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CITY OF URBANA  
CHAMPAIGN COUNTY,  
STATE OF ILLINOIS

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ORDINANCE NO. 8990-93

AN ORDINANCE OF THE CITY OF URBANA, CHAMPAIGN COUNTY,  
ILLINOIS, PROVIDING FOR THE ISSUANCE OF UP TO \$1,400,000  
TAX INCREMENT REVENUE BONDS, SERIES  
1990, AND RELATED MATTERS

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ADOPTED BY THE  
CITY COUNCIL  
CITY OF URBANA  
CHAMPAIGN COUNTY  
STATE OF ILLINOIS

The 19th day of March, 1990

AND APPROVED BY

THE MAYOR

The 22nd day of March, 1990

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Published in pamphlet form by authority of the City Council of  
the City of Urbana, Champaign County, Illinois, this 27th day of  
March, 1990.

ORDINANCE NO. 8990-93

AN ORDINANCE OF THE CITY OF URBANA, CHAMPAIGN COUNTY, ILLINOIS, PROVIDING FOR THE ISSUANCE OF UP TO \$1,400,000 TAX INCREMENT REVENUE BONDS, SERIES 1990, AND RELATED MATTERS.

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WHEREAS, the City of Urbana, Champaign County, Illinois (the "Issuer"), is a home rule unit pursuant to the provisions of Section 6 of Article VII of the Constitution of Illinois and accordingly may exercise any powers and perform any functions pertaining to its government and affairs, including under and as provided by the Tax Increment Allocation Redevelopment Act (Paragraph 11-74.4-1 et seq. of Chapter 24 of the Illinois Revised Statutes, as supplemented and amended, including by the Issuer's home rule authority, the Bond Authorization Act, the Registered Bond Act, the Bond Replacement Act, the Municipal Bond Reform Act and the Local Government Debt Reform Act, collectively, the "Act"); and

WHEREAS, the City Council of the Issuer (the "Corporate Authorities") has heretofore and it hereby is determined that it is essential that the Issuer enhance its property and sales tax bases by engaging in local economic development and redevelopment activities and that local economic development and redevelopment is a proper local government activity of the Issuer, and to that end the Issuer has heretofore induced University Park Investment Corporation, an Illinois corporation (the "Developer"), to enter into a Redevelopment Agreement (the "Redevelopment Agreement") and to construct new office, hotel and related facilities

(collectively, the "Private Development") within the Issuer's corporate limits within a duly established redevelopment project area designated under and pursuant to the Act (the "Redevelopment Project Area"), as more fully described in the Redevelopment Agreement to be entered into by and between the Issuer and the Developer, in furtherance of the duly adopted redevelopment plan and project, the North Campus and King Park Neighborhood Redevelopment Plan and Project, dated November \_\_, 1989) of the Issuer (the "Redevelopment Plan" and "Redevelopment Project," respectively) in connection with the Redevelopment Project Area prepared by the Issuer's planning staff of the Department of Community Development Services (the "Planners"); and

**WHEREAS**, the Corporate Authorities have heretofore and it is hereby determined that it is in the best interests of the Issuer that the Issuer assist in financing certain costs associated with the construction of the Private Development, more specifically as described in the Redevelopment Agreement: (1) land acquisition (for 100% write-down disposition to the Developer for redevelopment), related demolition, site preparation and public improvements and other authorized redevelopment project costs within the Redevelopment Project Area; and (2) certain costs related to the foregoing and to the financing thereof (including as such work and activities may progress in one or more phases, the "Project"); and

**WHEREAS**, the Corporate Authorities have determined that it is necessary and in the best interests of the Issuer that the Issuer encourage and assist in the redevelopment of the Redevelopment Project Area by financing the Project pursuant to

and in accordance with the Act in order to enhance the sales and property tax bases of the Issuer and to redevelop the Area and to realize increased sales and property tax revenues therefrom; and

**WHEREAS**, the Corporate Authorities have heretofore and it hereby is determined that the cost of the Project is estimated to be \$1,400,000 and under and pursuant to this ordinance it is necessary and desirable that the Issuer issue its Tax Increment Revenue Bonds, Series 1990 (the "Bonds"), at one time or from time to time as funds are needed for the Project up to the aggregate amount of \$1,400,000 for the purpose of paying the cost of the Project; and

**WHEREAS**, for convenience of reference only, this ordinance is divided into sections with captions, which shall not define or limit the provisions hereof, as follows:

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

Section 1. Definitions. Unless the context or use indicates another or different meaning, certain words and terms used in this ordinance shall have the meanings set forth above in the preambles and recitals hereto and from place to place herein.

(a) Certain words and terms shall have the meanings set forth in this Section 1.

"Additional Bonds" means any obligations of the Issuer issued in the future on a parity with and sharing ratably and equally in the Pledged Taxes with the Bonds.

"Bond Registrar" or "Paying Agent" means the Issuer's Comptroller, in Urbana, Illinois, as Bond Registrar or Paying Agent, as the case may be, in connection with the Bonds, and such officer's successors and assigns.

"Bonds" means the \$1,400,000 Tax Increment Revenue Bonds, Series 1990, authorized under and pursuant to this ordinance.

"Code" means the Internal Revenue Code of 1986, as amended, and includes applicable regulations.

"Corporate Authorities" means the City Council of the Issuer.

"Government Securities" means bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of the United States of America and all securities and obligations, the prompt payment of principal of and interest on which is guaranteed by a pledge of the full faith and credit of the United States of America.

"Incremental Property Taxes" means in respect of the Redevelopment Project Area, the ad valorem taxes, if any, arising from the taxes levied upon taxable real property in the Redevelopment Project Area by the Issuer and other entities levying taxes in the Redevelopment Project Area, which taxes are attributable to the increase in the then current equalized

assessed valuation of each taxable lot, block, tract or parcel of real property in the Redevelopment Project Area over and above the total Initial Equalized Assessed Value of each such piece of property, all as determined by the County Clerk of The County of Champaign, Illinois, pursuant to and in accordance with the Act, and includes any lawfully available successor or replacement taxes.

"Independent" when used with respect to any specified person means such person who is in fact independent and is not connected with the Issuer as an officer, employee, underwriter, or person performing a similar function. Whenever it is provided in this ordinance that the opinion or report of any Independent person shall be furnished, such person shall be appointed by the Issuer, and such opinion or report shall state that the signer has read this definition and that the signer is Independent within the meaning hereof.

"Initial Equalized Assessed Value" means the equalized assessed value of taxable real property as last equalized or assessed by the Department of Revenue of the State of Illinois for State and County taxes for the last year of assessment prior to establishment of the Redevelopment Project Area.

"Ordinance" or "ordinance" means this ordinance as originally adopted and as the same may from time to time be amended or supplemented pursuant to and in accordance with the terms hereof.

"Outstanding Bonds" means the Bonds and Additional Bonds which are outstanding and unpaid; provided, however, such term shall not include Bonds or Additional Bonds (a) which have

matured and for which monies are on deposit with proper paying agents or are otherwise sufficiently available to pay all principal thereof and interest thereon; or (b) the provision for payment of which has been made by the Issuer pursuant to this ordinance.

"Pledged Taxes" means the Incremental Property Taxes pledged under this ordinance by the Issuer as security for the Bonds.

"Pledged Taxes Fund" means the Tax Increment Allocation Fund of the Issuer, which is a special tax allocation fund for the Redevelopment Project Area established hereunder and further described by Section 8 of this Ordinance.

"Project Costs" means the sum total of all reasonable or necessary costs incurred or estimated to be incurred by the Issuer in implementing the Project, not inconsistent with the Act and which are incidental to and as described in the Redevelopment Agreement.

"Related Person" means the same as in Section 147(a) of the Code.

"Qualified Investments" means investments in Government Securities and such other investments as may from time to time be permissible under the laws of the State of Illinois.

(b) Any certificate, letter or opinion required to be given in connection herewith shall mean a signed document attesting to or acknowledging the circumstances, representations, opinions of law or other matters therein stated or set forth. Reference herein to supplemental agreements, certificates, demands, requests, approvals, consents, notices and the like shall mean



that such shall be only written whether or not a writing is specifically mentioned in the context of use. In connection with the foregoing and other actions to be taken under this ordinance, the Issuer's Mayor or Chief Administrative Officer, unless applicable law requires action by the Issuer's City Council, shall have the power and authority to make or grant or do all things, supplemental agreements, certificates, requests, demands, approvals, consents, notices and other actions required or described in this ordinance for and on behalf of the Issuer and with the effect of binding the Issuer in that connection. In connection herewith concerning written direction or authorization in respect of the investment of any funds, notwithstanding any provision hereof to the contrary, such direction or authorization orally by telephone, other telecommunication or otherwise, confirmed in writing, including by telecopier/facsimile transmission, shall be appropriate and is hereby approved. Failure of the investing agent to actually receive such written confirmation shall not render invalid or ineffective any such oral direction or authorization.

