

ORDINANCE NO. 9091-24

AN ORDINANCE authorizing the joint issuance of not to exceed \$20,000,000 aggregate principal amount of Single Family Mortgage Revenue Bonds (GNMA Mortgage-Backed Securities Program) Series 1990, and authorizing the execution and delivery of certain documents in connection therewith.

WHEREAS, pursuant to Section 6(a) of Article VII of the 1970 Constitution of the State of Illinois, the City of Urbana, Illinois, is a municipality and a home rule unit of government duly organized and validly existing under the Constitution and the laws of the State of Illinois (the "Issuer"); and

WHEREAS, pursuant to the Constitution and the laws of the State of Illinois, and particularly Section 6(a) of Article VII of the 1970 Constitution of the State of Illinois, the Issuer is authorized to issue its revenue bonds in order to aid in providing an adequate supply of residential housing for low and moderate income persons and families within the City of Urbana, Illinois, which constitutes a valid public purpose for the issuance of revenue bonds by the Issuer; and

WHEREAS, the Issuer has now determined that it is necessary, desirable and in the public interest for the Issuer, the City of Rock Island, Illinois ("Rock Island") and the City of Moline, Illinois ("Moline") (the Issuer, Rock Island and Moline collectively referred to as the "Issuers") to jointly issue their revenue bonds to provide an adequate supply of residential housing for low and moderate income persons and families within the Issuers; and

WHEREAS, pursuant to Section 10 of Article VII of the 1970 Constitution of the State of Illinois and the Intergovernmental Cooperation Act (Illinois Revised Statutes 1989, Chapter 127, Paragraph 741 et seq., as supplemented and amended), public agencies may exercise and enjoy with any other public agency in the State of Illinois any power, privilege or authority which may be exercised by such public agency individually,

and, accordingly, it is now determined that it is necessary, desirable and in the public interest for the Issuer to enter into an Intergovernmental Cooperation Agreement (the "Cooperation Agreement") dated as of September 1, 1990, by and among the Issuers, to provide for the joint issuance of such revenue bonds to aid in providing an adequate supply of residential housing in such cities (the "Program"); and

WHEREAS, to provide for the Program, the Issuers propose jointly to issue, sell and deliver not to exceed \$20,000,000 aggregate principal amount of their Single Family Mortgage Revenue Bonds (GNMA Mortgage-Backed Securities Program) Series 1990 (the "Bonds"), to obtain funds to finance the acquisition of mortgage-backed securities (the "GNMA Securities") of the Government National Mortgage Association ("GNMA"), evidencing a guarantee by GNMA of timely payment of monthly principal of and interest on certain qualified mortgage loans under the Program (the "Mortgage Loans"), all under and in accordance with the Constitution and laws of the State of Illinois; and

WHEREAS, pursuant to the Program, the Issuers have heretofore sent Invitations to Originate Mortgage Loans (the "Invitations") to various lending institutions, and certain lending institutions (the "Lenders") have made written Offers to Originate and Sell Single Family Mortgage Loans (the "Offers"); and

WHEREAS, it is necessary, desirable and in the public interest in connection with the issuance of the Bonds that the Issuer enter into the Origination, Sale and Servicing Agreement dated as of September 1, 1990 (the "Agreement") to be executed and delivered by and among the Issuers, jointly, the Trustee, Champion Federal Savings and Loan Association (the "Master Servicer") and the Lenders; and

WHEREAS, it is necessary, desirable and in the public interest in connection with the issuance of the Bonds that a Trust Indenture dated as of September 1, 1990 (the "Indenture") be executed and delivered by and among the Issuers, jointly, and The First National Bank of Chicago, as trustee (the "Trustee"); and

WHEREAS, George K. Baum & Company (the "Underwriter") has submitted to the Issuers a form of Purchase Contract (the "Purchase Contract"), setting forth the Underwriter's proposal to purchase the Bonds; and

WHEREAS, in connection with the offering and sale of the Bonds, a Preliminary Official Statement (the "Preliminary Official Statement") has been distributed to prospective purchasers of the Bonds and an Official Statement (the "Official Statement") will be prepared for distribution in connection with the Bonds; and

WHEREAS, the Bonds will be limited obligations of the Issuers payable solely from the revenues, receipts and resources of the Issuers pledged under the Indenture and not from any other revenues, funds or assets of the Issuers; the Bonds will not be general obligations of the Issuers and will not constitute or give rise to a pecuniary liability of the Issuers or a charge against the general credit or taxing power of the Issuers or of the State of Illinois or any political subdivision thereof;

