

ORDINANCE NO. 9192-27

AN ORDINANCE AUTHORIZING THE ISSUANCE OF UP TO \$8,500,000 AGGREGATE PRINCIPAL AMOUNT OF RESIDENTIAL MORTGAGE REVENUE REFUNDING BONDS, 1991 SERIES, (\$5,750,000 1991 SERIES A AND \$2,750,000 1991 SERIES B) 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 laws of the State of Illinois, and particularly Section 6(a) of Article VII of the 1970 Constitution of the State of Illinois, including an enabling ordinance, duly adopted by the Issuer on May 9, 1979, as amended on October 20, 1980, and the transactional ordinances duly adopted by the City Council of the Issuer on September 4, 1979 and November 3, 1980, respectively, (collectively, the "Prior Ordinances"), the Issuer was authorized to carry out the public purposes described in the Prior Ordinances by issuing its revenue bonds to finance and refinance the acquisition of home mortgages by pledging such home mortgages as security for the payment of the principal of and interest on any such revenue bonds and by entering into any agreements made in connection therewith; and

WHEREAS, pursuant to the Prior Ordinances, the Issuer has heretofore issued its:

(a) City of Urbana, Champaign County, Illinois Residential Mortgage Revenue Bonds, 1979 Series, in the original principal amount of \$15,230,000 (the "1979 Bonds"), pursuant to the terms of a Trust Indenture dated as of September 1, 1979, as amended, among the Issuer and First Wisconsin Trust Company, Milwaukee, Wisconsin, as trustee, and Continental Illinois National Bank and Trust Company of Chicago, Chicago, Illinois, as custodian (the "1979 Indenture"); and

(b) City of Urbana, Champaign County, Illinois Residential Mortgage Revenue Bonds, 1980 Series, in the original principal amount of \$10,000,000 (the "1980 Bonds"), pursuant to the terms of a Trust Indenture dated as of October 1, 1980 between the Issuer and First Wisconsin Trust Company, Milwaukee, Wisconsin, as trustee, and Continental Illinois National Bank and Trust Company of Chicago, Chicago, Illinois, as custodian (the "1980 Indenture"); and

**WHEREAS**, the proceeds of the 1979 Bonds and the 1980 Bonds were used by the Issuer, inter alia, for the purpose of financing the acquisition of mortgage loans secured by mortgages on residential housing facilities owned by families and persons within the corporate limits of the Issuer, which mortgage loans were pledged as security for the payment of the respective series of such bonds; and

**WHEREAS**, the 1979 Indenture provides that the Issuer may cause the discharge of the lien thereof upon satisfaction of certain conditions as therein set forth; and

**WHEREAS**, the 1980 Indenture provides that the 1980 Bonds presently are subject to optional redemption at a redemption price equal to 102.5% of the principal amount thereof, and further provides that the Issuer may cause the discharge of the lien thereof upon satisfaction of certain conditions as therein set forth; and

**WHEREAS**, the Issuer has determined that it is necessary and advisable pursuant to the Constitution and laws of the State of Illinois, and particularly Section 6(a) of Article VII of the 1970 Constitution of the State of Illinois and this authorizing Ordinance (collectively, the "Act") to issue its City of Urbana, Champaign County, Illinois Residential Mortgage Revenue Refunding Bonds, 1991 Series (the "Bonds"), consisting of two series of Bonds, the proceeds of the first series (the "1991 Series A Bonds") of which shall be applied to pay the principal of and interest due on the 1979 Bonds on their respective maturity or mandatory sinking fund payment dates, and the proceeds of the second series (the "1991 Series B Bonds") of which shall be applied to pay the principal of and the premium on the outstanding 1980 Bonds, plus interest thereon to the date of redemption thereof; and

**WHEREAS**, because the 1979 Bonds will be advance refunded, a portion of the Bonds, i.e., the 1991 Series A Bonds, will be issued on a taxable basis for federal income tax purposes; and

