

ORDINANCE NO. 8586-49

AN ORDINANCE PROVIDING FOR THE FINANCING BY THE CITY OF URBANA, ILLINOIS, OF AN ECONOMIC DEVELOPMENT PROJECT IN ORDER THAT UNIVERSITY MICROELECTRONICS CENTER, INC., AN ILLINOIS CORPORATION, MAY BE PROVIDED WITH FACILITIES TO ENCOURAGE DEVELOPMENT OF THE CITY OF URBANA: AUTHORIZING AND PROVIDING FOR THE ISSUANCE BY SAID CITY OF URBANA, ILLINOIS OF ITS \$1,000,000 INDUSTRIAL PROJECT REVENUE BONDS (UNIVERSITY MICROELECTRONICS CENTER, INC. PROJECT) WHICH WILL BE PAYABLE SOLELY FROM THE RECEIPTS FROM A LOAN AGREEMENT AND OTHER SOURCES THEREIN MENTIONED: AUTHORIZING THE EXECUTION AND DELIVERY OF AN ASSIGNMENT AND AGREEMENT: CONFIRMING SALE OF THE BONDS TO THE PURCHASER THEREOF: AND RELATED MATTERS.

WHEREAS, the City of Urbana, Illinois (the "Issuer") is authorized and empowered by the Constitution of Illinois and Ordinance No. 7475-3, Ordinance Authorizing Acquisition, Construction, and Financing Pollution Control Facilities and Economic Development Projects and the Lease, Sale and Financing thereof to or for any Person, and Providing for the Issuance of Revenue Bonds and Establishing Procedures in Respect thereto, passed May 20, 1974, and approved May 21, 1974, and Ordinance No. 8081-37, an Ordinance Amending and Supplementing Ordinance No. 7475-3, passed October 6, 1980, and approved October 14, 1980, as from time to time supplemented and amended (the "Enabling Ordinance"), to finance in whole or in part the cost of the acquisition, purchase, construction, reconstruction, improvement, equipping, betterment or extension of economic development projects in order to encourage development in the City of Urbana, Illinois and achieve one or more of the public policy purposes set forth in the Enabling Ordinance; and

WHEREAS, the Project will increase employment opportunities, retain employment opportunities, encourage and increase commerce and industry and promote the health, safety and welfare within the City of Urbana, Illinois; and

WHEREAS, the Issuer proposes to sell the revenue bonds hereinafter authorized upon a negotiated basis.

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

DEFINITIONS

Section 1. Certain words and terms as used in this Bond Ordinance shall have the meanings given them above and elsewhere herein and 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.

"Assignee" means The Commercial Bank of Champaign, Champaign, Illinois, an Illinois banking corporation, and its successors and assigns.

"Assignment" means the Assignment and Agreement dated as of December 1, 1985 by and between the Issuer and the Assignee.

"Bonds" means the \$1,000,000 principal amount Industrial Project Revenue Bonds (University Microelectronics Center, 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, as supplemented and amended.

"Bond Purchase Agreement" means the Bond Purchase Agreement dated as of December 1, 1985 between the Issuer and the Purchaser.

"Borrower" means University Microelectronics Center, Inc., an Illinois corporation, and its authorized successors and assigns.

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

"Dated Date" means December 1, 1985.

"Default" or "default" means those defaults, exclusive of any cure period, specified in and defined in Section 11 hereof.

"Enabling Ordinance" means Ordinance No. 7475-3, Ordinance Authorizing Acquisition, Construction, and Financing Pollution Control Facilities and Economic Development Projects and the Lease, Sale and Financing thereof to or for any Person, and Providing for the Issuance of Revenue Bonds and Establishing Procedures in Respect thereto, passed May 20, 1974, and approved May 21, 1974, and Ordinance No. 8081-37, an Ordinance Amending and Supplementing Ordinance No. 7475-3, passed October 6, 1980, and approved October 14, 1980, as from time to time supplemented and amended.

"Event of Default" or "event of default" means those events specified in and defined in Section 11 hereof.

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

"Interest Rate" means, eleven and one-quarter percent (11.25%) per annum for one year, with one percent thereof payable in advance, and thereafter ten and one-quarter percent (10.25%) per annum.

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

"Lease" means any lease agreement, license, management agreement or other agreement having the effect of the foregoing as may be in effect from time to time in connection with all or a part of the Project.

"Loan Agreement" means the Loan Agreement dated as of December 1, 1985, 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 December 1, 1985, from the Borrower to the Issuer.