(c) To the extent any Bonds are not to be tax-exempt under Section 103 of the Code, the term "Taxable" shall be included in the caption thereof and the provisions hereof related to the tax-exempt status of the Bonds shall have no application to that extent.

Section 2. Findings. The Corporate Authorities hereby find that the matters set forth in the preambles and recitals hereto are true and correct and incorporate them herein by this reference and that it is necessary and in the best interests of

the Issuer that the Issuer assist the construction, acquisition and installation of the Private Development by financing the acquisition, construction and installation of the Project and that the Bonds be issued to enable the Issuer to pay the Project Costs.

Section 3. Bond Details. There shall be borrowed for and on behalf of the Issuer the sum of up to the aggregate amount of \$1,400,000 for the purposes of financing the Project and related costs. The Bonds of the Issuer shall be issued in such amount, and each shall be designated "Tax Increment Revenue Bond, Series 1990," and further designated "Taxable", as the case may be. The Bonds shall be dated the date of each delivery thereof from time to time, and shall also bear the date of authentication, shall be in fully registered form, shall be in denominations of \$1,000 each and authorized integral multiples thereof, shall be numbered 1 and upward in the order of their issuance, and shall become due and payable on December 1, 2003 (subject as hereinafter provided to prior redemption), and shall bear interest at the rate of \_\_\_\_ \_\_\_\_\_ (\_\_\_\_%) per annum on the principal amount thereof issued and outstanding from time to time under this ordinance.

The Bonds shall bear interest from their date or respective dates, or from the most recent interest payment date to which interest has been paid or duly provided for, until the principal amount of the Bonds is paid, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable on the first days of June and of December of each year,

commencing on June 1, 1992; provided, however, that any failure to pay the full amount of interest on any interest payment date or principal on any such date, solely because of insufficient Pledged Taxes shall not be an event of default under this ordinance or the Bonds, such unpaid amount (principal and/or interest) to be paid, if at all, on the next succeeding interest payment date or dates as and to the extent Pledged Taxes are available therefor, and not otherwise. Principal of and premium (if any) on each Bond shall be paid in lawful money of the United States of America, at the principal office of the Bond Registrar in Urbana, Illinois. Interest on each Bond shall be paid from Pledged Taxes by check or draft of the Issuer mailed by the Paying Agent to the person in whose name such Bond is registered at the close of business on the fifteenth (15th) day of the month next preceding the interest payment date.

The Bonds shall have impressed or imprinted thereon the corporate seal or facsimile thereof of the Issuer and shall be signed by the manual or duly authorized manual or facsimile signatures of the Mayor and City Clerk of the Issuer, as they shall determine, and in case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

All Bonds shall have thereon a certificate of authentication substantially in the form hereinafter set forth duly executed by the Bond Registrar as authenticating agent of the Issuer and showing the date of authentication. No Bond shall

be valid or obligatory for any purpose or be entitled to any security or benefit under this ordinance unless and until such certificate of authentication shall have been duly executed by the Bond Registrar by manual signature, and such certificate of authentication upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this ordinance.

Section 4. Redemption. The Bonds due on December 1, 2003, are subject to mandatory redemption on December 1 of each year, commencing December 1, 1992, by operation of the hereinafter created Principal and Interest Account of the Pledged Taxes Fund at a price of par and accrued interest, without premium, to the extent that funds are on deposit in the Principal and Interest Account, less funds sufficient to pay interest due on such December 1 and the next succeeding June 1.

The Bonds are also subject to redemption at the option of the Issuer in whole or in part, from any available funds, at any time, and if in part by lot to be selected by the Bond Registrar as hereinafter provided, at the redemption price of the principal amount to be so redeemed on the redemption date, plus accrued interest to the date fixed for redemption.

The Issuer covenants that it will redeem Bonds pursuant to the mandatory and optional redemption provisions applicable to such Bonds. Proper provision for redemption having been made, the Issuer covenants that the Bonds so selected for redemption shall be payable as at maturity.

The Issuer shall, at least 45 days prior to the

redemption date (unless a shorter time shall be satisfactory to the Bond Registrar), notify the Bond Registrar of such redemption date and of the principal amount of Bonds to be redeemed. In the event that less than all of the Bonds are called for redemption as aforesaid, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot not more than 60 days or less than 30 days prior to the redemption date by the Bond Registrar by such method of lottery as the Bond Registrar shall deem fair and appropriate; provided, that such lottery shall provide for the selection for redemption of Bonds or portions thereof so that any \$1,000 Bond or \$1,000 portion of a Bond shall be as likely to be called for redemption as any other such \$1,000 Bond or \$1,000 portion.

The Bond Registrar shall promptly notify the Issuer in writing of the Bonds or portions of Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed.

Unless waived by the registered owner of Bonds to be redeemed, presentment for payment being conclusively such a waiver, notice of any such redemption shall be given by the Bond Registrar on behalf of the Issuer by mailing the redemption notice by certified mail not less than 30 days and not more than 60 days prior to the date fixed for redemption to each registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by each such registered owner to the Bond Registrar.

All notices of redemption shall include at least the information as follows:

(1) the redemption date;

(2) the redemption price;

(3) if less than all of the Bonds of a particular series are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed;

(4) a statement that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from and after such date; and

(5) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Paying Agent.

Prior to any redemption date, the Issuer shall deposit with the Paying Agent an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, together with accrued interest, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Neither the failure to mail such redemption notice nor any defect in any notice so mailed to any particular registered owner of a Bond shall affect the

sufficiency of such notice with respect to any other registered owner. Notice having been properly given, failure of a registered owner of a Bond to receive such notice shall not be deemed to invalidate, limit or delay the effect of the notice or the redemption action described in the notice. Such notice may be waived in writing by a registered owner of a Bond, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice shall be filed with the Bond Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver. Upon surrender of such Bonds for redemption in accordance with such notice, such Bonds shall be paid from available Pledged Taxes by the Paying Agent at the redemption price. Interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for the partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of the same maturity in the amount of the unpaid principal.

If any Bond or portion of Bond called for redemption shall not be so paid upon surrender thereof for redemption, the principal, and premium, if any, shall, until paid, bear interest from the redemption date at the rate borne by the Bond or portion of Bond so called for redemption. All Bonds which have been redeemed shall be marked cancelled by the Bond Registrar and shall not be reissued.

Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such

purpose shall identify the Bond or Bonds, or portion thereof, being redeemed with the proceeds of such check or other transfer.

Section 5. Registration of Bonds. The Issuer shall cause books (the "Bond Register") for the registration and for the transfer of the Bonds as provided in this ordinance to be kept at the principal office of the Bond Registrar, which is hereby constituted and appointed the Bond Registrar of the Issuer. The Issuer is authorized to prepare, and the Bond Registrar shall keep custody of, multiple Bond blanks executed by the Issuer for use in the issuance from time to time of the Bonds and in the transfer and exchange of Bonds.

Upon surrender for transfer of any Bond at the principal office of the Bond Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Bond Registrar and duly executed by the registered owner or such owner's attorney duly authorized in writing, the Issuer shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of the same maturity of authorized denominations, for a like aggregate principal amount. Any fully registered Bond or Bonds may be exchanged at the office of the Bond Registrar for a like aggregate principal amount of Bond or Bonds of the same maturity of other authorized denominations. The execution by the Issuer of any fully registered Bond shall constitute full and due authorization of such Bond, and the Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond.



The Bond Registrar shall not be required to transfer or exchange any Bond during the period of fifteen (15) days next preceding any interest payment date on such Bond and ending on such interest payment date, nor to transfer or exchange any Bond after notice calling such Bond for prepayment has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of prepayment of such Bond.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of, premium (if any) or interest on any Bond shall be made only to or upon the order of the registered owner thereof or such owner's legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

No service charge shall be made for any transfer or exchange of Bonds, but the Issuer or the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds exchanged in the case of the issuance of a Bond or Bonds for the outstanding portion of a Bond surrendered for redemption.

Section 6. Security. The Issuer hereby pledges the Incremental Property Taxes constituting Pledged Taxes to secure the Bonds. The Bonds, together with the interest and premium, if any, thereon, are limited obligations of the Issuer, payable solely and only from the Pledged Taxes as hereinabove set forth

and the amounts on deposit in and pledged to the various funds and accounts as in this ordinance provided, and not otherwise.

