

ORDINANCE NO. 8788-66

ORDINANCE AUTHORIZING THE ISSUANCE AND SALE BY THE CITY OF ITS ECONOMIC DEVELOPMENT REVENUE BONDS (CLARK-LINDSEY VILLAGE, INC. PROJECT) SERIES 1988, AUTHORIZING EXECUTION OF AN INDENTURE OF TRUST, A LOAN AGREEMENT AND A BOND PURCHASE AGREEMENT, ALL RELATIVE TO SAID BONDS, AND AUTHORIZING OTHER ACTION TO BE TAKEN WITH RESPECT TO THE ISSUANCE, SALE AND DELIVERY OF SAID BONDS.

WHEREAS, Article VII, Section 6(a) of the Illinois Constitution and Ordinance No. 7475-3 entitled "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 by the City Council of the City of Urbana, Illinois on May 20, 1974, as amended and supplemented by Ordinance No. 8081-37 passed by the City Council of the City of Urbana, Illinois on October 6, 1980 (the "Act"), authorizes and empowers the City of Urbana (the "City") to issue its revenue bonds to defray in whole or in part the reasonable and necessary costs incidental to the acquisition, construction, reconstruction, repair, alteration, improvement and extension of any economic development project including without limitation the cost of studies and surveys; plans, specifications, architectural and engineering services; legal, marketing or other special services; financing, acquisition, demolition, construction, equipment and site development of new and rehabilitated buildings, rehabilitation, reconstruction, repair or remodeling of existing buildings and all other necessary and incidental expenses including an initial bond and interest reserve together with interest on bonds issued to finance an economic development project to a date six (6) months subsequent to the estimated date of completion, and in conjunction therewith, to enter into an agreement with any persons, with respect to any economic development project whereby the City agrees to loan the proceeds of its bonds to such person in order to cause the acquisition, construction and equipping of such project, and such person shall agree to pay to the City or for its account an amount sufficient to pay the principal of, interest, and the redemption premium, if any, on the bonds of the City issued with respect to such project, all for the purpose of encouraging the increase of industry and commerce within the City, thereby reducing the evils attendant upon unemployment and

under employment, and providing for the increased welfare and prosperity of the residents of the City; and

WHEREAS, it has been proposed that the City issue its Economic Development Revenue Bonds (Clark-Lindsey Village, Inc. Project), Series 1988 (the "Bonds"), in an aggregate principal amount of \$2,400,000, and loan the proceeds thereof to Clark-Lindsey Village, Inc., an Illinois not for profit corporation (the "Corporation"), which will use the proceeds to finance a portion of the cost of the Project which means the acquisition, construction, equipping and improvement of the skilled care segment which when completed will contain forty-four (44) beds, an increase of four (4) beds, licensed by the State of Illinois Department of Public Health as a skilled care facility (the "Skilled Care Segment") and the intermediate care segment which when completed will contain twelve (12), an increase of six (6) beds, licensed by the State of Illinois Department of Public Health as an intermediate care facility (the "Intermediate Care Segment") and the sheltered care segment which when completed will contain forty (40) beds, an increase of twenty-four (24) beds, licensed by the State of Illinois Department of Public Health as a sheltered care facility (the "Sheltered Care Segment"), for a total of ninety-six beds; and the addition of a new office and conference room to the administrative area, the construction of a new employee dining room, an addition to the maintenance area, and the conversion of existing electric water heaters to natural gas, all located within the City. Drafts of the following documents relating to the Project have been submitted to the City Council and are now, or shall be placed, on file in the office of the City Clerk:

(a) Loan Agreement, dated as of May 15, 1988 (the "Loan Agreement"), proposed to be made and entered into between the City and the Corporation;

(b) Indenture of Trust, dated as of May 15, 1988 (the "Indenture"), proposed to be made and entered into between the City and First Busey Trust & Investment Co., Urbana, Illinois, as trustee (the "Trustee");

(c) Mortgage and Security Agreement, dated as of May 15, 1988 (the "Mortgage"), proposed to be made and entered into between the Corporation and the Trustee;

(d) Bond Purchase Agreement (the "Bond Purchase Agreement"), proposed to be made and entered among the City, the Corporation and Busey Bank, Urbana, Illinois ("Original Purchaser"); and

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Urbana as follows:

Section 1. The real and personal property comprising the Project constitute a project authorized by Article VII, Section 6(a) of the Illinois Constitution and Ordinance No. 7475-3 entitled "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 by the City Council of the City of Urbana, Illinois on May 20, 1974, as amended and supplemented by Ordinance No. 8081-37 passed by the City Council of the City of Urbana, Illinois on October 6, 1980 (the "Act").