"Note" means the Promissory Note of the Borrower in the principal sum of \$1,000,000, substantially in the form thereof set forth in Exhibit C to the Loan Agreement.

"Overdue Rate" means the base rate defined, established and/or announced as such from time to time by The Commercial Bank of Champaign, Champaign, Illinois, which rate may change from day to day, plus two percent (2%) per annum, but in any event not less than the Interest Rate plus two percent (2%) per annum.

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

"Principal Amount" means \$1,000,000.

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

"Purchaser" means The Commercial Bank of Champaign, Champaign, Illinois, an Illinois banking corporation, and its successors and assigns.

"Taxable Rate" means the base rate defined, established and/or announced as such from time to time by The Commercial Bank of Champaign, Champaign, Illinois, which rate may change from day to day, plus two percent (2%) per annum.

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 and industry, 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 preambles hereto and in the Enabling Ordinance.

AUTHORIZATION AND PAYMENT OF BONDS

Section 3. That for the purpose of financing the cost of the Project there shall be and there is hereby authorized to be issued by the Issuer, its fully registered Industrial Project

Revenue Bonds (University Microelectronics Center, Inc. Project), in an aggregate principal amount not to exceed \$1,000,000 initially dated the date of issuance thereof (or otherwise before such date and after December 1, 1985 as the Purchaser agrees or accepts), and thereafter may be dated to the last date to which interest has been paid, subject to prepayment or redemption prior to maturity of the monthly installments thereof, payable in 120 consecutive monthly installments (on such day of the month as the Borrower and the Purchaser shall agree such that the Bonds and the Note are so payable on the same dates and in the same amounts), to the order of the Purchaser or its assigns in the amounts, in the manner, with the effect, on the dates and having such other terms and provisions as set forth in the form of the Bonds in Section 4 hereof, and bearing interest on the unpaid principal sum thereof, and not overdue, at the Interest Rate, payable monthly at the same time that principal is due and payable following the date of the Bonds, or bearing interest at the Overdue Rate or the Taxable Rate, as the case may be, all such terms and provisions therein conclusively approved by the Purchaser's acceptance of and payment for the Bonds. From and after any Effective Date of Taxability as defined in Section 6.6 of the Loan Agreement the Bonds shall bear interest at the Taxable Rate. Interest thereon shall be calculated based upon a year of 360 days with twelve 30-day months from the date thereof, or the last date to which interest has been paid, as the case may be, until maturity on the principal amount thereof from time to time remaining unpaid and based upon the actual number of days elapsed. The Bonds shall bear interest on any overdue principal

and interest, in cases where the Taxable Rate is inapplicable, at the Overdue Rate until paid to the maximum extent permitted by law. In addition, there shall be interest at the Interest Rate, Overdue Rate or Taxable Rate, as applicable at the time, in the manner, at the times and with the effect as set forth in the form of the Bonds in Section 4 of this Bond Ordinance in respect of changes in the Maximum Marginal Corporate Federal Income Tax Rate and in respect of certain other costs of carrying the tax exempt obligations affecting the yield thereon.

The Bonds are subject to optional redemption or prepayment, as the case may be, in any integral multiple of \$1,000, but only at the request of the Borrower, and the Bonds under certain conditions are subject to mandatory redemption or prepayment, as the case may be, in whole or in part, with not less than 5 days written notice by the Borrower to the Assignee, on any interest payment date at the redemption or prepayment price of 100% of the principal amount to be redeemed or prepaid, plus accrued interest, at the applicable Interest Rate, Overdue Rate or Taxable Rate from the last date to which interest has been paid to the date fixed for redemption or prepayment, as the case may be, plus, if such prepayment or redemption occurs within the first five (5) years, a premium equal to one percent (1%) of the principal amount so prepaid or redeemed. Such redemption or prepayment shall prorata reduce the principal sum of each Bond outstanding and unpaid.

If other funds shall become available in the Bond Fund, and are not otherwise required to be applied to the payment of Bonds, the Assignee shall, in such manner as does not result in

the loss of the exemption from federal income taxation of the interest on the Bonds, without notice from the Borrower or the Issuer, promptly, but in any event within fifteen of the Assignee's business days from the receipt of such funds, and after giving notice as hereinabove specified, apply such funds to the prepayment or redemption of the Bonds at the prepayment or redemption price set forth above, and shall give notice to the Borrower of such prepayment or redemption. All principal installments of the Bonds or portions thereof designated for prepayment or redemption will cease to bear interest on the specified prepayment or redemption date, provided funds for their prepayment or redemption are on deposit at the place of payment at that time.