THE FAILURE TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS WHEN DUE SOLELY BECAUSE OF AN INSUFFICIENCY OF PLEDGED TAXES SHALL NOT BE AN EVENT OF DEFAULT HEREUNDER. NO REGISTERED OWNER OF ANY BOND SHALL HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY TAXING POWER OF THE ISSUER FOR PAYMENT OF PRINCIPAL THEREOF OR INTEREST OR PREMIUM, IF ANY, THEREOF. THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE ISSUER OR A LOAN OF CREDIT THEREOF WITHIN THE MEANING OF ANY STATUTORY OR CONSTITUTIONAL PROVISION.

Section 7. Form of Bonds. The Bonds shall be in substantially the form as follows (provided, however, that if the text of the Bond is to be printed in its entirety on the front side of the Bond, then paragraph [4] and the legend, "See Reverse Side for Additional Provisions", shall be omitted and paragraphs [6] through [15] shall be inserted immediately after paragraph [5]):

(Form of Bond - Front Side)

REGISTERED

REGISTERED

NO. \_\_\_\_\_

\$

UNITED STATES OF AMERICA

STATE OF ILLINOIS

COUNTY OF CHAMPAIGN

CITY OF URBANA

[TAXABLE]

TAX INCREMENT REVENUE BOND

SERIES 1990

INVESTMENT IN THE SERIES 1990 BONDS IS SPECULATIVE AND  
INVOLVES A SUBSTANTIAL DEGREE OF RISK

See Reverse Side  
for Additional  
Provisions

Interest  
Rate:

Maturity  
Date:  
December 1, 2003

Dated  
Date:

Registered Owner:

Principal Amount:

[1] KNOW ALL BY THESE PRESENTS, that the City of Urbana, Champaign County, Illinois (the "Issuer"), hereby acknowledges itself to owe and for value received promises to pay from the source and as hereinafter provided to the Registered Owner identified above, or registered assigns as hereinafter provided, the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the date of this Bond or from the most recent interest payment date to which interest has been paid at the Interest Rate per annum set forth

above, commencing June 1, 1992, and on each December 1 and June 1 thereafter until such Principal Amount is paid, except as the provisions hereinafter set forth with respect to redemption prior to maturity are and become applicable hereto. Both principal hereof and premium, if any, hereon are payable in lawful money of the United States of America upon presentation and surrender hereof at the principal office of the Issuer's Comptroller, in Urbana, Illinois, as paying agent (including such officer's successors, the "Paying Agent"). Payment of interest shall be made to the Registered Owner hereof on the registration books of the Issuer maintained by the Issuer's Comptroller, as Bond registrar (including such officer's successors, the "Bond Registrar"), at the close of business on the fifteenth (15th) day of the month next preceding the applicable interest payment date and shall be paid by check or draft of the Issuer mailed by the Bond Registrar to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Bond Registrar.

**THE FAILURE TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS WHEN DUE SOLELY BECAUSE OF AN INSUFFICIENCY OF PLEDGED TAXES SHALL NOT BE AN EVENT OF DEFAULT HEREUNDER, A CONDITION AND RISK TO WHICH THE REGISTERED OWNER HEREOF BY THE ACCEPTANCE OF THIS BOND ASSENTS.**

[2] This Bond and each Bond of the series of which it forms a part (together, the "Bonds"), are issued pursuant to the Tax Increment Allocation Redevelopment Act (Section 11-74.4-1 et

seq. of Chapter 24 of the Illinois Revised Statutes), as supplemented and amended (the "Act"), and the principal of and interest, and premium, if any, on the Bonds are payable solely and only from Incremental Property Taxes in connection with and derived from a redevelopment project area under the Act and as provided in the ordinance authorizing the issuance of this Bond (as specifically described in such ordinance, the "Pledged Taxes") the amounts on deposit in and pledged to the various funds and accounts as provided in the ordinance authorizing the issuance of this Bond. The Bonds are being issued for the purpose of paying the costs of (1) land acquisition (for 100% write-down disposition for redevelopment), demolition, site preparation and related public improvements and authorized redevelopment project costs (2) certain costs related to the foregoing and to the financing thereof, all as more fully described in proceedings adopted by the City Council of the Issuer (the "Corporate Authorities") and in an ordinance authorizing the issuance of the Bonds adopted by the Corporate Authorities on the \_\_\_\_ day of \_\_\_\_\_, 1990 (the "Bond Ordinance"), to all the provisions of which the registered owner by the acceptance of this Bond assents. The Bonds, together with the interest and premium, if any, thereon, are limited obligations of the Issuer, payable solely from the Pledged Taxes and the amounts on deposit in and pledged to the various funds and accounts as provided in the Bond Ordinance. For the prompt payment of this Bond, both principal and interest, as aforesaid, on the due date thereof or at maturity or the mandatory

redemption date thereof, the Pledged Taxes are hereby irrevocably pledged. THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE ISSUER WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. NO HOLDER OF THIS BOND SHALL HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY TAXING POWER OF THE ISSUER, THE STATE OF ILLINOIS OR ANY OTHER POLITICAL SUBDIVISION THEREOF, FOR PAYMENT OF PRINCIPAL HEREOF OR INTEREST OR PREMIUM, IF ANY, HEREON.

[3] Under the Act and the Bond Ordinance, the Pledged Taxes shall be deposited in the Issuer's North Campus and King Park Neighborhood Tax Increment Allocation Fund (the "Fund"). Moneys on deposit in the Fund shall be used first and are pledged for paying the principal of, interest on, and premium, if any, on the Bonds and then in making any further required payments to the funds and accounts as provided by the terms of the Bond Ordinance.

[4] Reference is hereby made to the further provisions of this Bond set forth on the reverse hereof and such further provisions shall for all purposes have the same effect as if set forth at this place.

[5] It is hereby certified and recited that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this Bond did exist, have happened, been done and performed in regular and due form and time as required by law, and the Issuer hereby covenants and agrees that it has made provision for the segregation of the Pledged Taxes in the Fund and that it will properly account for such Pledged Taxes and will comply with all the covenants of and

maintain the funds and accounts as provided by the Bond Ordinance.

[6] 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.

IN WITNESS WHEREOF, the City of Urbana, Champaign County, Illinois, by its City Council, has caused this Bond to be signed by the manual or duly authorized facsimile signatures of the Issuer's Mayor and City Clerk, and its corporate seal or a facsimile thereof to be impressed or reproduced hereon, all as appearing hereon and as of the Dated Date identified above.

(SEAL)

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Clerk

Date of Authentication: \_\_\_\_\_

CERTIFICATION OF  
AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned Bond Ordinance and is one of the Tax Increment Revenue Bonds, Series 1990, of the City of Urbana, Champaign County, Illinois.

CITY COMPTROLLER,  
URBANA, ILLINOIS,  
as Bond Registrar

Bond Registrar      City Comptroller  
and Paying Agent: Urbana, Illinois

By \_\_\_\_\_  
Authorized Officer

[The remainder of this page is intentionally left blank.]



[Form of Bond - Reverse Side]

**City of Urbana, Champaign County, Illinois**

**Tax Increment Revenue Bond, Series 1990**

[8] This Bond is transferable by the Registered Owner hereof in person or by such owner's attorney duly authorized in writing at the principal office of the Bond Registrar in Urbana, Illinois, but only in the manner, subject to the limitations and upon payment of the charges provided in the Bond Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds of authorized denominations of the same maturity and for the same aggregate principal amount will be issued to the transferee in exchange therefor.

[9] The Bonds are to be issued in an aggregate principal amount not to exceed \$1,400,000 in fully registered form in the denomination of \$1,000 each or authorized integral multiples thereof. This Bond may be exchanged at the principal office of the Bond Registrar for a like aggregate principal amount of Bonds of the same maturity of other authorized denominations, upon the terms set forth in the Bond Ordinance.

[10] The Issuer, the Paying Agent and the Bond Registrar may deem and treat the registered owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof, premium, if any, and interest due hereon and for all other purposes and neither the Issuer nor the Paying Agent or Bond Registrar shall be affected by any notice to the contrary.

[11] The Bonds are subject to mandatory redemption on

December 1 of each year, commencing December 1, 1992, by operation of the Principal and Interest Account of the Pledged Taxes Fund at a price of par and accrued interest, without premium, to the extent funds are on deposit in the Principal and Interest Account, less funds sufficient to pay interest due on such December 1 and the next succeeding June 1.

**ANY FAILURE TO PAY PRINCIPAL OR INTEREST WHEN DUE SOLELY BY REASON OF INSUFFICIENCY OF MONEYS IN THE PLEDGED TAXES FUND SHALL NOT CONSTITUTE AN EVENT OF DEFAULT UNDER THIS BOND.**

[12] The Bonds are also subject to redemption at the option of the Issuer in whole or in part, from any available funds at any time, and if in part by lot to be selected by the Bond Registrar as hereinafter provided, at the redemption price of the principal amount to be so redeemed on the redemption date, plus accrued interest to the date fixed for redemption.

