ORDINANCE NO. 9293-24

AN ORDINANCE PROVIDING FOR THE ISSUANCE OF $1,000,000 GENERAL OBLIGATION BONDS, SERIES 1992, OF THE CITY OF URBANA, CHAMPAIGN COUNTY, ILLINOIS, AND PROVIDING FOR THE LEVY AND COLLECTION OF A DIRECT ANNUAL TAX FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SUCH BONDS

WHEREAS, the City of Urbana, Champaign County, Illinois (the **"Issuer"**), is a home rule unit under Section 6 (Powers of Home Rule Units) of Section VII (Local Government) of the Constitution of Illinois, with the authority to exercise any power and perform any function pertaining to its government and affairs, including the power to incur debt; and

WHEREAS, pursuant to an authorizing ordinance therefor (collectively, the **"TIF Ordinance"**) the Issuer has heretofore approved a redevelopment plan (the **"Redevelopment Plan"**) and redevelopment project (the **"Redevelopment Project"**), designated a redevelopment project area and adopted tax increment allocation financing (**"TIF"**) for a portion of the north campus and King Park neighborhood area known as Redevelopment Project Area Number Three (the **"Project Area"**), all in accordance with the provisions of the Real Property Tax Increment Allocation Redevelopment Act (now known as the Tax Increment Allocation Redevelopment Act), as supplemented and amended; and

WHEREAS, the Issuer's City Council (the **"Corporate Authorities"**) has heretofore determined and does hereby determine that it is necessary and advisable for the public health, safety, welfare, and convenience of residents of the City of Urbana, Illinois that the Issuer undertake further elements of the Redevelopment Project: property acquisition, demolition, site improvements and rehabilitation (together with related facilities and improvements and costs of issuance of the Bonds, the **"Project"**); and

WHEREAS, the estimated cost of the acquisition and construction of the Project is estimated to be $1,000,000; and

WHEREAS, the Issuer does not have sufficient funds on hand to pay for the costs of the Project, and it is necessary that the Issuer borrow money and issue full faith and credit general obligation bonds in evidence thereof in the principal amount of $1,000,000 to pay such costs; and

WHEREAS, pursuant to the Act and this ordinance, the Issuer will authorize the issuance of General Obligation Bonds, Series 1992, of the Issuer in the aggregate principal amount of $1,000,000 (the **"Bonds"**), for the purpose of defraying the costs of the Project; and

WHEREAS, pursuant to a request for proposals, dated July 15, 1992, prepared for the Issuer by the City Comptroller of the Issuer, the Issuer received certain bids submitted by prospective purchasers and upon the review and recommendation of the City Comptroller has determined it to be in the Issuer's best interests to accept the bid (the **"Accepted Bid Form"**) submitted by Busey Bank of Urbana, Illinois (together with any participants or syndicate members, the **"Purchaser"**); and

WHEREAS, this ordinance is divided into numbered sections with captions, which shall not limit the provisions hereof, as follows:

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

Section 1. Definitions. In addition to such other words and terms used and defined in this ordinance, unless the context or use clearly indicates another or different meaning is intended, certain words and terms used in this ordinance shall have the meanings, as follows:

"Act" means 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, and specifically as supplemented by the power and authority of the Issuer as a home rule unit.

"Bond" or **"Bonds"** means one or more, as applicable, of the $1,000,000 General Obligation Bonds, Series 1992, authorized to be issued by this ordinance.

"Bond Fund" means the Principal and Interest Account created by Section 14 of this ordinance.

"Bond Register" means the books of the Issuer kept by the Bond Registrar to evidence the registration and transfer of the Bonds.

"Bond Registrar" means the City Comptroller of the Issuer, in Urbana, Illinois, or any successor in office, or any other successor designated as bond registrar hereunder.

"Bond Year" means, with reference to the Bonds, the twelve calendar month period beginning on October 1 of any calendar year and ending on September 30 of the following year.