The principal installments of and interest on the Bonds shall be payable only to the order of the registered owner or owners thereof or its or their assigns in lawful money of the United States of America, except as otherwise herein provided, at the principal office of the Assignee. Upon any registered owner's request and presentment of any Bond, the Assignee shall note on the Payment Record attached to such Bond the date and amount of payment of each installment of principal and interest then being paid and theretofore paid and not yet noted thereon, and upon request of the Borrower or the Issuer the Bonds shall be available for inspection by the Borrower or the Issuer at the principal offices of the registered owners thereof. Payments of installments of the principal of the Bonds, before maturity, and interest on the Bonds shall be made by check or draft of (or other effective transfer of funds by) the Assignee to the

registered owners of the Bonds. Payment of the final installment of principal shall be made upon presentment therefor to the Assignee. The Bonds are nontransferable by the Purchaser, except as a whole (or in authorized integral multiples of \$1,000) and after notice in writing to the Borrower and the Assignee of such transfer, and in all respects not in violation of the registration requirements of Section 103 (j) of the Code and related regulations.

The Bonds shall be signed by the Mayor and attested by the Clerk of the Issuer and the corporate seal of the Issuer shall be affixed thereto. No Bond shall be valid or become obligatory for any purpose until the certificate of authentication thereon shall have been signed by the Assignee, as Bond Registrar, in the form therefor set forth in the form of the Bonds in Section 4 hereof.

The Bonds, together with interest thereon, shall be limited obligations of the Issuer secured by the mortgage on and security interest in the Project effected by the 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 other sources mentioned in the Loan Agreement and shall be a valid claim of the registered owners thereof only against the Bond Fund and other moneys and receipts held by the Assignee derived from and in connection with the Loan Agreement, which moneys and receipts shall be used for no other purpose than to pay the principal installments of, and interest on the Bonds, except as may be otherwise expressly authorized in this Bond

Ordinance and in the Loan Agreement. The Bonds and the obligation to pay interest thereon do 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 the Mortgage and payable solely from the receipts from and other sources mentioned in the Loan Agreement. Without limiting the foregoing, the Issuer makes no representation that interest on the Bonds 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.

The Bonds are to be issued in the denomination of \$1,000 or any integral multiple thereof.

BOND FORM

Section 4. That the Bonds and the attached Payment Record shall be in substantially the following form with appropriate insertions or modifications of names, interest rates, payment schedules, maturities and the like, consistent with the terms contained in the Note and not inconsistent herewith:

UNITED STATES OF AMERICA

STATE OF ILLINOIS

COUNTY OF CHAMPAIGN

CITY OF URBANA

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

Industrial Project Revenue Bond
(University Microelectronics Center, Inc. Project)

R-

\$____,000

The City of Urbana, Champaign County, Illinois, a municipality and home rule unit 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

or its registered assigns, subject to prepayment prior to maturity, the principal sum of:

_____ DOLLARS (\$____,____,000).

of the One Million Dollars (\$1,000,000) initial aggregate principal amount of the Bonds, of which this Bond is one (the "Bonds" as more fully described below), due and payable in 120 consecutive monthly installments on the _____ (____) day of each month, commencing _____, 1986, each of the payments hereon, principal and interest aggregated (the monthly "Payment"), to be in the amount of \$_____, but in any event

not less than a sufficient amount such that the unpaid principal sum hereof will be amortized over the period commencing with the date hereof until the date of the payment of the last installment of the principal sum hereof, and such that the Payment of principal and interest aggregated in each annual period shall be substantially level, and to pay interest on the _____ day of each month from the date hereof, commencing _____, 1986, on the principal sum hereof outstanding and unpaid from time to time, and not overdue, at the hereinafter defined Interest Rate, and otherwise at the Overdue Rate or Taxable Rate, all in the manner, at the times and with the effect as herein provided and defined. In any event the principal sum hereof shall be due and payable on or before _____, 199_, together with all other amounts due and payable hereunder or in connection herewith. Interest hereon shall be calculated based upon a year of 360 days with twelve 30-day months and the actual number of days elapsed. For all purposes hereof: "Interest Rate" means, subject to adjustment for certain federal income tax laws as herein provided, eleven and one-quarter percent (11.25%) per annum for one year, with one percent thereof payable in advance, and thereafter ten and one-quarter percent (10.25%) per annum; "Overdue Rate" means the base rate defined, established and/or announced as such from time to time by The Commercial Bank of Champaign, Champaign, Illinois, plus two percent (2%) per annum, but in any event not less than the Interest Rate plus two percent (2%) per annum; and "Taxable Rate" means the base rate defined, established and/or announced as such from time to time by The Commercial Bank of Champaign, Champaign, Illinois.

