and to enforce and protect the rights of the Issuer thereunder, including actions at law and in equity, as may be appropriate.
- (g) List of Bondholders. The Issuer shall arrange to have kept on file by the Trustee at its corporate trust office a list of names and addresses of Bondholders. Neither the Issuer nor the Trustee shall be under any responsibility with regard to the accuracy of such list. At reasonable times and under reasonable regulations established by the Trustee, such list may be inspected and copied by the Borrower, or by the holders (or a designated representative thereof) of twenty-five percent or more in principal amount of Bonds then outstanding, such holding and the authority of any such designated representative to be evidenced to the satisfaction of the Trustee.
- (h) Rights under Agreement. The Trustee, in its name or in the name of the Issuer, may, for and on behalf of the Bondholders, enforce all rights of the Issuer and all obligations of the Borrower under and pursuant to the Agreement, whether or not the Issuer is in default of the pursuit or enforcement of such rights and obligations.
- (i) Arbitrage Provisions. The Issuer will restrict the use of the proceeds of the Bonds in such manner and to such extent, if any, as may be necessary, after taking into account reasonable expectations at the time the Bonds are delivered to the Original Purchaser, so that they will not constitute arbitrage bonds under Section 103(c) of the Code and the applicable regulations prescribed under that section. The Executive or any other officer having responsibility with respect to

the issuance of the Bonds is authorized and directed, alone or in conjunction with any of the foregoing or with any other officer, employee, consultant or agent of the Issuer, or any officer of the Borrower, and upon receipt of indemnities from the Borrower, to give an appropriate certificate on behalf of the Issuer, for inclusion in the transcript of proceedings for the Bonds, setting forth the facts, estimates and circumstances and reasonable expectations pertaining to such Section 103(c) and regulations thereunder.

Section 10. Investment of Bond Fund, Construction Fund and Reserve Fund Money. Moneys in the Bond Fund, the Construction Fund and the Reserve Fund shall be invested and reinvested by the Trustee in any Eligible Investments, in accordance with and subject to any written orders, or oral orders confirmed promptly in writing, of the Authorized Borrower Representative with respect thereto, provided that investments of moneys in the Bond Fund shall mature or be redeemable at the option of the Trustee at the times and in the amounts necessary to provide moneys hereunder to pay Bond Service Charges as they fall due at stated maturity or by amortization or redemption, and that each investment of moneys in the Construction Fund shall in any event mature or be redeemable at the option of the Trustee at such time as may be necessary to make timely payments from such Fund. Subject to any such orders with respect thereto, the Trustee may from time to time sell such investments and reinvest the proceeds therefrom in Eligible Investments maturing or redeemable as aforesaid. Any such investments may be purchased from the Trustee. The Trustee shall sell or redeem investments standing to the credit of the Bond Fund to produce sufficient moneys hereunder at the times required for the purposes of paying Bond Service Charges when due as aforesaid. Except as otherwise provided in Section 8(a) hereof, an investment made from moneys credited to the Bond Fund, Construction Fund or Reserve Fund shall constitute part of that respective Fund and such respective Fund shall be credited with all proceeds of sale and income or loss from such investment, provided further that all investments of any moneys credited to the Principal Account or the Interest Account of the Bond Fund shall constitute part of that respective Account, and such respective Account shall be credited with all proceeds of sale and income or loss from such investment. The Borrower has covenanted in the Agreement to restrict the use of the proceeds of the Bonds so that they will not constitute arbitrage bonds under the Code.

Section 11. Authorization of Agreement, Bond Purchase Agreement, Indenture and Assignment. In order to better secure the payment of the Bond Service Charges as the same shall become due and payable, the Executive is hereby authorized and

directed to execute, acknowledge and deliver, on behalf of the Issuer, the Agreement, the Bond Purchase Agreement, the Indenture and the assignment of the Note, in substantially the forms submitted to this Issuing Authority, which are hereby approved, with such changes therein not inconsistent with this Bond Legislation and not substantially adverse to the Issuer as may be permitted by the Act and approved by such Executive. The approval of such changes by the Executive, and that such are not substantially adverse to the Issuer, shall be conclusively evidenced by the execution of the Agreement, the Bond Purchase Agreement, the Indenture and such assignment by the Executive.

The Executive of the Issuing Authority is hereby authorized to take any and all actions and to execute such financing statements, certificates and other instruments that may be necessary or appropriate in the opinion of Peck, Shaffer & Williams, as Bond Counsel, in order to effect the issuance of the Bonds and the intent of this Bond Legislation. The appropriate officer of the Issuer shall certify a true transcript of all proceedings had with respect to the issuance of the Bonds, along with such information from the records of the Issuer as is necessary to determine the regularity and validity of the issuance of the Bonds.

This Bond Legislation shall constitute a part of the Indenture as therein provided and for all purposes of the Indenture, including, without limitation, application to this Bond Legislation of the provisions in the Indenture relating to amendment, modification and supplementation, and provisions for severability.

Section 12. Compliance with Sunshine Law. It is hereby determined that all formal actions of this Issuing Authority relating to the adoption of this Bond Legislation were taken in an open meeting of this Issuing Authority, and that all deliberations of this Issuing Authority which resulted in formal action, were in meetings open to the public, in full compliance with applicable legal requirements.

Section 13. Compliance with IRC Section 103(k). For purposes of complying with Section 103(k) of the Code the Issuing Authority hereby approves the issuance of the Bonds in the maximum aggregate principal amount of \$350,000 and the acquisition, construction and installation of the Project consisting of a commercial office and retail facility, including parking and related facilities, to be located at 905-909 North Cunningham Avenue, Urbana, Illinois, for use by the Borrower as owner.

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.

1984. PASSED by the City Council this 19<sup>th</sup> day of March

Ruth S. Brookens  
Ruth S. Brookens, City Clerk

1984. APPROVED by the Mayor this 28<sup>th</sup> day of March

Jeffrey T. Markland  
Jeffrey T. Markland, Mayor