"Code" means the Internal Revenue Code of 1986, as amended.

"Corporate Authorities" means the Issuer's City Council.

"Full Faith and Credit Taxes" means the unlimited ad valorem taxes levied by and under this ordinance on all of the taxable property in the City of Urbana, Champaign County, Illinois, sufficient to pay all principal of and interest on the Bonds when due.

"Incremental Property Taxes" means, in respect of the Project Area, the ad valorem taxes, if any, arising from the tax levies upon taxable real property in the Project Area by any and all taxing districts or municipal corporations having the power to tax real property in the 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 Project Area over and above the Initial Equalized Assessed Value of each such piece of property, all as determined by the County Clerk of The County of Champaign, Illinois, in accord with Section 11-74.4-9 of the Act.

"Interest Requirement" means, for any Bond Year, the aggregate amount of interest payable on the Bonds having a stated maturity during such Bond Year.

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

"Ordinance" or **"ordinance"** means this ordinance, numbered as set forth on the title page hereof, passed by the City Council.

"Paying Agent" means the City Comptroller of the Issuer, in Urbana, Illinois, or any successor in office thereto, or any other successor designated as paying agent hereunder.

"Pledged Taxes" means, collectively, the Full Faith and Credit Taxes and the Incremental Property Taxes.

"Principal Requirement" means, for any Bond Year, the aggregate principal amount of the Bonds having a Stated Maturity during such Bond Year.

"Project" means the Project described above in the preambles to this ordinance.

"Project Area" means the Issuer's Redevelopment Project Area Number Three (Tax Increment Finance District #3), established by the Corporate Authorities by Ordinance No. 8990-59, passed December 18, 1989, and approved December 20, 1989, as supplemented and amended, under and pursuant to the Act.

"Project Costs" means the sum total of all reasonable costs or necessary costs incurred in connection with the Project and as expressly authorized by the Act.

"Qualified Investments" means any investments as may be from time to time authorized under Illinois Law.

"Redevelopment Plan" and **"Redevelopment Project"** mean the Issuer's comprehensive program for the Project Area heretofore approved by the Corporate Authorities by Ordinance No. 8990-59, passed December 18, 1989, and approved December 20, 1989, as supplemented and amended by Ordinance No. 9091-65, passed on December 3, 1990, and approved on December 13, 1990, under and pursuant to the Act.

"Special Tax Allocation Fund" means the heretofore created Special Tax Allocation Fund for the Project Area, which fund is expressly continued by this ordinance.

"Stated Maturity" when used with respect to any Bond or any interest thereon means the date specified in such Bond as the fixed date on which the principal of such Bond or such interest is due and payable, whether by maturity, mandatory redemption or otherwise.

"Tax-exempt" or **"tax-exempt"** means, with respect to the Bonds, the status of interest paid and received thereon as not includible in the gross income of the owners thereof under the Code for federal income tax purposes, except to the extent that such interest will be taken into account in computing an adjustment used in determining the alternative minimum tax for certain corporations, in computing the environmental tax imposed on certain corporations and in computing the "branch profits tax" imposed on certain foreign corporations.

"Total Initial Equalized Assessed Value" means the total initial equalized assessed value of the taxable real property in the Project Area as determined by the County Clerk of The County of Champaign, Illinois, in accordance with Section 11-74.4-9 of the Act.

Section 2. Incorporation of Preambles. The Corporate Authorities hereby find that all of the recitals contained in the preambles to this ordinance are true, correct and complete and do incorporate them into this ordinance by this reference.

Section 3. Determination to Issue Bonds. It is necessary and in the best interests of the Issuer to undertake, acquire and construct the Project, to pay all related costs and expenses incidental thereto, and to borrow money and issue the Bonds for such purposes. It is hereby found and determined that such borrowing of money is for a proper public purpose or purposes and is in the public interest, and is authorized pursuant to the Act.