In the event that prior to maturity of this Bond, there shall be a change or changes in the Maximum Marginal Corporate Federal Income Tax Rate [That is, the highest aggregate federal corporate rate of taxation (expressed as a decimal) imposed upon the income of corporations (including national banking associations and state banking corporations), as presently established in Subtitle A, Chapter 1A, Part II, Section 11 of the Internal Revenue Code of 1954, as amended, and successor provisions (the "Code").] so that such Maximum Marginal Corporate Federal Income Tax Rate is less than 46%, and the registered owner of this Bond is a corporation that could be so affected, then for the affected time period the interest rate hereon shall be adjusted to equal 18.980 times the Prime Rate multiplied by the quantity (one (1) minus the Maximum Marginal Corporate Federal Income Tax Rate); if while a financial institution to which Section 291(a)(3) of the Code, or any successor provision thereto ("Section 291(a)(3)"), applies is the registered owner of this Bond, there is a change in the Disallowance Deduction (as hereafter defined), or if there is any other change in federal tax laws which reduces the yield to the registered owner of this Bond (collectively, the "Change"), the Interest Rate shall automatically be adjusted as of and on the effective date of any such Change by adding thereto a percentage sufficient to pay to the affected registered owner of this Bond the same yield thereon received immediately prior to such change ["Disallowance Deduction" as used herein shall mean the percentage of reduction set forth in Section 291(a)(3) with respect to any financial institution preference item.], provided, however, that the

Interest Rate shall not exceed thirteen percent (13%) per annum as a result of the adjustments described in this paragraph.

This Bond shall bear interest on any overdue principal and interest to the extent lawfully authorized at the rate per annum equal to the Overdue Rate. From and after any Effective Date of Taxability as defined in the hereinafter described Loan Agreement the Bonds shall bear interest at the Taxable Rate. Upon presentation by the registered owner or owners hereof both the principal hereof and interest hereon are payable in immediately available funds at the principal office of The Commercial Bank of Champaign, Champaign, Illinois (the "Assignee"); provided, however, that the monthly installments of the principal of this Bond prior to maturity and interest on this Bond otherwise shall be paid by check or draft of (or other effective transfer of funds by) the Assignee mailed or otherwise transferred to the registered owner or owners hereof. The final monthly installment of the principal of the Bonds shall be paid upon presentation hereof to the Assignee by the registered owner or owners thereof. The Assignee shall act as Bond Registrar for and on behalf of the Issuer in connection herewith.

Upon presentation hereof prior to the last maturity or due date of the principal hereof, and otherwise with the request of and presentation by the registered owner or owners hereof, payments of principal and interest, including prepayments of principal installments, shall be noted on the Payment Record attached to and made a part of this Bond as provided in the Bond Ordinance hereinafter identified pursuant to which this Bond is issued. The failure to have noted any payments on such Payment

Record shall not invalidate or render ineffective any payments actually made or duly provided for.

The Bonds are issued in the principal sum of \$1,000,000 pursuant to the provisions of the Constitution of Illinois and Ordinance No. 7475-3, Ordinance Authorizing Acquisition, Construction, and Financing Pollution Control Facilities and Economic Development Projects and the Lease, Sale and Financing thereof to or for any Person, and Providing for the Issuance of Revenue Bonds and Establishing Procedures in Respect thereto, passed May 20, 1974, and approved May 21, 1974, and Ordinance No. 8081-37, an Ordinance Amending and Supplementing Ordinance No. 7475-3, passed October 6, 1980, and approved October 14, 1980, as supplemented and amended (the "Enabling Ordinance"), and Ordinance No. _____ (the "Bond Ordinance") duly adopted by the City Council of the Issuer on December 16, 1985 and approved by its Mayor on December ___, 1985 for the purpose of providing funds to finance the cost of the construction, acquisition and equipping of facilities for research, development and production of microelectronic products and related facilities, including necessary land, buildings and equipment (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 and industry within the City of Urbana, Illinois. The proceeds of this Bond will be used by the Issuer to pay or reimburse University Microelectronics Center, Inc., an Illinois corporation (hereinafter called the "Borrower"), for the costs of the Project, under the terms of a Loan Agreement dated as of December

1, 1985 (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 Promissory Note of the Borrower in the aggregate principal amount of \$1,000,000 (the "Note"), issued under the Loan Agreement, and a mortgage on and security interest in the Project effected by the Mortgage and Security Agreement dated as of December 1, 1985 (the "Mortgage") given by the Borrower to the Issuer, 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.