Section 2. The purpose of the Project is and the effect thereof will be to retain and improve existing health care services available to residents of the City and surrounding areas, to encourage the increase of industry and commerce within the City, thereby reducing the evils attendant upon unemployment and under employment, and to provide for the increased welfare and prosperity of the residents of the City.

Section 3. The Project is located within the City limits at a site which is easily accessible to employees residing within the City and the surrounding community and to means of transportation of materials and products.

Section 4. The Skilled Care Segment of the Project is to be licensed by the Department of Public Health of the State of Illinois as a skilled care facility.

Section 5. The Intermediate Care Segment of the Project is to be licensed by the Department of Public Health of the State of Illinois as an intermediate care facility.

Section 6. The Sheltered Care Segment of the Project is to be licensed by the Department of Public Health of the State of Illinois as a sheltered care facility.

Section 7. The financing of the Project, the issuance and sale of the Bonds, the execution and delivery of the Loan Agreement, the Indenture and the Bond Purchase Agreement and the performance of all covenants and agreements of the City contained in the Loan Agreement, the Indenture and the Bond Purchase Agreement and of all other acts and things required under the Constitution and laws of the State of Illinois to make the Loan Agreement, the Indenture, the Bond Purchase Agreement and the Bonds valid and binding obligations of the City in accordance with their terms are authorized by the Act.

Section 8. It is desirable that a series of Economic Development Revenue Bonds (Clark-Lindsey Village,

Inc. Project) in the aggregate principal amount of \$2,400,000 and maturing on May 15, 2003 and bearing interest at the rate of 8.5% per annum, be issued by the City upon the terms set forth in the Indenture, under the provisions of which a pledge of and security interest in the City's interest in the Loan Agreement and the payments thereunder (except for certain expenses and indemnification) will be assigned to the Trustee as security for the payment of principal of, premium, if any, and interest on the Bonds.

Section 9. The loan payments contained in the Loan Agreement are fixed and required to be revised from time to time as necessary, so as to produce income and revenue sufficient to provide for prompt payment of principal of, premium, if any, and interest on all bonds issued under the Indenture (including the Bonds) when due, and the Loan Agreement also provides that the Corporation is required to pay all expenses of the operation and maintenance of the Project, including, but without limitation, adequate insurance thereon and all taxes and special assessments levied upon or with respect to the site of the Project and payable during the term of the Loan Agreement.

Section 10. Under the provisions of the Act, and as provided in the Loan Agreement and Indenture, the Bonds are not to be payable from nor charged upon any funds of the City other than the revenue pledged to the payment thereof; the City is not subject to any liability thereon; no holders of the Bonds shall ever have the right to compel any exercise of the taxing power of the City to pay any of the principal due on the Bonds or the interest due thereon, nor to enforce payment thereof against any property of the City; the Bonds do not evidence a debt of the City and shall not constitute a loan, credit, charge, lien or encumbrance, legal or equitable, of the City or upon any property of the City; and each Bond issued under the Indenture shall recite that the Bonds are issued under the authority of the Act, and the Bonds, including interest thereon, are payable solely from the revenue pledged to the payment thereof and that no Bond shall constitute a debt of the City or a loan or credit extended to the City within the meaning of any constitutional or statutory provision.

Section 11. The forms of Loan Agreement, Indenture, Mortgage and Bond Purchase Agreement heretofore defined and as are or will be on file with the City Clerk are approved. The Loan Agreement, with such variations, insertions and additions as the City Attorney may hereafter deem appropriate, is directed to be executed in the name and on behalf of the City by the Mayor and the official seal of the City impressed thereon and attested to by the City Clerk, upon execution thereof by the Corporation. The Indenture, with such variations, insertions and additions as

the City Attorney may hereafter deem appropriate, is directed to be executed in the name and on behalf of the City by the Mayor and the official seal of the City impressed thereon and attested to by the City Clerk and delivered to the Trustee. Copies of all of the documents shall be delivered, filed and recorded as provided therein. The terms and conditions of the Bond Purchase Agreement are found to be reasonable and advantageous to the City, and the Mayor and City Clerk are authorized and directed to execute the Bond Purchase Agreement, with such variations, insertions and additions as the City Attorney may hereafter deem appropriate, in the name and on behalf of the City.