[13] Written notice of the redemption of any or all of the Bonds shall be given by the Issuer to the registered owner or owners thereof by certified or registered mail to the addresses shown on the registration books of the Issuer maintained by the Bond Registrar or at such other address as is furnished in writing by the registered owners to the Bond Registrar. The date of the mailing and filing of such notice shall be not more than sixty (60) and not less than thirty (30) days prior to such prepayment date, and when any or all of the Bonds or any portion thereof shall have been called for redemption and payment made or provided for, interest thereon shall cease from and after the date so specified.

successor as attorney to transfer the within Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: \_\_\_\_\_  
Signature \_\_\_\_\_

Guaranteed: \_\_\_\_\_  
NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Paragraph [15] may be deleted from any Bond issued that in the opinion of Evans & Froehlich, Champaign, Illinois, or other counsel recognized in respect of rendering opinions on tax-exempt obligations is not tax-exempt under Section 103 of the Code and any such Bond shall be captioned "Taxable Tax Increment Revenue Bond, Series 1990" instead of as provided otherwise above in Section 3.

[The remainder of this page is intentionally left blank.]

[14] The rights and obligations of the Issuer and of the registered owners of Bonds of the series of which this Bond is one may be modified or amended at any time with the consent of the Issuer and of the registered owners of not less than two-thirds (2/3rds) in principal amount of outstanding Bonds in the manner, to the extent, and upon the terms provided in the Bond Ordinance, provided that no such modification or amendment shall extend the maturity or reduce the interest rate on or otherwise alter or impair the obligation of the Issuer to pay the principal, interest or redemption premium, if any, from the Pledged Taxes at the time and place and at the rate and in the currency provided therein of any Bond without the express consent of the registered owner of such Bond, or permit the creation of a preference or priority of any Bond or Bonds over any other Bond or Bonds, or reduce the percentage of Bonds required for the affirmative vote or written consent to an amendment or modification, all as more fully set forth in the Bond Ordinance.

[15] The Issuer has designated this Bond a "qualified tax-exempt obligation" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

(ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto \_\_\_\_\_

(Name, Address and tax identification of Assignee)

the within Bond and does hereby irrevocably constitute and appoint \_\_\_\_\_ or its

Section 8. Pledged Taxes Fund - Accounts. There is hereby created and established or continued, as the case may be, the special fund of the Issuer, which fund shall be held separate and apart from all other funds and accounts of the Issuer and shall be known as the North Campus and King Park Neighborhood Tax Increment Allocation Fund, hereby continued, created and established, as the case may be (the "Pledged Taxes Fund"). All of the Pledged Taxes and any other revenues from any source whatsoever designated to pay principal of, interest on and premium, if any, on the Bonds shall be set aside as collected and be deposited by the Issuer's Comptroller in the Pledged Taxes Fund, which is a trust fund established for the purpose of carrying out the covenants, terms and conditions imposed upon the Issuer by this ordinance. The Bonds are secured by a pledge of all of the moneys on deposit in the Pledged Taxes Fund, and such pledge is irrevocable until the obligations of the Issuer are discharged under this ordinance. Separate accounts shall be established for Taxable Bonds and Bonds tax-exempt under Section 103 of the Code, such accounts to be further designated "Taxable" or "Tax-Exempt," as applicable.

The Pledged Taxes are to be paid to the Issuer's Comptroller by the officers who collect or receive the Pledged Taxes. Whenever the Issuer's Comptroller receives any of the Pledged Taxes, such officer shall promptly deposit the same into the Pledged Taxes Fund. The moneys on deposit in the Pledged Taxes Fund shall be used by the Issuer solely and only for the purpose of carrying out the terms and conditions of this ordinance and shall be deposited as hereinafter provided to the

separate accounts hereby created within the Pledged Taxes Fund to be known as the "Principal and Interest Account", the "General Account", and the "Rebate Account". As and to the extent moneys are deposited by the Issuer into the Pledged Taxes Fund, they shall be credited immediately upon receipt and identification as Pledged Taxes by the Issuer's Comptroller, without any further official action or direction, in the following accounts in the order in which hereinafter mentioned, as follows:

(a) The Principal and Interest Account. The Issuer's Comptroller shall first credit to and upon receipt shall immediately deposit into the Principal and Interest Account all Incremental Property Taxes. Incremental Property Taxes shall be immediately credited in full to the Principal and Interest Account. If, on or before 30 days prior to each December 1, commencing December 1, 1992, there are funds in the Principal and Interest Account in excess of the amount required by this ordinance to pay the principal and interest and premium, if any, due and payable on such date, and the interest due and payable on the next June 1, such excess funds shall first be transferred to the General Account as described below. Except as hereinafter provided, moneys to the credit of the Principal and Interest Account shall be used solely and only for the purpose of paying principal of and redemption premium, if any, and interest on the Bonds and any Additional Bonds as the same become due upon maturity or mandatory redemption. While any Bonds are outstanding, no moneys shall be transferred to the General Account without the written consent of the registered owners of not less than 51% of the aggregate principal amount of the outstanding Bonds.

(b) The General Account. All moneys remaining in the Pledged Taxes Fund, after crediting the required amounts to the respective accounts hereinabove provided for, including a sum sufficient to prepay and redeem all outstanding Bonds on the next interest payment date, shall be credited to the General Account. Moneys on deposit in the General Account shall be transferred by the Issuer's Comptroller first, if necessary, to remedy any deficiencies in any prior accounts in the Pledged Taxes Fund; and, thereafter, shall be used first for any obligations of the Issuer in respect of the Developer under the Redevelopment Agreement and then for one or more of the following purposes, without any priority among them:

(i) for the purpose of paying any Project Costs;

(ii) for the purpose of redeeming Bonds or any Additional Bonds;

(iii) for the purpose of purchasing Bonds or Additional Bonds at a price not in excess of par and accrued interest and applicable redemption premium to the date of purchase; or

(iv) for the purpose of refunding, advance refunding or pre-paying any Bonds or Additional Bonds; or

(v) for the purpose of establishing such additional reserves as may be deemed necessary by the Corporate Authorities; or

(vi) for any lawful corporate purpose of the Issuer under the Act.

(c) The Rebate Account. Applicable with respect to tax-exempt Bonds, there is hereby created a separate and special account within the Pledged Taxes Fund known as the "Rebate Account," into which there shall be deposited as necessary investment earnings in the Principal and Interest Account and the General Account to the extent required so as to maintain the tax exempt status of interest on Bonds issued on a tax-exempt basis. All rebates, special impositions or taxes for such purpose payable to the United States of America (Internal Revenue Service) under Section 148(f) of the Code shall be payable from the Rebate Account.

(d) Investments. The moneys on deposit in the Pledged Taxes Fund and the various accounts therein may be invested from time to time in Qualified Investments. Any such investments may be sold from time to time by the Issuer as moneys may be needed for the purposes for which the Special Account of the Pledged Taxes Fund and such accounts have been created. In addition, the Issuer's Comptroller shall sell such investments when necessary to remedy any deficiency in the Special Account of the Pledged Taxes Fund or any accounts created therein. Any earnings or losses on such investments shall first be attributed to the Principal and Interest Account so long as the balance in such account is less than the debt service requirement and shall next be transferred to the General Account of the Pledged Taxes Fund. All other investment earnings shall be attributed to the account within the Pledged Taxes Fund for which the investment was made.

Section 9. General Covenants. The Issuer covenants and agrees with the respective owners of the Bonds that, so long as any Bonds remain outstanding and unpaid:

(a) The Issuer will punctually pay or cause to be paid from the Pledged Taxes Fund the principal of, interest on and premium, if any, to become due in respect of the Bonds in strict conformity with the terms of the Bonds and this ordinance, and it will faithfully observe and perform all of the conditions, covenants and requirements hereof.

(b) The Issuer will pay and discharge, or cause to be paid and discharged, from the Pledged Taxes Fund any and all lawful claims which, if unpaid, might become a lien or charge upon the Pledged Taxes, or any part thereof, or upon any funds in the hands of the Paying Agent, or which might impair the security of the Bonds. Nothing herein contained shall require the Issuer to make any such payment so long as the Issuer in good faith shall contest the validity of such claims.

(c) The Issuer will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the Project and to the Pledged Taxes. Such books of record and accounts shall at all times during business hours of the Issuer be subject to the inspection of the registered owners of not less than ten per cent (10%) of the principal amount of the Bonds then outstanding, or their representatives authorized in writing.