THIS BOND MAY BE ISSUED ONLY IN FULLY REGISTERED FORM AS REQUIRED BY SECTION 103(j) OF THE INTERNAL REVENUE CODE OF 1954, AS AMENDED.

The Bonds are subject to optional redemption or prepayment prior to maturity, as the case may be, but only at the request of, and with not less than five (5) days written notice to the Assignee by, the Borrower, in integral multiples of \$1,000, and the Bonds are subject to mandatory redemption or prepayment, as the case may be, in the manner, at the times and with the same effect that the Borrower may or is required to prepay the Note pursuant to and in accordance with the Loan Agreement, in whole or in part, on any interest payment date in the inverse order of

maturity or due date thereof at the redemption or prepayment price of the principal amount to be redeemed or prepaid, plus accrued interest from the last date to which interest has been paid at the applicable Interest Rate, Overdue Rate or Taxable Rate to the date fixed for redemption or prepayment, as the case may be, plus if such prepayment or redemption occurs on or before _____, 199_, a premium equal to one percent (1%) of the principal amount so prepaid or redeemed. Any prepayment or redemption of the Bonds in part shall apply prorata to the reduction in the inverse order of the principal installments of the outstanding principal sum of each Bond outstanding and unpaid. All principal installments of the Bonds or portions thereof designated for prepayment will cease to bear interest on the specified redemption or 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 Enabling Ordinance, 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, effected by the Mortgage, 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 this Bond or any of the Bonds 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. Events wholly without the control of the Issuer may result in the loss of such exemption. 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 Assignee for the account of the Issuer and deposited in a special account created by the Issuer and designated "City of Urbana, Illinois Bond Fund (University Microelectronics Center, Inc. Project)," and all receipts under the Loan Agreement have been duly pledged and assigned to the Assignee for that purpose under the Bond Ordinance to secure payment of such principal installments and interest. The Loan Agreement, the Note, any leases of the Project and the Mortgage have been assigned to the Assignee pursuant to the terms of the Loan Agreement and an Assignment and Agreement dated as of December 1, 1985 by and between the Issuer and the Assignee.

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.

This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall

have been signed by the Bond Registrar.

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 Enabling Ordinance 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 Clerk and the corporate seal of said Issuer to be affixed hereto, all as of _____, 19__.

CITY OF URBANA, ILLINOIS

By _____
Mayor

(SEAL)

Attest:

Clerk

(Form of Certificate of Authentication)

This Bond is one of the Bonds described in the hereinabove mentioned Bond Ordinance.

THE COMMERCIAL BANK OF CHAMPAIGN,
CHAMPAIGN, ILLINOIS

Authorized Officer of Assignee
as Bond Registrar

(FORM OF ASSIGNMENT)

For value received the undersigned sells, assigns and transfers unto _____ the within-mentioned Bond, and does hereby irrevocably constitute and appoint _____, such person's attorney, to transfer the same on the registration books of the Assignee as bond registrar with full power of substitution in the premises.

Dated _____.

In the presence of:

Social Security No. _____
(or F.E.I.N.) _____

PAYMENT RECORD

[illegible]

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

Section 5. There is hereby created and established with the Assignee, 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 (University Microelectronics Center, Inc. Project)". The proceeds other than accrued interest, if any, received by the Issuer upon the sale of the Bonds shall be deposited in the Acquisition and Construction Fund which shall be held in a separate account by Assignee 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 Assignee, 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 Assignee shall deliver copies of such records to the Issuer, the Purchaser, the other registered owners of the Bonds 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, the Assignee 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 Bonds 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 Mayor and City Council of the Issuer, including with such changes therein as the officers of the Issuer executing it shall approve, their approval thereof being conclusive of the Issuer's approval of any such changes therein from the form thereof now before the Issuer's City Council. The Mayor is hereby authorized to execute and acknowledge the Loan Agreement for and on behalf of the Issuer, and the Issuer's 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 Bonds 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 Assignee for the account of the Issuer for deposit in the 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 Bonds 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 on and security interest in the Project, effected by the Mortgage, 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. In connection with the Loan Agreement, the Note and the Bonds, the Assignee and/or the Purchaser from time to time accept additional pledges, mortgages, liens and security, and including guaranty agreements, contingent purchase agreements and the like, which shall be subject to such terms and conditions as the Assignee and/or the Purchaser in its or their sole discretion may accept and shall be subject to discharge and release by the Assignee and/or the Purchaser without any authorization by the Issuer.