Section 12. In anticipation of the collection of payments under the Loan Agreement, the City shall proceed forthwith to issue the Bonds in an aggregate principal amount of \$2,400,000 and maturing on May 15, 2003 and bearing interest at the rate of 8.5% per annum, in the form and upon the terms set forth in the Indenture, which terms are for this purpose incorporated in this Ordinance and made a part hereof. The proposal of the Original Purchaser to purchase the Bonds upon the terms and conditions set forth in the Bond Purchase Agreement is hereby found and determined to be reasonable and is hereby accepted. The Mayor and City Clerk are authorized and directed to prepare and execute by facsimile or original signature the Bonds as prescribed in the Indenture and to deliver them to the Trustee, together with a certified copy of this Ordinance and other documents required by the Indenture, for authentication and delivery to the Original Purchaser. The Trustee is hereby appointed authenticating agent with respect to the Bonds, and is hereby directed to authenticate the Bonds by manual signature of one or more of its authorized officers.

Section 13. The Mayor, City Clerk and other officers of the City are authorized and directed to prepare and furnish to the Original Purchaser of the Bonds, when issued, certified copies of all proceedings and records of the City relating to the Bonds, and such other affidavits and certificates as may be required to show the facts relating to the legality and marketability of the Bonds as such facts appear from the books and records in the officers' custody and control or as otherwise known to them; and all such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute representations of the City as to the truth of all statements contained therein.

Section 14. The approval hereby given to the various documents referred to above includes an approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by the City Attorney prior to the

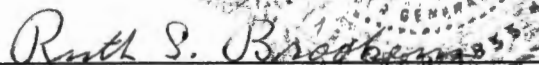
execution of the documents. The execution of any instrument by the appropriate officer or officers of the City herein authorized shall be conclusive evidence of the approval of such documents in accordance with the terms hereof. In the absence of the Mayor or City Clerk, any of the documents authorized by this ordinance to be executed may be executed by the Acting Mayor or Deputy City Clerk, respectively. From and after the execution and delivery of the documents authorized by this ordinance, the officers, agents and employees of the City are hereby further authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out the intent and accomplish the purposes of this ordinance and to comply with and make effective the provisions of the instruments as executed.

Section 15. The City hereby designates the Bonds issued pursuant to this Ordinance "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the 1986 Internal Revenue Code. The City does not reasonably anticipate that the amount of qualified tax-exempt obligations (other than private activity bonds) which will be issued by the City during the 1988 calendar year will exceed \$10,000,000. The City covenants that it will not issue more than \$10,000,000 of its obligations during the 1988 calendar year nor designate more than \$10,000,000 of its obligations as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the 1986 Internal Revenue Code during the 1988 calendar year, unless it shall have first received the written opinion of a bond counsel recognized with respect to matters related to tax-exempt bonds to the effect that failure to comply with one or more specific provisions of this paragraph 7 will not adversely affect the deduction allowed for the interest expense allowable to tax-exempt interest of a financial institution owning the Bonds, in which case the City may disregard, without further action and without further bondowner consent, only the specified provision or provisions. For purposes of this section, the terms "financial institution" and "interest expense" shall have the same meaning as set forth in Section 265(b)(4) and (5) of the 1986 Internal Revenue Code.

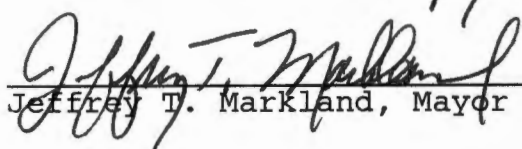
Section 16. This ordinance shall be effective immediately upon its passage and approval as required by law.

This ordinance is hereby passed by the affirmative vote, the "ayes" and "nays" being called, of a majority of the members of the Council of the City of Urbana, Illinois, at a regular meeting of said Council on the 2nd day of May, A.D. 1988.

PASSED by the City Council this 2nd day of May, 1988.


Ruth S. Brookens, City Clerk

APPROVED by the Mayor this 6th day of May, 1988.


Jeffrey T. Markland, Mayor