Section 4. Bond Details. For the purpose of providing for the payment of all or a part of the costs of the Project, and to pay all related costs and expenses incidental thereto, there shall be issued and sold the Bonds in the aggregate principal amount of $1,000,000. The Bonds shall each be designated

"General Obligation Bond, Series 1992"; shall be dated October 1, 1992 (the **"Dated Date"**); and shall also bear the date of authentication thereof. The Bonds shall be in fully registered form, shall be in denominations of $5,000 or integral multiples thereof (but no single Bond shall represent principal maturing on more than one date), shall be numbered consecutively in such fashion as shall be determined by the Bond Registrar, and shall become due and payable serially (subject to right of prior redemption) on October 1 of the years and in the principal amount in each year and bearing interest at the rates percent per annum as follows:

Year	Amount($)	Rate(%)
1993	75,000	5.50
1994	80,000	5.50
1995	85,000	5.50
1996	90,000	5.50
1997	95,000	5.50
1998	100,000	5.50
1999	110,000	5.50
2000	115,000	5.50
2001	120,000	5.50
2002	130,000	5.50

The Corporate Authorities hereby expressly find and determine that the Bonds mature within 20 years of date of issuance and within 23 years of the adoption of the ordinance designating the Project Area, as provided by the Act.

Each Bond shall bear interest from the later of its Dated Date as herein provided or from the most recent interest payment date to which interest has been paid or duly provided for, until the principal amount of such Bond is paid or duly provided for, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable on April 1 and

October 1 of each year, commencing on April 1, 1993. Interest on each Bond shall be paid by check or draft of the Paying Agent in lawful money of the United States of America, mailed to the person in whose name such Bond is registered at the close of business on the fifteenth (15th) day of the calendar month next preceding the interest payment date. The principal of and redemption premium, if any, due on the Bonds shall be payable in lawful money of the United States of America upon presentation and surrender thereof at the principal corporate trust office of the Paying Agent in Urbana, Illinois, or any successor Paying Agent.

Section 5. **Execution and Authentication**. The Bonds shall be executed on behalf of the Issuer by the manual or duly authorized facsimile signature of its Mayor and attested by the manual or duly authorized facsimile signature of its City Clerk, as they may determine, and shall have impressed or imprinted thereon the Issuer's corporate seal or a facsimile thereof. In case any such 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. The certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder.

Section 6. Redemption. Bonds due on and after October 1, 1995, are subject to redemption prior to maturity at the option of the Issuer from any available funds, in whole or in part on any date on or after October 1, 1994, and if in part, in inverse order of maturity, and if less than an entire maturity, in integral multiples of $5,000, selected by lot by the Bond Registrar as hereinafter provided, at the redemption price of par, plus accrued interest to the date fixed for redemption.

Section 7. Redemption Procedure. The Issuer shall, at least forty-five (45) days prior to the redemption date (unless a shorter time period 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. For purposes of any redemption of less than all of the Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot not more than sixty (60) days prior to the redemption date by the Bond Registrar for the Bonds of such maturity 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 $5,000 Bond or $5,000 portion of a Bond shall be as likely to be called for redemption as any other such $5,000 Bond or $5,000 portion. The Bond Registrar shall promptly notify the Issuer and the Paying Agent 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 a Bond to be redeemed, official notice of any such redemption shall be given by the Bond Registrar on behalf of the Issuer by mailing the redemption notice by first class mail not less than thirty (30) days and not more than sixty (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 such registered owner to the Bond Registrar.

All official notices of redemption shall include at least the information as follows: (a) the redemption date; (b) the redemption price, including premium (if any); (c) if less than all of the outstanding Bonds of a particular maturity are to be redeemed, the identification (and, in the case of partial redemption of Bonds within such maturity, the respective principal amounts) of the Bonds to be redeemed; (d) 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 (e) 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 and accrued interest on all the Bonds or portions of Bonds which are to be redeemed on that date.