There is hereby created by the Issuer and ordered established with the Assignee as depository, a special fund to be designated "City of Urbana, Illinois Bond Fund (University Microelectronics Center, 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 Bonds.

There shall be deposited into the Bond Fund, as and when received: (a) a sum equal to the accrued interest, if any, paid by the Purchaser of the Bonds; (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 Assignee under and pursuant to any of the provisions of or as described in

the Loan Agreement and the Note or any guarantee in connection therewith. The Assignee 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 Bonds.

The Issuer covenants and agrees that should there be a default under the Loan Agreement, the Issuer shall fully cooperate with the Assignee, the Purchaser and with any other owner or owners of the Bonds, at such person's or the Borrower's expense, to enforce the obligations of the Borrower under the Loan Agreement, the Mortgage and the Note, or any guarantee or other security in connection therewith, to the end of fully protecting the rights and security of such owner or owners of the Bonds. 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 or described in the Loan Agreement and the Note, or to undertake to perform the obligations of the Borrower under the Mortgage, 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 Bonds (or provision for payment thereof as provided in this Bond Ordinance) and the charges and expenses of the Issuer, the Assignee and the Purchaser, and all other amounts required by or in respect of the Loan Agreement, including without limitation under Section 103(c)(6) of the Code, shall be paid to the Borrower upon the expiration or earlier 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 Bonds hereby authorized the Issuer hereby assigns and pledges to the Assignee 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 certain payments to the Issuer by the Borrower) and all rights and remedies of the Issuer under the Loan Agreement and the Note and the Mortgage (which effects a mortgage on and security interest in the Project) to enforce payment thereof, and as evidence of such assignment and pledge and of the agreement of the Assignee to accept its responsibilities with respect to the Bond Fund created pursuant to Section 7 hereof, the Mayor is hereby authorized to execute the Assignment for and on behalf of the Issuer and the Issuer's Clerk is hereby authorized to attest the same and to affix thereto the corporate seal of the Issuer, and the Mayor and Issuer's Clerk are authorized and directed to cause the Assignment to be executed by the Assignee, with the Assignment to be in substantially the form which has been presented to and is hereby approved by the City Council of the Issuer, including with such changes therein as the officers of the Issuer executing it shall approve, their approval thereof being conclusive of the Issuer's approval of any such changes therein from the form thereof now before the Mayor and City Council.

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 Assignee 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 Assignee 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, which loss the Borrower shall pay as provided in the Loan Agreement.

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 City Council of the Issuer, acting in reliance on such certifications and representations, adopts and ratifies such certifications and representations and hereby covenants with the Assignee, the Purchaser and any other of the registered owner or owners of the

Bonds, in whole or in part, that so long as any principal installment of the Bonds remains unpaid, or obligations under Section 103 (c) (6) of the Code concerning rebate of excess arbitrage remain, the City Council of the Issuer will not take or authorize the taking of any action which will cause any 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, as the same presently exist, or may from time to time hereafter be amended, supplemented or revised. Unless otherwise in writing agreed, neither the Issuer nor the Assignee or any holder of the Bonds has assumed any obligations or responsibilities in connection with investment decisions, computations or payments under Section 103(c) (6) of the Code. For purposes of certifying as to matters of arbitrage, the Issuer's Mayor is hereby designated an officer responsible for issuing the Bonds.

GENERAL COVENANTS

Section 10. The Issuer covenants that it will promptly cause to be paid solely and only from the sources mentioned in the Bonds, the principal installments of and interest on the Bonds hereby authorized at the place, on the dates and in the manner provided herein and in the Bonds according to the true intent and meaning thereof. The Bonds and the obligation to pay interest thereon are limited obligations of the Issuer, secured by the Mortgage 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 or any guarantee or other

security in connection therewith. The Bonds 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 Bonds 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 Enabling Ordinance, and under Section 103(n) of the Code to issue the Bonds 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 Bonds has been duly and effectively taken and that the Bonds are and will be valid and enforceable limited obligations 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 registered holders and owners of the Bonds, the Assignee or the Purchaser may reasonably require for the better assuring, granting, pledging and assigning unto the Assignee the interest of the Issuer in the Loan Agreement and the Note, any Lease and the Mortgage as well as the rights of the Issuer in and to the

receipts hereby assigned and pledged to the payment of the principal installments of and interest on the Bonds. 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 Mortgage, any Lease, the Loan Agreement and the Note.