(d) The Issuer will preserve and protect the security of the Bonds and the rights of the Bondholders, including without limitation the right at all times to receive the Pledged Taxes in the manner, at the time and with the effect contemplated by this ordinance, with respect to which, among other things, the Issuer covenants to strictly comply with all requirements of the Act in connection therewith and herewith, and will warrant and defend their rights against all claims and demands of all persons. From and after the sale and delivery of any of the Bonds by the Issuer, the Bonds shall be incontestable by the Issuer.

(e) The Issuer will adopt, make, execute and deliver any and all such further ordinances, resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention of, or to facilitate the performance of, this ordinance, and for the better assuring and confirming unto the registered owners of the Bonds the rights and benefits provided in this ordinance.

(f) As long as any Bonds are Outstanding, the Issuer will continue to deposit the Pledged Taxes to the Pledged Taxes Fund. The Issuer covenants and agrees with the purchasers of the Bonds and with the registered owners thereof that so long as any Bonds remain outstanding, the Issuer will take no action or fail to take any action which in any way would adversely affect the ability of the Issuer to collect such Pledged Taxes. The Issuer and its officers will comply with the Act and with all present and future applicable laws in order to assure that such taxes may be collected as provided herein and deposited into the Pledged Taxes Fund.

(g) The Issuer will timely and fully comply with all requirements of the Act, including particularly of Section 11-74.4-8, of the Act, and including filing and reporting, to maintain its right to receive Pledged Taxes.



Section 10. Sale of the Bonds. The Bonds hereby authorized shall be sold and executed as in this ordinance provided as soon after the passage hereof as may be, and the proceeds from such sale shall thereupon be deposited with the Issuer's Comptroller, and be by such Comptroller delivered to or at the direction of the purchaser thereof, the same being the Developer, upon receipt of the purchase price therefor, the same being not less than 100% of par (plus accrued interest, if any) to date of delivery; the contract for the sale of the Bonds (i.e., the Redevelopment Agreement as supplemented by this ordinance) is in all respects ratified, approved and confirmed, it being hereby found and determined that such contract is in the best interest of the Issuer and that no person holding an office of the Issuer either by election or appointment, is in any manner interested, either directly or indirectly, in his or her own name or in the name of any other person, association, trust or corporation, in such contract for the purchase of the Bonds.

Bonds shall be issued at one time or from time to time as funds are needed for the Project and as arranged by the Developer, the Issuer assuming no obligation to sell or place the Bonds. In no event shall the aggregate principal amount of Bonds delivered under this ordinance exceed \$1,400,000. The issuance, sale and delivery of any Bond shall be accompanied by certain supporting documentation, as follows: (1) a certified copy of this ordinance and an executed counterpart of the Redevelopment Agreement (or certification if there is no subsequent amendment or revocation thereto as to any sale after the first issuance of

any Bonds); (2) a written direction from the Mayor to the Bond Registrar to authenticate and deliver Bonds; (3) with respect to the initial issuance, sale and delivery of any Bonds the approving opinion of Evans & Froehlich, Champaign, Illinois, that such Bonds have been duly and validly issued and constitute special and limited obligations binding against the Issuer according to their terms (and after such initial delivery such supplemental opinions as the purchaser shall request) and as to the tax-exempt status thereof; (4) the purchase price for the Bonds purchased; and (5) such other and further showings and instruments as the Issuer, Independent Counsel or the purchaser shall reasonably require with respect to the particular transaction. A purchase of Bonds shall be concurrently accompanied by any documentation required by the Redevelopment Agreement.

Section 11. Use of Bond Proceeds. The proceeds derived from the sale of the Bonds shall be used as follows:

(a) Accrued interest, if any, received by the Issuer upon the sale of the Bonds and capitalized interest, if any, following the delivery of the Bonds, shall be remitted by the Issuer's Comptroller for deposit in the Principal and Interest Account of the Pledged Taxes Fund and be used to pay first interest coming due on the Bonds.

(b) The Issuer shall then allocate from the Bond proceeds the sum necessary for expenses incurred in the issuance of the Bonds which shall be deposited into an "Expense Fund" to be maintained by the Issuer's Comptroller and disbursed for such issuance expenses from time to time in accordance with usual Issuer procedures for the disbursement of funds, which disbursements are hereby expressly authorized. Monies not disbursed from the Expense Fund within 6 months shall be transferred by the Issuer for deposit in the hereinafter described Project Fund, and any deficiencies in the Expense Fund shall be paid by disbursement from the Project Fund.

(c) Remaining funds shall be set aside in a separate fund hereby created and designated as the "North Campus and King Park Neighborhood Tax Increment Project Fund (1990)" (the "Project Fund"), which the Issuer shall maintain as a separate and segregated account. Money in such fund shall be withdrawn from time to time as needed for the payment of qualifying Project Costs under the Act and paying the fees and expenses incidental thereto not paid out of the Expense Fund and such money shall be disbursed by the Issuer from time to time only upon submission to the Issuer's Comptroller of documentation required in the Redevelopment Agreement and, as applicable, the following:

(i) If such disbursement is for payment to a supplier, materialman, or contractor for work done in connection with the Project, documentation as provided for in the Redevelopment Agreement acceptable to the Mayor or Chief Administrative Officer and/or a Requisition as provided below, in such Mayor's or Officer's discretion, and a certificate executed by the engineer or architect in charge of the Project stating the amount of materials supplied or the nature of the work completed, that such materials have been properly accepted or such work approved by such engineer or architect, the amount due and payable thereon, and the amount remaining to be paid in connection with the Project accompanied, as appropriate by contractors, affidavits and mechanic's lien waivers; and

(ii) A duplicate copy of the Requisition signed by the Mayor or another officer of the Issuer, stating specifically the purpose for which the Requisition is issued and indicating that the payment for which the Requisition is issued is authorized by the Redevelopment Agreement and in the case of any questions in that regard, such that the Mayor or Comptroller do not approve a Requisition for payment, other than from the Expense Fund, that it has been approved by the Corporate Authorities.

Each "Requisition" for funds in connection with Bond proceeds and the Redevelopment Agreement, in addition to any other specific requirement of this ordinance or the Redevelopment Agreement, shall be signed on behalf of the Issuer by the Mayor (and may be counter-signed by the Developer to assure coordination with the Private Development) and shall contain, as appropriate in the particular case, certain representations, as follows:

- (1) the name of the person, firm or corporation to whom or which payment is due;
- (2) the amount to be paid;
- (3) the purpose for which such payment is to be made;

(4) that such payment complies with the Redevelopment Agreement, is due and has not been included in any prior disbursement Requisition which has been paid;

(5) that there has not been filed with or served upon the Issuer or the Developer, as the case may be, notice of any lien, right to lien, or attachment upon or claim affecting the right to receive payment of any moneys payable to any named payee of the Issuer or the Developer, as the case may be, which has not been released (bonded or insured over) concurrently with the payment of such obligations, and in any event, amounts will only be withheld to the extent of the liens in question;

(6) except in the case of costs of issuance related to Bonds, that the work, materials or equipment with respect to which payment is to be made has been performed or the applicable Redevelopment Project Costs have been expended and that the Issuer or the Developer, as the case may be, has acquired good and merchantable title or perpetual easements to all real and personal property acquired by or on behalf of the Issuer or the Developer, as applicable;

(7) if in connection with a payment or requisition in connection with the Redevelopment Agreement, the name of the Developer in connection with such Redevelopment Agreement and the statements (1) - (6) above, inclusive, as applicable to the Developer, by such Developer, together with true, correct, and complete copies of all required submissions by such Developer to the Issuer under the Redevelopment Agreement, in connection with which such submission shall be deemed a conclusive certification that such copies are true, correct, complete, necessary and sufficient.

Within sixty (60) days after full depletion of the Project Fund or payment of all costs of the Project, as herein referred to, and as heretofore approved by the Corporate Authorities, the Issuer's Chief Administrative Officer shall certify to the Corporate Authorities the fact of such depletion and, as applicable, the engineer or architect in responsible charge of the Project shall certify to the Corporate Authorities the fact that the work has been completed according to approved plans and specifications, as applicable, and upon approval of such certification by the Corporate Authorities, funds (if any) remaining in the Project Fund shall be credited by the Issuer's

Comptroller to the Principal and Interest Account, and the Project Fund shall be closed.

Funds on deposit in the Project Fund may be invested by the Issuer's Comptroller in Qualified Investments. All investment earnings in the Project Fund shall first be credited to the Rebate Account as necessary to maintain the tax-exempt status of the Bonds and next shall be credited to the Project Fund.