WHEREAS, the Bonds will be initially prepared in book-entry form only and it is necessary and desirable that the Issuer enter into an agreement dated the date of issuance of the Bonds (the "DTC Agreement") among the Issuers, the Trustee and The Depository Trust Company ("DTC") for such purposes; and

WHEREAS, copies of the Cooperation Agreement, the Agreement, the Indenture, the Purchase Contract, the DTC Agreement and the Preliminary Official Statement have been presented to and are before this meeting;

NOW, THEREFORE, Be It Ordained by the City Council of the City of Urbana, Champaign County, Illinois, as follows:

Section 1. That it is the finding and declaration of the City Council of the Issuer that the issuance of the Bonds jointly with the other Issuers is advantageous to the Issuer and therefore serves a valid public purpose; that this authorizing ordinance is adopted pursuant to the Constitution and the laws of the State of Illinois, and more particularly Section 6(a) of Article VII of the 1970 Constitution of the State of Illinois;

and that, by the adoption of this authorizing ordinance, the City Council of the Issuer hereby approves the issuance of the Bonds for the purposes as provided in the preambles hereto.

Section 2. That the form, terms and provisions of the proposed Cooperation Agreement be, and they are hereby, in all respects approved; that the Mayor of the Issuer be, and is hereby, authorized, empowered and directed to execute, and the City Clerk of the Issuer be, and is hereby, authorized, empowered and directed to attest and to affix the official seal of the Issuer to, the Cooperation Agreement in the name and on behalf of the Issuer, and thereupon to cause the Cooperation Agreement to be delivered to the other Issuers; that the Cooperation Agreement is to be in substantially the form presented to and before this meeting and hereby approved or with such changes therein as shall be approved by the officer of the Issuer executing the Cooperation Agreement, his execution thereof to constitute conclusive evidence of his approval of any and all changes or revisions therein from the form of Cooperation Agreement before this meeting; that from and after the execution and delivery of the Cooperation Agreement, the officers, officials, agents and employees of the Issuer are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Cooperation Agreement as executed; and that the Cooperation Agreement shall constitute and is hereby made a part of this authorizing ordinance and a copy of the Cooperation Agreement shall be placed in the official records of the Issuer and shall be available for public inspection at the principal office of the Issuer.

Section 3. That the form, terms and provisions of the proposed Agreement be, and they are hereby, in all respects approved; that the Mayor of the Issuer be, and is hereby, authorized, empowered and directed to execute, and the City Clerk of the Issuer be, and is hereby, authorized, empowered and directed to attest and to affix the official seal of the Issuer to, the Agreement in the name and on behalf of the Issuer, and there-

upon to cause the Agreement to be delivered to the other Issuers, the Trustee, the Master Servicer and the Lenders; that the Agreement is to be in substantially the form presented to and before this meeting and hereby approved or with such changes therein as shall be approved by the officer of the Issuer executing the Agreement, his execution thereof to constitute conclusive evidence of his approval of any and all changes or revisions therein from the form of Agreement before this meeting; that from and after the execution and delivery of the Agreement, the officers, officials, agents and employees of the Issuer are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Agreement as executed; and that the Agreement shall constitute and is hereby made a part of this authorizing ordinance and a copy of the Agreement shall be placed in the official records of the Issuer and shall be available for public inspection at the principal office of the Issuer.

Section 4. That the form, terms and provisions of the proposed Indenture be, and they are hereby, in all respects approved; that the Mayor of the Issuer be, and is hereby, authorized, empowered and directed to execute, and the City Clerk of the Issuer be, and is hereby, authorized, empowered and directed to attest and to affix the official seal of the Issuer to, the Indenture in the name and on behalf of the Issuer, and thereupon to cause the Indenture to be delivered to the other Issuers and the Trustee, and the Indenture shall constitute a lien for the security of the Bonds issued under the Indenture upon the trust estate described therein; that the Indenture is to be in substantially the form presented to and before this meeting and hereby approved, or with such changes therein as shall be approved by the officer of the Issuer executing the Indenture, his execution thereof to constitute conclusive evidence of his approval of any and all changes or revisions therein from the form of Indenture before this meeting; that from and after the execution and delivery of the Indenture, the officers, officials, agents and employees of the Issuer are hereby authorized, empowered and directed to do all such

acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Indenture as executed; and that the Indenture shall constitute and is hereby made a part of this authorizing ordinance and a copy of the Indenture shall be placed in the official records of the Issuer and shall be available for public inspection at the principal office of the Issuer.