The Issuer covenants and agrees that all books and documents (if any) 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 registered owner or owners of the Bonds or such accountants or other agencies as they 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 Bonds or of any principal installment of the Bonds, whether at the stated maturity thereof, or upon proceedings for prepayment or redemption thereof or otherwise, at the times, in the manner and with the effect as herein provided.

(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 Assignee by notice in writing

delivered to the Issuer and the Borrower, may declare the principal installments of the Bonds 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 Loan Agreement.

While any principal installments of the Bonds or interest are unpaid, neither the Issuer nor the Assignee shall 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 Assignee and the Purchaser or any other registered owner or owners of the Bonds 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 of and interest on the Bonds and to enforce and compel the performance of the duties and obligations of the Issuer as herein set forth. The Assignee may enforce the provisions of this Bond Ordinance and of the Loan Agreement, the Note and the Mortgage without the need to hold, obtain or present any of the Bonds.

No remedy by the terms of this Bond Ordinance conferred upon or reserved to the Assignee, the Purchaser or any other Bondholders are 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 Assignee, the Purchaser

or any other Bondholders 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 Assignee, the Purchaser or any other of the registered owners of the Bonds) 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 Bonds to the persons 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 Assignee shall determine, but in any event within fifteen business days after deposit of such moneys in the Bond Fund. The Assignee 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 registered owner or owners of the Bonds in whole until such Bonds shall be presented to the Assignee for appropriate endorsement or for cancellation if fully paid.

Whenever all principal installments of and interest on the Bonds have been paid under the provisions of this Section and all expenses of the Purchaser, the Assignee and the Issuer have been paid, and payment of all amounts under Section 103(c)(6) of the Code have been paid or provided for, any balance remaining in the Bond Fund shall be applied to the Borrower.

With regard to any event of 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 BONDS; EXECUTION OF BOND PURCHASE AGREEMENT

Section 12. The sale of the Bonds (the execution and issuance of which is authorized pursuant to Section 3 hereof) to the Purchaser at a price equal to the aggregate principal sum thereof actually issued, 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 the Issuer's City Council is hereby approved.

The Mayor is hereby authorized and directed to execute the Bond Purchase Agreement for and on behalf of the Issuer, and the Issuer's Clerk is hereby authorized to attest the same and to affix thereto the corporate seal of the Issuer, including with such changes therein as the officers of the Issuer executing it shall approve, their approval thereof being conclusive of the Issuer's approval of any such changes therein from the form thereof now before the City Council of the Issuer.

PERFORMANCE PROVISIONS

Section 13. The Mayor and Issuer's 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 Bond Ordinance, the execution and delivery of the Bonds and the performance of all other acts of whatever nature necessary to effect and carry out the authority conferred by this Bond Ordinance. The Mayor and Issuer's Clerk be, and they are hereby, further authorized and directed for and on behalf of the Issuer, to execute all papers, documents, certificates, elections, filings and other instruments that may be required for the carrying out of the authority conferred by this Bond 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. The Issuer hereby elects to have the provisions of Section 103(b)(6)(D) of the Code apply to the issuance of the Bonds. The Mayor be and is hereby designated as the authorized or applicable elected representative of the Issuer in connection with the issuance of the Bonds, and the official of the Issuer charged with the issuance of the Bonds, and that public approval of the issuance of the Bonds by the Issuer's corporate authorities, if not already given, is hereby given, as required by Section 103(k) of the Code. The requisite public hearing having been duly noticed, held and conducted, the approval of the Mayor of this Bond Ordinance shall constitute the approval by the authorized or applicable elected representative within the meaning of Section 103(k) of the Code. Under and pursuant to Section 103(n) of the Code the Issuer hereby allocates an amount not to exceed \$1,000,000 in respect of the Bonds, such allocation to be effective upon the issuance, sale and delivery of the Bonds to, and payment therefor by, the Purchaser. Unless otherwise appearing in the minutes of this meeting, each member of the City Council, including the Mayor, under penalty of perjury, whether voting for or against this Bond Ordinance, hereby certifies that the foregoing allocation was not made in consideration of any gift, bribe, gratuity or direct or indirect campaign contribution, such certification given as required by Section 103(n) of the Code.

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 South Vine Street, Urbana, Illinois 61801, Attention: Mayor, or to such other address as the Issuer may from time to time file with the Purchaser, the Assignee and the Borrower. It shall be sufficient service of any notice or other paper on the Borrower, the Purchaser and the Assignee if the same shall be duly mailed to them by registered or certified mail, postage prepaid, return receipt requested, at their respective addresses set forth in Section 8.1 of the Loan Agreement, or to such other address as they may from time to time file with the Issuer and the other parties receiving notice under such Section 8.1.