Section 12. Arbitrage. This Section concerns only Bonds tax-exempt under Section 103 of the Code. The Corporate Authorities certify and covenant with the purchasers and holders of the Bonds from time to time outstanding, that so long as any of the Bonds remain outstanding, moneys on deposit in any fund or account in connection with the Bonds, whether or not such moneys were derived from the proceeds of the sale of the Bonds or from any other sources, will not be used in a manner which will cause such Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Code, and any lawful regulations promulgated or proposed thereunder, including Treasury Regulations Sections 1.103-13, 1.103-14 and 1.103-15(1979) and 1.148-OT et seq., as the same presently exist, or may from time to time hereafter be amended, supplemented or revised. The Corporate Authorities reserve the right, however, to make any investment of such moneys permitted by Illinois law and this ordinance, if, when and to the extent that such Section 148(a) or regulations promulgated thereunder shall be repealed or relaxed or shall be held void by final decision of a court of competent jurisdiction, but only if any investment made by virtue of such repeal, relaxation or decision would not, in the opinion of counsel of recognized

competence in such matters, result in making the interest on tax-exempt Bonds subject to federal income taxation.

Section 13. Additional Bonds. The Issuer reserves the right to issue Additional Bonds from time to time payable from the Pledged Taxes, and any such Additional Bonds shall share ratably and equally in the Pledged Taxes with the Bonds; provided, however, that no Additional Bonds shall be issued except with the written consent of the Developer and upon compliance with one of the following options:

A. For the purpose of refunding any Outstanding Bonds or for paying Project Costs, if all of the following conditions shall have been met:

1. The amounts required to have been deposited to the respective accounts of the Special Account of the Pledged Taxes Fund shall have been credited in full up to and including the date of adoption of an ordinance authorizing such Additional Bonds; and

2. The Issuer shall have received a report of a recognized Independent consultant knowledgeable as to urban development and municipal finance which includes a statement that, in such Independent consultant's opinion, based upon such consultant's review of executed agreements and such other documents as such consultant reasonably deems pertinent, Incremental Property Taxes and/or Incremental Sales Taxes to be generated will be equal, when aggregated with investment earnings therein, to at least 110% of the average annual principal and interest requirements for all succeeding years on all Bonds then Outstanding and the Additional Bonds proposed to be issued.

B. The foregoing provision notwithstanding, Additional Bonds may be issued in the amount of not to exceed the authorized balance under the Redevelopment Agreement for the purpose of paying the costs of completion of the Project, as set forth in the Redevelopment Agreement.

Any such Additional Bonds which may be issued in compliance herewith shall be payable as to principal on December 1 and as to interest on June 1 and/or December 1 in each year in which principal and interest come due.

Section 14. Refunding Bonds. Refunding obligations issued to refund, whether at or in advance of maturity, Bonds issued under this ordinance, may be issued by the Corporate Authorities hereunder, and, upon such issuance, shall be "Bonds" as defined hereunder, subject to the limitations hereof.

Section 15. Payment and Discharge. The Bonds may be discharged, payment provided for, and the Issuer's liability terminated as follows:

(a) Discharge of Indebtedness. If (i) the Issuer shall pay or cause to be paid to the registered owners of the Bonds the principal, premium, if any, and interest to become due thereon at the times and in the manner stipulated therein and herein, (ii) all fees and expenses of the Bond Registrar and Paying Agent shall have been paid, and (iii) the Issuer shall keep, perform and observe all and singular the covenants and promises in the Bonds and in this ordinance expressed as to be kept, performed and observed by it or on its part, then these presents and the rights hereby granted shall cease, determine and be void. If the Issuer shall pay or cause to be paid to the registered owners of all outstanding Bonds of a particular series, or of a particular maturity within a series, the principal, premium, if any, and interest to become due thereon at the times and in the manner stipulated therein and herein, such Bonds shall cease to be entitled to any lien, benefit or security under this ordinance, and all covenants, agreements and obligations of the Issuer to the registered owners of such Bonds shall thereupon cease, terminate and become void and discharged and satisfied.

(b) Provision for Payment. Bonds for the payment or redemption of which sufficient monies or sufficient Government Securities shall have been deposited with the Bond Registrar (whether upon or prior to the maturity or the redemption date of such Bonds) shall be deemed to be paid within the meaning of this ordinance and no longer outstanding under this ordinance; provided, however, that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been duly given as provided in this ordinance or arrangements satisfactory to the Bond Registrar shall have been made for the giving thereof. Government Securities shall be considered sufficient only if such investments are not redeemable prior to maturity at the option of the issuer and mature and bear interest in such amounts and at such times as will assure sufficient cash to pay currently maturing interest and to pay principal and redemption premiums if any when due on the Bonds without rendering the interest on any tax-exempt Bonds taxable under the Code.

The Issuer may at any time surrender to the Bond Registrar for cancellation by it any Bonds previously authenticated and delivered hereunder, which the Issuer may have acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

(c) Termination of Issuer's Liability. Upon the discharge of indebtedness under paragraph (a) hereof, or upon the deposit with the Bond Registrar of sufficient money and Government Securities (such sufficiency being determined as provided in paragraph (b) hereof) for the retirement of any particular Bond or Bonds, all liability of the Issuer in respect of such Bond or Bonds shall cease, determine and be completely discharged and the holders thereof shall thereafter be entitled only to payment out of the money and the proceeds of the Government Securities deposited with aforesaid for their payment.

Section 16. Ordinance a Contract. The provisions of this ordinance shall constitute a contract between the Issuer and the registered owners of the Bonds, and no changes, additions or alterations of any kind shall be made hereto, except as herein provided.

Section 17. Amendment. The rights and obligations of the Issuer and of the holders or registered owners of outstanding Bonds may from time to time be modified or amended by a supplemental ordinance adopted by the Corporate Authorities with the written consent of the registered owners of not less than two-thirds (2/3rds) of the principal amount of all outstanding Bonds (excluding any of such Bonds owned by or under the control of the Issuer); provided, however, that no such modification or amendment shall extend or change the maturity of or date of redemption prior to maturity, or reduce the interest rate on, or permit the creation of a preference or priority of any outstanding Bond or outstanding Bonds over any other outstanding Bond or outstanding Bonds, or otherwise alter or impair the



obligation of the Issuer to pay from the Pledged Taxes the principal of and interest on any of the outstanding Bonds at the time, place, rate, and in the currency provided therein, or later or impair the obligations of the Issuer with respect to registration, transfer, exchange or notice or redemption of Bonds, without the written consent of the registered owners of all the outstanding Bonds affected; nor shall such modification or amendment reduce the percentage of the registered owners of outstanding Bonds required for the written consent of such modification or amendment without the written consent of the registered owners of all of the outstanding Bonds.

**Section 18. Partial Invalidity.** If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Ordinance.

**Section 19. Registered Form.** This Section concerns only Bonds tax-exempt under Section 103 of the Code. The Issuer recognizes that Section 149 of the Code requires the Bonds to be issued and to remain in fully registered form in order that interest thereon is exempt from federal income taxation under laws in force at the time the Bonds are delivered. In this connection, the Issuer agrees that it will not take any action to permit any Bonds to be issued in, or converted into, bearer or coupon form.

**Section 20. List of Bondholders.** The Bond Registrar shall maintain a list of the names and addresses of the holders

of all Bonds and upon any transfer shall add the name and address of the new Bondholder and eliminate the name and address of the transferor Bondholder.

Section 21. Rights and Duties of Bond Registrar and Paying Agent. If requested by a Bond Registrar and/or Paying Agent, other than the Issuer's Comptroller, the Mayor and City Clerk of the Issuer are authorized to execute the Bond Registrar's or Paying Agent's standard form of agreement between the Issuer and the Bond Registrar and/or Paying Agent with respect to the obligations and duties of the Bond Registrar and/or Paying Agent hereunder which may include the following:

(a) to act as bond registrar, authenticating agent, paying agent and transfer agent as provided herein;

(b) to maintain a list of Bondholders as set forth herein and to furnish such list to the Issuer upon request, but otherwise to the extent lawful to keep such list confidential;

(c) to give notice of redemption of Bonds as provided herein;

(d) to cancel and/or destroy Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer;

(e) to furnish the Issuer at least annually a certificate with respect to Bonds cancelled and/or destroyed; and

(f) to furnish the Issuer at least annually an audit confirmation of Bonds paid, Bonds outstanding and payments made with respect to interest on the Bonds.

The City Clerk is hereby directed to file a certified copy of this ordinance with the Bond Registrar and Paying Agent.

Section 22. Prior Inconsistent Proceedings. All ordinances, resolutions or orders, or parts thereof, in conflict

with the provisions of this ordinance, are to the extent of such conflict hereby repealed.