Section 5. That the Mayor and the City Clerk of the Issuer be, and are hereby, authorized, empowered and directed to cause to be prepared a joint issue of not to exceed \$20,000,000 aggregate principal amount of the Bonds of the Issuers, bearing interest at the rates per annum, maturing in the amounts and on the dates, subject to redemption prior to maturity, in such form and having the other terms and provisions specified in the Indenture (as executed and delivered); provided, that the aggregate principal amount of the Bonds shall not exceed \$20,000,000 (with the principal amount of any capital appreciation bonds of the issue being deemed for this purpose to be the initial principal amount thereof), that the Bonds shall mature no later than August 1, 2023, that the Bonds shall bear interest at a rate not to exceed ten percent (10%) per annum, and that the officers of the Issuer executing the documents, instruments and certificates authorized and approved by this authorizing ordinance may approve all such changes in such documents, instruments and certificates to conform to the Indenture as executed and delivered.

The Bonds shall be designated "City of Moline, Illinois, City of Rock Island, Illinois and City of Urbana, Illinois Single Family Mortgage Revenue Bonds (GNMA Mortgage-Backed Securities Program), Series 1990" and shall be issuable only in fully registered form without coupons. The Bonds shall be dated September 1, 1990, shall be in the denomination of \$5,000 or any integral multiple thereof and shall bear interest payable semiannually on February 1 and August 1 commencing February 1, 1991, calculated on the basis of a 360-day year comprised of twelve 30-day months. Notwithstanding the foregoing, the Bonds or portions thereof may be issued as capital appreciation bonds

dated the date of their authentication and delivery, in maturity amounts of \$5,000 or any integral multiple thereof and bearing interest only at maturity or prior redemption calculated as provided in the Indenture, as executed, all as shall be approved by the officer of the Issuer executing the Indenture, his execution thereof to constitute conclusive evidence of his and the City Council's approval of the issuance of such capital appreciation bonds.

The Bonds shall be executed in the name of the Issuer with the manual or facsimile signature of the Mayor of the Issuer and attested by the manual or facsimile signature of the City Clerk of the Issuer, and the official seal of the Issuer may be affixed thereto or imprinted thereon, as provided in the Indenture. The Mayor or the City Clerk of the Issuer shall cause the Bonds, as so executed, to be delivered to the Trustee for authentication.

Section 6. That the form of the Bonds submitted to this meeting, subject to appropriate insertion and revision in order to comply with the provisions of the Indenture be, and the same are hereby, approved, and when the Bonds shall be executed on behalf of the Issuers in the manner contemplated by the Indenture and this authorizing ordinance in the aggregate principal amount of not to exceed \$20,000,000 they shall represent the approved form of the Bonds.

Section 7. That the Mayor or the City Clerk of the Issuer be, and is hereby, authorized, empowered and directed to jointly issue with the other Issuers and sell to the Underwriter the entire aggregate principal amount of the Bonds at 100% of the principal amount thereof (exclusive of any reduction in purchase price representing original issue discount plus accrued interest, if any); that the form, terms and provisions of the proposed Purchase Contract be, and they are hereby, in all respects approved; that the Mayor of the Issuer be, and is hereby, authorized, empowered and directed to execute and thereupon to cause the Purchase Contract to be delivered to the other Issuers and the Underwriters; that the Purchase Contract is to be in substantially the form presented

to and before this meeting and hereby approved, or with such changes therein as shall be approved by the officer of the Issuer executing the Purchase Contract, his execution thereof to constitute conclusive evidence of his approval of any and all changes or revisions therein from the form of Purchase Contract before this meeting; that from and after the execution and delivery of the Purchase Contract, the officers, officials, agents and employees of the Issuer are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Purchase Contract as executed; and that the Purchase Contract shall constitute and is hereby made a part of this authorizing ordinance and a copy of the Purchase Contract shall be placed in the official records of the Issuer and shall be available for public inspection at the principal office of the Issuer.

Section 8. That the payment of fees and costs of issuance to the Underwriter out of the Cost of Issuance Fund as provided in the Indenture, as executed, is hereby approved.

Section 9. That the use of the Preliminary Official Statement is hereby ratified, confirmed and approved; that the form, terms and provisions of the Official Statement are to be in substantially the same form as the Preliminary Official Statement presented to and before this meeting and hereby approved, or with such changes therein as shall be approved by the officer of the Issuer executing the Official Statement, his execution thereof to constitute conclusive evidence of his approval of any and all changes or revisions therein; and that the Mayor of the Issuer be, and is hereby, authorized, empowered and directed to execute the Official Statement and cause the same to be delivered to the other Issuers and the Underwriter. The Issuer deems the Preliminary Official Statement to be final as of its date for purposes of Rule 15c2-12 of the Securities Exchange Act of 1934, except for the omission of the offering prices or yields, the interest rates, the selling compensation, the final aggregate principal amount, the principal amount per maturity, the delivery date, ratings, other terms of the Bonds depending on such matters, and the identity of the underwriter.