**WHEREAS**, it is necessary, desirable and in the public interest in connection with the issuance of the Bonds that the Issuer enter into certain amendments dated as of September 1, 1991 to the Sale and Service Agreements dated as of September 1, 1979 and October 1, 1980, respectively (the "Amendments") to be executed and delivered by and among the Issuer, Busey Bank, Champion Federal Savings and Loan Association, Heartland Federal Savings & Loan and Talman Home Mortgage Corporation (collectively, the "Servicers"); 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, 1991 (the "Indenture") be executed and delivered by and between the Issuer and

Continental Bank, National Association, Chicago, Illinois (the "Trustee"); and

WHEREAS, George K. Baum & Company (the "Underwriter") has submitted to the Issuer 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 Issuer payable solely from the revenues, receipts and resources of the Issuer pledged under the Indenture and not from any other revenues, funds or assets of the Issuer; the Bonds will not be general obligations of the Issuer and will not constitute or give rise to a pecuniary liability of the Issuer or a charge against the general credit or taxing power of the Issuer or of the State of Illinois or any political subdivision thereof; and

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 Issuer, the Trustee and The Depository Trust Company ("DTC") for such purposes; and

WHEREAS, it is necessary, desirable and in the public interest in connection with the issuance of the Bonds, that two separate Escrow Agreements dated as of September 1, 1991 (the "Escrow Agreements") be executed and delivered by and between the Issuer and the Trustee, as escrow agent (the "Escrow Agent"), pursuant to which Escrow Agreements the Issuer will deposit with the Escrow Agent sufficient moneys and/or investment securities to cause the discharge of the liens of the 1979 Indenture and the 1980 Indenture and which shall provide for the payment of the respective series of the 1979 Bonds and the 1980 Bonds; and

WHEREAS, upon discharge of the liens of the 1979 Indenture and the 1980 Indenture, the mortgage loans pledged as security for the 1979 Bonds and the 1980 Bonds are being pledged to the payment of the Bonds under the Indenture; and

WHEREAS, copies of the Amendments, the Indenture, the Purchase Contract, the Preliminary Official Statement, the DTC Agreement, and the Escrow Agreements 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 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. Upon the defeasance of the 1979 Bonds and the 1980 Bonds as provided in the Indenture and the Escrow Agreements, the mortgage loans pledged as security for the 1979 Bonds and the 1980 Bonds shall be pledged to the Trustee for the Bonds pursuant to the Indenture. Any remaining amounts held in the funds and accounts under the 1979 Indenture and the 1980 Indenture, after funding certain funds and accounts under the Indenture and paying fees and costs of issuance pursuant to Section 7 of this authorizing Ordinance, shall be paid to the Issuer to be used by the Issuer for any lawful purpose.

Section 2. That the form, terms and provisions of the proposed Amendments 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 Amendments in the name and on behalf of the Issuer, and thereupon to cause the Amendments to be delivered to the Servicers; that the Amendments are to be in substantially the form presented to and before this meeting and hereby approved with such changes therein as shall be approved by the officer of the Issuer executing the Amendments, such execution thereof to constitute conclusive evidence of such approval of any and all changes or revisions therein from the form of Amendments before this meeting; that from and after the execution and delivery of the Amendments, 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 Amendments as executed; and that the Amendments shall constitute and are hereby made a part of this authorizing Ordinance and a copy of the Amendments 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 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 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 with such changes therein as shall be approved by the officer of the Issuer executing the Indenture, such execution thereof to constitute conclusive evidence of such 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 4. That the Mayor and the City Clerk of the Issuer be, and are hereby, authorized, empowered and directed to cause to be prepared an issue of not to exceed \$8,500,000 aggregate principal amount of the Bonds of the Issuer (\$5,750,000 1991 Series A and \$2,750,000 1991 Series B), 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 \$8,000,000 (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 September 1, 2007, that the Bonds shall bear interest at a rate per annum not to exceed nine percent (9%) 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 Urbana, Illinois Residential Mortgage Revenue Refunding Bonds, 1991 Series" and shall be issuable only in fully registered form without coupons. The 1991 Series A Bonds shall be dated September 1, 1991, shall be in the denomination of \$5,000 or any integral multiple thereof and shall bear interest payable semiannually on March 1 and September 1, commencing March 1, 1992, calculated on the basis of a 360-day year comprised of twelve 30-day months. The 1991 Series B Bonds or portions thereof shall 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 and delivered) all as shall be approved by the officer of the Issuer executing the Indenture, such execution thereof to constitute conclusive evidence of such officer's 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 5. 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 Issuer in the manner contemplated by the Indenture and this authorizing Ordinance in the aggregate principal amount of not to exceed \$8,500,000, such execution shall represent the approved form of the Bonds.