Official 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, 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 other registered owners. 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 redemption action described in the notice. Such notice may be waived in writing by a registered owner of a Bond entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by registered owners 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 by the Paying Agent at the redemption price. The procedure for the payment of interest due as part of the redemption price shall be as herein provided for payment of interest otherwise due. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of like tenor, of authorized denominations, of the same maturity, and bearing the same rate of interest in the amount of the unpaid principal.

<u>Section 8</u>. <u>Registration of Bonds</u>. 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 in Urbana, Illinois, which is hereby constituted and appointed the registrar of the Issuer for the Bonds. The Issuer is authorized to prepare, and the Bond Registrar or such other agent as the Issuer may designate shall keep custody of, multiple Bond blanks executed by the Issuer for use in the transfer and exchange of Bonds.

Any Bond may be transferred or exchanged, but only in the manner, subject to the limitations, and upon payment of the charges as set forth in this ordinance. Upon surrender for transfer or exchange of any Bond at the principal office of the Bond Registrar, duly endorsed by or accompanied by a written instrument or instruments of transfer or exchange in form satisfactory to the Bond Registrar and duly executed by the registered owner or an attorney for such owner 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 or, in the case of an exchange, the registered owner, a new fully registered Bond or Bonds of like tenor, of the same maturity, bearing the same interest rate, of authorized denominations, for a like aggregate principal amount.

The Bond Registrar shall not be required to transfer or exchange any Bond during the period from the close of business on the fifteenth (15th) day of the calendar month preceding an interest payment date on the Bonds to the opening of business on such interest payment date or during the period of fifteen (15) days preceding the giving of notice of redemption of Bonds or to transfer or exchange any Bond all or a portion of which has been called for redemption.

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; provided, however, the principal amount of Bonds of each maturity authenticated by the Bond Registrar shall not at any one time exceed the authorized principal amount of Bonds for such maturity less the amount of such Bonds which have been paid.

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 or interest on any

Bond shall be made only to or upon the order of the registered owner thereof or such registered 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 to any registered owner of Bonds 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.

Section 9. Security. The Bonds, together with the interest and any premium thereon, are payable from the collection of the Pledged Taxes and the amounts on deposit in the various funds and accounts of the Special Tax Allocation Fund as hereinafter provided and are secured by the full faith and credit of the Issuer and the Issuer's levy of the Full Faith and Credit Taxes. Anything in this ordinance to the contrary notwithstanding, the Issuer hereby expressly reserves the right to issue from time to time additional bonds payable from Incremental Property Taxes (the "**Additional Bonds**"), in which such event any Incremental Property Taxes and other amounts on deposit in the various funds and accounts of the Special Tax Allocation Fund pledged under this ordinance for payment on the Bonds may, in the sole discretion of the Corporate Authorities of the Issuer: (i) be made junior and subordinate to any pledge of such Incremental Property Taxes and other amounts on deposit in the various funds and accounts of the Special Tax Allocation Fund which may be made in connection with any such Additional Bonds, or (ii) be eliminated and withdrawn as security for the Bonds. The Full Faith and Credit Taxes shall be extended, collected and applied as provided in this ordinance, notwithstanding any defect in the proceedings related to the Project Area, Redevelopment Project, Redevelopment Plan or the pledge or availability of any Incremental Property Taxes.

Section 10. Form of Bonds. The Bonds shall be in substantially the form hereinafter set forth; provided, however, that if the text of the Bond is to be typewritten or printed in its entirety on the front side of the Bond, then the second paragraph of the front side of the Bond and the legend "See Reverse Side for Additional Provisions" shall be omitted and paragraphs on the reverse side of the Bond shall be inserted immediately after the first paragraph.