Section 10. That the Mayor, the City Clerk and the proper officers, officials, agents and employees of the Issuer are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents and certificates as may be necessary to carry out and comply with the provisions of the Cooperation Agreement, the Agreement, the Indenture, the Purchase Contract, the Preliminary Official Statement, the Official Statement, the DTC Agreement and the Bonds, as executed, including without limitation (a) the execution and delivery of Notices of Acceptance and Notices of Availability of Funds (as contemplated by the Agreement), (b) the execution and delivery of a Tax Exemption Certificate and Agreement among the Issuers and the Trustee containing certain representations and covenants relating to the exclusion of interest on the Bonds from the Federal gross income of the owners thereof, (c) the execution and delivery or the approval, if necessary, of an investment agreement relating to investment of proceeds of the Bonds with an investment provider acceptable to the Mayor of the Issuer, his execution of the Indenture to constitute conclusive evidence of his and the Issuer's approval of such provider and agreement, (d) the execution by the Mayor of the Issuer of the approval of the Bonds pursuant to Section 147(f) of the Code after the public hearing is held pursuant to said Section 147(f) and (e) to further the purposes and intent of this authorizing ordinance, including the preambles hereto.

Section 11. That all acts of the officers, officials, agents and employees of the Issuer heretofore or hereafter taken, which are in conformity with the purposes and intent of this authorizing ordinance and in furtherance of the issuance and sale of the Bonds, and the same hereby are, in all respects, ratified, confirmed and approved, including without limitation the execution and dissemination of the Invitations and the publication of a notice of public hearing to be held pursuant to Section 147(f) of the Code.

Section 12. That the appointment of the Lenders and the Master Servicer under the Agreement, and the appointment of The First National Bank of Chicago, as

Trustee, paying agent and bond registrar under the Indenture, are hereby authorized, approved and confirmed.

Section 13. That the officers of the Issuer are authorized to take all further actions to receive an allocation of unified volume cap from the Office of the Governor of the State of Illinois in the amount of up to \$6,250,000 which the Issuer hereby allocates to the Bonds, the remaining volume cap necessary to the issuance of the Bonds being allocated by the other Issuers.

Section 14. That the Bonds may be insured by a municipal bond insurance policy to be issued by AMBAC Indemnity Corporation for the payment of such premium as shall be set forth in the Indenture, as executed, the Mayor's execution of the Indenture to constitute conclusive evidence of the Mayor's and the City Council's approval of any such insurance policy and the premium therefor.

Section 15. That after the Bonds are issued, this authorizing ordinance shall be and remain irrevocable until the Bonds and the interest thereon shall have been fully paid, cancelled and discharged.

Section 16. That the provisions of this authorizing ordinance are hereby declared to be separable, and if any section, phrase or provision of this authorizing ordinance shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions of this authorizing ordinance.

Section 17. That all ordinances, resolutions and orders, or parts thereof, in conflict with the provisions of this authorizing ordinance are, to the extent of such conflict, hereby superseded; and, in particular, Ordinance No. 7879-98, adopted by the City Council on May 7, 1979, as amended on October 20, 1980, establishing procedures for the issuance of the Issuer's residential mortgage revenue bonds, is repealed in its entirety; and that this authorizing ordinance shall be in full force and effect upon its adoption and approval as provided by law.

Presented, passed, approved and recorded by the City Council of the City of Urbana, Illinois, this 4th day of September, 1990.

Approved:

Jeffrey T. Whelan
Mayor



[SEAL]

Attest:

Ruth S. Broshens
City Clerk

Ayes: Joan Barr, Michael Pollock, Clifford E. Singer,
Charles A. Smyth, Bonnie Tarr, Joseph A. Whelan, Jr.

Nays: None

Absent or Not Voting: Lonnie Clark

After a full discussion thereof, the Mayor directed that the roll be called for a vote upon the motion to adopt said ordinance.

Upon the roll being called, the following Aldermen voted:

AYE: Barr, Pollock, Singer, Smyth, Tarr, Whelan

NAY: None

ABSENT OR NOT VOTING: Clark

Whereupon the Mayor declared the motion carried and said ordinance adopted, and hereforth did approve and sign the same in open meeting and did direct the City Clerk to record the same in full in the records of the City Council of the City of Urbana, Illinois.

* * *

(Other Business)

Upon motion duly made and seconded, the meeting was adjourned.

[SEAL]



Ruth S. Brookem
City Clerk