**Section 23. Immunity of Officers and Employees of Issuer.** No recourse shall be had for the payment of the principal of or premium or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement in this ordinance contained against any past, present or future officer, director, employee, attorney or agent of the Issuer, or of any successor public corporation, as such, either directly or through the Issuer or any successor public corporation, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers, directors, employees, attorneys or agents as such is hereby expressly waived and released as a condition of and consideration for the passage of this ordinance and the issuance of such Bonds.

**Section 24. Not Private Activity Bonds.** This Section concerns only Bonds tax-exempt under Section 103 of the Code. None of the Bonds to be tax-exempt is a "private activity bond" as defined in Section 141(a) of the Code. In support of such conclusion, the Issuer certifies, represents and covenants as follows:

(a) No direct or indirect payments in violation of Section 141 of the Code are to be made on any such Bond with respect to any private business use by any person other than a state or local governmental unit.

(b) None of the proceeds of such Bonds is to be used,

directly or indirectly, in violation of Section 141 of the Code to make or finance loans to persons other than a state or local governmental unit.

Section 25. Arbitrage Rebate Exemption. This Section concerns only Bonds tax-exempt under Section 103 of the Code. The Issuer recognizes that the provisions of Section 148 of the Code require a rebate to the United States in certain circumstances. An exemption to rebate requirements appears at Section 148(f)(4)(B) of the Code and applies to this issue. No rebate is required or planned by the Issuer. In support of this conclusion, the Issuer covenants, represents and certifies the Bond proceeds are to be applied to Project Costs concurrently with the issuance of such Bonds.

Section 26. Certain Tax Covenants. This Section concerns only Bonds tax-exempt under Section 103 of the Code. The Issuer agrees to comply with all provisions of the Code which, if not complied with by the Issuer, would cause Bonds intended to be tax-exempt not to be tax-exempt. In furtherance of the foregoing provisions, but without limiting their generality, and as to costs payable solely from Pledged Taxes, the Issuer agrees: (a) through its officers, to make such further specific covenants, representations as shall be truthful, and assurances as may be necessary or advisable; (b) to comply with all representations, covenants and assurances contained in certificates or agreements as may be prepared by counsel approving the Bonds; (c) to consult with such counsel and to comply with such advice as may be given; (d) to pay to the United States, if necessary, such sums of money representing required

rebates of excess arbitrage profits relating to the Bonds; (e) to file such forms, statements and supporting documents as may be required and in a timely manner; and (f) if deemed necessary or advisable by its officers, to employ and pay fiscal agents, financial advisors, attorneys and other persons to assist the Issuer in such compliance.

One purpose of this Section 26 is to set forth various facts regarding the Bonds and to establish the expectations of the Corporate Authorities and the Issuer as to future events regarding the Bonds and the use of Bond proceeds. The certifications and representations made herein and at the time of the issuance of the Bonds are intended, and may be relied upon, as certifications and expectations described in Sections 1.103-13(a)(2)(ii) and 1.148-OT et seq. of the Treasury Regulations dealing with arbitrage and rebate (the "Regulations"). The covenants and agreements contained herein and to be made at the time of the issuance of the tax-exempt Bonds are made for the benefit of the registered owners from time to time of the Bonds. The Corporate Authorities and the Issuer agree, certify, covenant and represent as follows:

(a) The Bonds are being issued to pay the costs of the Project, and all of the amounts received upon the sale of the Bonds, plus all investment earnings thereon (the "Proceeds") are needed for the purpose for which the Bonds are being issued.

(b) The Issuer has entered into, or will within six months from the date of issue of the Bonds enter into, binding contracts or commitments obligating it to spend at least 2.5% of the proceeds of the Bonds for constructing, acquiring and equipping the Project. It is expected that the work of acquiring, constructing and equipping the Project will continue to proceed with due diligence to completion, at which time all of the Proceeds will have been spent.

(c) The Issuer has on hand no funds which could legally and practically be used for the Project which are not pledged, budgeted, earmarked or otherwise necessary to be used for other purposes. Accordingly, no portion of the Proceeds will be used (i) directly or indirectly to replace funds of the Issuer or any agency, department or division thereof that could be used for the Project, or (ii) to replace any proceeds of any prior issuance of obligations by the Issuer. No portion of the Bonds is being issued solely for the purpose of investing the Proceeds at a Yield higher than the Yield on the Bonds. For purposes of this Section, "Yield" means that yield (that is, the discount rate) which when used in computing the present worth of all payments of principal and interest to be paid on an obligation (using semi-annual compounding on the basis of a 360-day year) produces an amount equal to the purchase price of the Bonds, including accrued interest, and the purchase price of the Bonds is equal to the first offering price at which more than 10% of the principal amount of each maturity of the Bonds is sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers).

(d) All principal proceeds of the Bonds will be deposited in the Project Fund or the Expense Fund and used to pay costs of the Project and cost of issuance of the Bonds, and any accrued interest and premium received on the delivery of the Bonds will be deposited in the Principal and Interest Account and used to pay the first interest due on the Bonds. Earnings on investment of moneys in any fund or account will be credited to that fund or account. Project costs, including issuance costs of the Bonds, will be paid from the Project Fund, and no other moneys are expected to be deposited therein. Interest on and principal of the Bonds will be paid from the Principal and Interest Account. No Proceeds will be used more than 30 days after the date of issue of the Bonds for the purpose of paying any principal or interest on any issue of bonds, notes, certificates or warrants or on any installment contract or other obligation of the Issuer or for the purpose of replacing any funds of the Issuer used for such purpose.

(e) The Principal and Interest Account is established to achieve a proper matching of revenues and earnings with debt service in each bond year. Other than any amounts held to pay principal of matured Bonds that have not been presented for payment, it is expected that any moneys deposited in the Principal and Interest Account will be spent within the 12-month period beginning on the date of deposit therein. Any earnings from the investment of amounts in the Principal and Interest Account will be spent within a one-year period beginning on the date of receipt of such investment earnings. Other than any amounts held to pay principal of matured Bonds that have not been presented for payment, it is expected that the Principal and Interest

Account will be depleted at least once a year, except for a reasonable carryover amount not to exceed the greater of (i) one-year's earnings on the investment of moneys in the Principal and Interest Account, or (ii) in the aggregate one-twelfth (1/12th) of the annual debt service on the Bonds.

(f) Other than the Principal and Interest Account, no funds or accounts have been or are expected to be established, and no moneys or property have been or are expected to be pledged (no matter where held or the source thereof) which will be available to pay, directly or indirectly, the Bonds or restricted so as to give reasonable assurance of their availability for such purposes. No property of any kind is pledged to secure, or is available to pay, obligations of the Issuer to any credit enhancer or liquidity provider.

(g) (i) All amounts on deposit in the Project Fund or the Principal and Interest Account and all Proceeds, no matter in what funds or accounts deposited ("Gross Proceeds"), to the extent not exempted in (ii) below, and all amounts in any fund or account pledged directly or indirectly to the payment of the Bonds which will be available to pay, directly or indirectly, the Bonds or restricted so as to give reasonable assurance of their availability for such purpose contrary to the expectations set forth in (f) above, shall be invested at market prices and at a Yield not in excess of the Yield on the Bonds plus, for amounts in the Project Fund only, 1/8 of 1%.

(ii) The following may be invested without Yield restriction:

(A) amounts invested in obligations described in Section 103(a) of the Code (but not specified private activity bonds as defined in Section 57(a)(5)(C) of the Code), the interest on which is not includable in the gross income of any registered owner thereof for federal income tax purposes ("Tax-Exempt Obligations");

(B) amounts deposited in the Principal and Interest Account that are reasonably expected to be expended within 13 months from the deposit date and have not been on deposit therein for more than 13 months;

(C) amounts in the Project Fund prior to the earlier of completion (or abandonment) of the Project or three years from the date of issue of the Bonds;

(D) an amount not to exceed 5% (but not to exceed \$100,000) of Bond proceeds;

(E) all amounts for the first 30 days after they become Gross Proceeds (e.g., date of deposit in any fund or account securing the Bonds); and

(F) all amounts derived from the investment of the Proceeds for a period of one year from the date received.

(h) Subject to (g) below, once moneys are subject to the Yield limits of (g)(i) above, such moneys remain Yield restricted until they cease to be Gross Proceeds.

(i) As set forth in Section 148(f)(4)(B) of the Code, the Issuer is excepted from the required rebate of arbitrage profits on the Bonds because the Issuer reasonably expects to apply Bond proceeds to Project Costs concurrently with the issuance of Bonds.

(j) None of the Proceeds will be used, directly or indirectly, to replace funds which were used in any business carried on by any person other than a state or local governmental unit.