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

[Form of Bond - Front Side]

REGISTERED
NO. ______

REGISTERED
$__________

UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTY OF CHAMPAIGN
CITY OF URBANA
GENERAL OBLIGATION BOND
SERIES 1992

:See Reverse Side for
Additional Provisions:

Interest Rate:	Maturity Date:	Dated Date:
5.50%	October 1, ____	October 1, 1992

Registered Owner:

Principal Amount:

KNOW ALL BY THESE PRESENTS that the City of Urbana, Champaign County, Illinois, a home rule municipality and political subdivision of the State of Illinois (the **"Issuer"**), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, 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 later of the Dated Date of this Bond identified above or from the most recent interest payment date to which interest has been paid or duly provided for at the Interest Rate per annum identified above, such interest to be payable on April 1 and October 1 of each year, commencing April 1, 1993, until such Principal Amount is paid or duly provided for, except as the hereinafter stated provisions for redemption prior to maturity may and shall become applicable to this Bond. The principal of and redemption premium, if any, due on this Bond are payable in lawful money of the United States of America upon presentation hereof at the principal office of the City 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 as shown on the registration books of the Issuer maintained by the City Comptroller, in Urbana, Illinois (including such officer's successors, the **"Bond Registrar"**), at the close of business on the fifteenth (15th) calendar day of the month next preceding the interest payment date and shall be paid by check or draft of the Paying Agent, payable upon presentation in lawful money of the United States of America, mailed 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.

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.

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

It is hereby certified and recited that all conditions, acts and things required by the constitution and laws of the State of Illinois to exist or to be done precedent to and in the issuance of this Bond, have existed and have been properly done, happened and been performed in regular and due form and time as required by law; that the indebtedness of the Issuer, represented by the Bonds, and including all other indebtedness of the Issuer, howsoever evidenced or incurred, does not exceed any constitutional or statutory or other lawful limitation; and that provision has been made for the allocation of the Incremental Property Taxes and the collection of the Full Faith and Credit Taxes and for depositing the Pledged Taxes into the Special Tax Allocation Fund, and further, that the Issuer will properly account for the Pledged Taxes and will comply with all of the covenants and maintain the funds and accounts as provided by the Bond Ordinance. The Full Faith and Credit Taxes on deposit in and to the credit of the Special Tax Allocation 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.

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 executed by the manual or duly authorized facsimile signature of its Mayor and attested by the manual or duly authorized facsimile signature of its 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.

CITY OF URBANA, ILLINOIS

____
Mayor, City of Urbana,
Champaign County, Illinois

(SEAL)

ATTEST:

____
City Clerk, City of Urbana,
Champaign County, Illinois

Bond Registrar and Paying Agent: City Comptroller, City of Urbana, Champaign County, Illinois

CERTIFICATE OF AUTHENTICATION

Date of Authentication: _______________, ____

This Bond is one of the Bonds described in the within mentioned Bond Ordinance and is one of the General Obligation Bonds, Series 1992, having a Dated Date of October 1, 1992, of the City of Urbana, Champaign County, Illinois.

____
City Comptroller, City of Urbana,
Champaign County, Illinois

[Form of Bond - Reverse Side]

City of Urbana, Champaign County, Illinois
General Obligation Bond, Series 1992

This bond and each bond of the series of which it forms a part (the **"Bonds"**) are issued pursuant to the Tax Increment Allocation Redevelopment Act, as supplemented and amended, including by the power and authority of the Issuer as a home rule unit (collectively, the **"Act"**), and an ordinance authorizing the issuance of the Bonds adopted by the City Council of the Issuer on the 21st day of September, 1992 (the **"Bond Ordinance"**). The principal of and interest on the Bonds are payable from (i) unlimited ad valorem taxes duly levied on all of the taxable property in the Issuer (the **"Full Faith and Credit Taxes"**) and (ii) to the extent pledged by the Issuer pursuant to the Act and the Bond Ordinance, the ad valorem taxes, if any, arising from taxes levied upon taxable real property in Tax Increment Finance District #3, duly designated by the Issuer in accordance with the provisions of the Act (the **"Project Area"**) by any and all taxing districts or municipal corporations having the power to tax real property in the 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 Project Area over and above the initial equalized assessed value of each such piece of property, all as determined by the County Clerk of The County of Champaign, Illinois, in accord with the provisions of the Act (the **"Incremental Property Taxes"**). The Bonds are being issued for the purpose of paying certain redevelopment project costs for the Project Area as authorized by the Act and as more fully described in the Bond Ordinance. The Bonds are payable from the Full Faith and Credit Taxes and are further secured by the Incremental Property Taxes, which together constitute **"Pledged Taxes"**, and the moneys on deposit in and to the credit of the various funds and accounts of the Special Tax Allocation Fund as provided in the Bond Ordinance. For the prompt payment of this Bond, both principal and interest as aforesaid, at maturity, the Full Faith and Credit Taxes, including the full faith and credit of the Issuer, are hereby irrevocably pledged.