Section 6. That the Mayor or the City Clerk of the Issuer be, and is hereby, authorized, empowered and directed to issue and sell to the Underwriter the entire aggregate principal amount of the Bonds at 98.2% 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 Underwriters; that the Purchase Contract is to be in substantially the form presented to and before this meeting and hereby approved with such changes therein as shall be approved by the officer of the Issuer executing the Purchase Contract, such execution thereof to constitute conclusive evidence of such 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 7. That the payment of fees and costs of issuance to the Underwriter pursuant to the Purchase Contract from the funds and accounts established under the 1979 Indenture

and the 1980 Indenture and available for such purpose is hereby approved.

Section 8. 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 with such changes therein as shall be approved by the officer of the Issuer executing the Official Statement, such execution thereof to constitute conclusive evidence of such 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 Underwriter. The Issuer hereby ratifies, confirms and approves any action by the officers of the Issuer in deeming 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, and other terms of the Bonds depending on such matters.

Section 9. That the form, terms and provisions of the proposed Escrow Agreements 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 Escrow Agreements in the name and on behalf of the Issuer, and thereupon to cause the Escrow Agreements to be delivered to the Escrow Agent; that the Escrow Agreements are to be in substantially the form presented to and before this meeting and hereby approved with such changes therein as shall be approved by the officer of the Issuer executing the Escrow Agreements, such execution thereof to constitute conclusive evidence of such approval of any and all changes or revisions therein from the form of Escrow Agreements before this meeting; that from and after the execution and delivery of the Escrow Agreements, 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 Escrow Agreements as executed; and that the Escrow Agreements shall constitute and are hereby made a part of this authorizing Ordinance and a copy of the Escrow Agreements 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 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 Amendments, the Indenture, the Purchase Contract, the Preliminary Official Statement, the Official Statement, the DTC Agreement, the Escrow Agreements and the Bonds, as executed, including without limitation (a) the execution and delivery or the approval, if necessary, of an investment agreement relating to investment of amounts to be held under the Indenture with an investment provider acceptable to the Mayor of the Issuer, such execution of the Indenture to constitute conclusive evidence of his and the Issuer's approval of such provider and agreement, and (b) 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.


Section 12. That the appointment of Continental Bank, National Association, Chicago, Illinois, as Trustee, paying agent and bond registrar under the Indenture, and as the Escrow Agent under the Escrow Agreements, is hereby authorized, approved and confirmed.

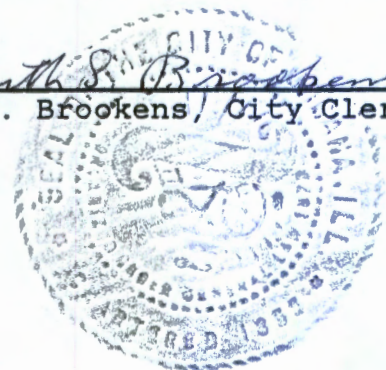
Section 13. That after the Bonds are issued, this authorizing Ordinance shall be and remain irrevocable until the Bonds and the interest thereon shall have been fully paid, cancelled and discharged.

Section 14. 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 15. 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 that this authorizing Ordinance shall be in full force and effect upon its adoption and approval as provided by law.

PASSED by the City Council this 3rd day of September, 1991.

  
Ruth S. Brookens, City Clerk





APPROVED by the Mayor this 3rd day of September, 1991.

  
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Jeffrey T. Markland, Mayor

Ayes: Barr, Pollock, Singer, Smyth and Tarr

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Nays: None

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Absent or Not Voting: Clark and Whelan

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