ORDINANCE A CONTRACT: PROVISIONS FOR
MODIFICATIONS, ALTERATIONS AND AMENDMENTS

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

SALE OF BONDS

Section 16. The sale of the Bonds to the Purchaser under and pursuant to the Bond Purchase Agreement authorized under Section 12 hereof is hereby approved.

SATISFACTION AND DISCHARGE

Section 17. All rights and obligations of the Issuer and the Borrower under the Loan Agreement, the Note, the Assignment, the Bonds, the Mortgage, the Bond Purchase Agreement and this Bond Ordinance shall terminate and such instruments shall cease to be of further effect, and the Assignee shall cancel the Bonds, deliver them to the Issuer, and deliver a copy of the cancelled Bonds 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 Bonds) when:

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

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

(c) all principal installments of and interest on the Bonds have been paid; and

(d) all amounts due under Section 103(c)(6) of the Code, if any, have been paid or otherwise with payment thereof duly provided for to the Assignee's satisfaction.

SEVERABILITY

Section 18. If any section, paragraph, clause or provision of this Bond 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 Bond Ordinance are for convenience only and in no way define, limit or describe the scope or intent of any provision of this Bond Ordinance.

PROVISIONS IN CONFLICT REPEALED

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

EFFECTIVE DATE

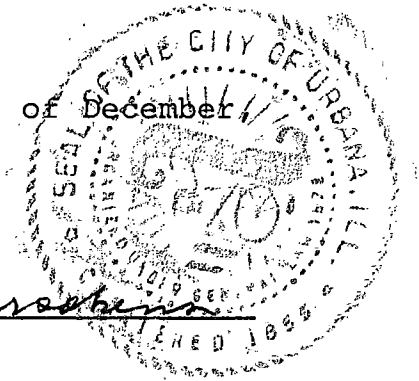
Section 21. This Bond Ordinance shall become effective upon its passage by the Issuer's City Council, and its approval by the Mayor.

Passed by the City Council this 16th day of December,
1985,

Ruth S. Broderick
Clerk

Approved by the Mayor this 18th day of December, 1985.

Jeffrey T. Mallon
Mayor



It was thereupon moved by Alderperson Whelan and seconded by Alderperson Zangerl that the foregoing Bond Ordinance be adopted. Upon roll being called, the following voted:

	<u>Aye</u>	<u>Nay</u>	<u>Abstain</u>	<u>Absent</u>
Mayor Jeffrey T. Markland	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Alderperson Arthur Zangerl	<u> X </u>	<u> </u>	<u> </u>	<u> </u>
Alderperson Lonnie Clark	<u> X </u>	<u> </u>	<u> </u>	<u> </u>
Alderperson Bernadine E. Stake	<u> X </u>	<u> </u>	<u> </u>	<u> </u>
Alderperson William H. Scott	<u> </u>	<u> X </u>	<u> </u>	<u> </u>
Alderperson Joseph A. Whelan	<u> X </u>	<u> </u>	<u> </u>	<u> </u>
Alderperson Joan Barr	<u> X </u>	<u> </u>	<u> </u>	<u> </u>
Alderperson Bonnie Tarr	<u> X </u>	<u> </u>	<u> </u>	<u> </u>

(Other Business)

Upon motion duly seconded and voted, the City Council adjourned.

STATE OF ILLINOIS)
)
COUNTY OF CHAMPAIGN)

I, Ruth S. Brookens, hereby certify that I am the duly qualified and acting Clerk of the City of Urbana, Illinois, and as such official I further certify that attached hereto is a true, correct and complete excerpt from the original minute record relating to the \$1,000,000 principal amount Industrial Project Revenue Bonds (University Microelectronics Center, Inc. Project) of the City of Urbana, Illinois (the "Bond Ordinance") the date of passage and approval being correctly set forth thereon; and that as of the date hereof the attached Bond Ordinance a true and correct copy of which is hereto attached, is still in full force and effect and has not been amended, repealed or rescinded, adopted and approved on the date or dates thereon set forth and that there is nothing in the minutes of the meeting at which such Bond Ordinance was adopted, or otherwise in my records, to the contrary in respect of the certification made in the last sentence of Section 13 thereof.

WITNESS my official signature and the seal of said City of Urbana, Illinois, this _____ day of December, 1985.

(SEAL)

Clerk