(k) The payment of the principal of or the interest on the Bonds will not be, directly or indirectly (A) secured by any interest in (i) property used or to be used for a private business use by any person other than a state or local governmental unit, or (ii) payments in respect of such property, or (B) derived from payments (whether or not by or to the Issuer), in respect of property, or borrowed money, used or to be used for a private business use by any person other than a state or local governmental unit.

(l) None of the Proceeds will be used, directly or indirectly, to make or finance loans to persons other than a state or local governmental unit.

(m) No user of the Project other than a state or local government unit will use the Project on any basis other than the same basis as the general public, and no person other than a state or local governmental unit will be a user of the Project as a result of (i) ownership, or (ii) actual or beneficial use pursuant to a lease or a management or incentive payment contract, or (iii) any other similar arrangement.

(n) Beginning on the 31st day prior to the Bond sale date, the Issuer has not sold or delivered, and will not sell or deliver, (nor will it deliver within 31 days after the date of issuance of the Bonds) any other obligations pursuant to a common plan of financing, which will be paid out of substantially the same source of funds (or which will have substantially the same claim to be paid out of substantially the same source of funds) as the Bonds or will be paid directly or indirectly from Proceeds.



(o) No portion of the Project is expected to be sold or otherwise disposed of prior to the last maturity of the Bonds other than as anticipated by the Redevelopment Agreement.

(p) The Issuer has not been notified of any disqualification or proposed disqualification of it by the Internal Revenue Service as a bond issuer which may certify bond issues under Section 1.103-13(a)(2)(ii) of the Treasury Regulations.

(q) The Yield restrictions contained in (g) above or any other restriction or covenant contained herein need not be observed and may be changed if the Issuer receives an opinion of counsel approving the Bonds or other counsel competent and experienced with respect to the issuance of tax-exempt obligations to the effect that such non-observance or change will not adversely affect the tax-exempt status of interest on the Bonds to which the Bonds otherwise are entitled.

(r) The Issuer acknowledges that any changes in facts or expectations from those set forth herein may result in different Yield restrictions or rebate requirements from those set forth herein and that Bond Counsel should be contacted if such changes do occur.

(s) The Corporate Authorities have no reason to believe the facts, estimates, circumstances and expectations set forth herein are untrue or incomplete in any material respect. On the basis of such facts, estimates, circumstances and expectations, it is not expected that Proceeds or any other moneys or property will be used in a manner that will cause any of the Bonds to be arbitrage bonds or private activity bonds within the meaning of Sections 148 or 141 of the Code and of applicable regulations. To the best of the knowledge and belief of the Corporate Authorities, such expectations are reasonable, and there are no other facts, estimates and circumstances that would materially change such expectations.

Section 27. Qualified Tax-Exempt Obligations. This Section concerns only Bonds tax-exempt under Section 103 of the Code. The Issuer recognizes the provisions of Section 265(b)(3) of the Code which provide that a "qualified tax-exempt obligation" as therein defined may be treated by certain financial institutions as if it were acquired on August 7, 1986, for certain purposes. The Issuer hereby designates each of the

tax-exempt Bonds issued in 1990 as may be from time to time outstanding for purposes of Section 265(b)(3) of the Code as a "qualified tax-exempt obligation" as provided therein to the extent each such Bond is tax-exempt under Section 103 of the Code.

In support of such designation:

(a) The Issuer acknowledges that a "qualified tax exempt obligation" means a bond which is not a "private activity bond" as defined in Section 141(a) of the Code.

(b) The Issuer represents, certifies and covenants that including the Bonds issued as tax-exempt obligations, the Issuer (including any entities subordinate thereto) has not and does not reasonably expect to issue in excess of \$10,000,000 in "qualified tax-exempt obligations" (other than "private activity bonds") (as such terms are defined in the Code) during 1990.

(c) The Issuer represents, certifies and covenants that including the Bonds, not more than \$10,000,000 of obligations issued by the Issuer (including any entities subordinate thereto) during the calendar year of issuance of any of the tax-exempt Bonds have been to date or are expected to be designated by the Issuer for purposes of such Section 265(b)(3).

**Section 28. Instruments of Further Assurance.** The Issuer covenants that it shall do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, such ordinances and other actions supplemental hereto, and such further acts, agreements, instruments and transfers as may be reasonably required for the better assuring, transferring, conveying, pledging, assigning and confirming unto the registered owners of the Bonds all its interest in the Pledged Taxes and other amounts pledged hereby to the payment of the principal of, premium, if any, and interest on the Bonds and the application of Bond proceeds as herein provided. Any and all interest in property hereafter acquired which is of any kind or

nature herein provided to be and become subject to the lien hereof shall and without any further conveyance, assignment or act on the part of the Issuer or any other person, become and be subject to the lien of this ordinance as fully and completely as though specifically described herein, but nothing contained in this Section 28 shall be deemed to modify or change the obligations of the Issuer under this Section 28. Upon receipt the Issuer shall immediately pay over or cause to be paid over for deposit into the Pledged Taxes Fund any Pledged Taxes received by it.

Section 29. Effective Date. This ordinance shall be in full force and effect as provided by law.

Passed by the City Council this 19th day of March, 1990.

AYES (names): Joan Barr, Lonnie Clark, Charles A. Smyth,  
Bonnie C. Tarr  
NAYS (names): ---  
ABSENT (names): Michael Pollock, Clifford E. Singer, Joseph A.  
~~OTHER (names):~~ Whelan, Jr.

Approved this 22nd day of March, 1990



Jerry T. Mallard  
Mayor, City of Urbana  
Champaign County, Illinois

Attest:  
Ruth S. Becken  
City Clerk, City of Urbana,  
Champaign County, Illinois

Recorded in the City Records on \_\_\_\_\_, 1990.

Published in pamphlet form on March 27, 1990.

THIS IS THE ATTACHMENT WHICH IS REFERRED TO IN  
ORDINANCE NO. 8990-93 AND IS INCORPORATED  
THEREIN BY REFERENCE.

Ruth S. Brookens  
Ruth S. Brookens, City Clerk

August 9, 1991  
Date



All that part of Sections 7 and 8, Township 19 North, Range 9 East of the Third Principal Meridian, Champaign County, Illinois, described as follows.

Beginning at the intersection of the south right-of-way line of University Avenue and the east right-of-way line of Wright Street; thence North to the centerline of University Avenue, thence East to the centerline of Wright Street; thence North along said centerline to the north right-of-way of Beslin Street; thence East along the said north line to the west right-of-way line of Mathews Street; thence North along said line to the north right-of-way line of Dublin Street; thence East along said line to the west right-of-way line of Goodwin Avenue; thence North along said line to the north line extended West of the Lincoln Avenue Mobile Home Park (also being known as Permanent Parcel number 91-21-07-226-016), said line being 349.75 feet South of the south right-of-way line of Bradley Avenue; thence East along said line to the west line of the Northeast Quarter of the Northeast Quarter of said Section 7; thence South along said west line to the south line of said quarter quarter section; thence East along said line to a point being 248 feet, more or less, West of the East line of said quarter quarter section; said point also being the northwest corner of Permanent Parcel number 91-21-07-226-010; thence South along the west line of said parcel 103 feet; thence East along the south line of said parcel extended to the east right-of-way line of Lincoln Avenue; thence South along said line 127.1 feet to the north line extended of Permanent Parcel number 92-21-07-226-012; thence West along said north line 382.22 feet to the northwest corner of said parcel; thence South along the west line of said parcel 131.08 feet to the southwest corner of said parcel; thence East along the south line of said parcel 382.22 feet extended to the east right-of-way line of Lincoln Avenue; thence South along said line 1141.56 feet to the north line extended of Permanent Parcel number 92-21-07-282-021; thence West on the said north line 368.6 feet to the northeast corner of Lot 1 of Carman's Third Subdivision; thence South along the east line of said subdivision 368.05 feet to the northwest corner of Lot 8 of said subdivision; thence East along the north line of Lots 8 and 9 to the northeast corner of said Lot 9; thence South along the east line of said Lot 9 extended to the south right-of-way line of Fairview Avenue; thence West along said line to the east right-of-way line of Goodwin Avenue; thence South along said line to the north right-of-way line of Church Street; thence East along said line to the east right-of-way line of Lincoln Avenue; thence South along said line to the intersection with the southwesterly right-of-way line of the Consolidated Railway Corporation railroad right-of-way; thence northwesterly along said line to the northwest corner of Lot 9 of Stipe's Subdivision; thence South along the west line of said lot to the southwest corner of said lot; thence West along the north line of Lots 7 and 8 of said subdivision to the northwest corner of Lot 7; thence South along the west line of Lot 7 extended to the south right-of-way of University Avenue; thence West on said line to the point of beginning.