Any Bond may be transferred or exchanged, but only in the manner, subject to the limitations, and upon payment of the charges as set forth in the Bond Ordinance. Upon surrender for transfer or exchange of any Bond at the principal office of the Bond Registrar in Urbana, Illinois, duly endorsed by or accompanied by a written instrument or instruments of transfer or exchange in form satisfactory to the Bond Registrar and duly executed by the Registered Owner or an attorney for such owner 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 or, in the case of an exchange, the Registered Owner, a new fully registered Bond or Bonds of like tenor, of the same maturity, bearing the same interest rate, of authorized denominations, for a like aggregate principal amount.

The Bond Registrar shall not be required to transfer or exchange any Bond during the period from the close of business on the fifteenth (15th) calendar day of the calendar month preceding an interest payment date on the Bonds to the opening of business on such interest payment date or during the period of fifteen (15) days preceding the giving of notice of redemption of Bonds or to transfer or exchange any Bond all or a portion of which has been called for redemption.

Bonds due on or after October 1, 1995, are also subject to redemption prior to maturity, at the option of the Issuer from any available funds, in whole or in part on any date on or after October 1, 1994, and if in part, in inverse order of maturity, and if less than an entire maturity, in integral multiples of $5,000, selected by lot by the Bond Registrar, at the redemption price of par, plus accrued interest to the date fixed for redemption.

Unless waived by the Registered Owner of Bonds to be redeemed, notice of any such redemption shall be given by the Bond Registrar on behalf of the Issuer by mailing the redemption notice by first class mail not less than thirty (30) days and not more than sixty (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 such Registered Owner to the Bond Registrar. 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 other Registered Owners. 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 redemption action described in the notice. Such notice may be waived in writing by a Registered Owner of a Bond entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice.

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, 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. Upon surrender of such Bonds for redemption in accordance with such notice, such Bonds shall be paid by the Paying Agent at the redemption price. The procedure for the payment of interest due as part of the redemption price shall be as herein provided for payment of interest otherwise due. Upon surrender for any partial redemption of any Bond, there shall be prepared for the Registered Owner a new Bond or Bonds of like tenor, of authorized denominations, of the same maturity, and bearing the same rate of interest in the amount of the unpaid principal.

The Issuer, the Bond Registrar and the Paying Agent 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 and interest due hereon and for all other purposes, and the Issuer, the Bond Registrar and the Paying Agent shall not be affected by any notice to the contrary.

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

Dated: ________________________ ________________________________
Signature

Signature guaranteed: ________________________________

NOTICE: The signature to this transfer and 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.

__Section 11__. __Tax Levy__. For the purpose of providing funds required to pay the interest on the Bonds promptly when and as the same falls due, and to pay and discharge the principal thereof at maturity or upon mandatory redemption, there is hereby levied upon all of the taxable property within the City of Urbana, Champaign County, Illinois, in the years for which any of the Bonds are outstanding, a direct annual tax sufficient for that purpose; and there are hereby levied on all of the taxable property in the City of Urbana, Champaign County, Illinois, in addition to all other taxes, the following direct annual taxes (constituting the Full Faith and Credit Taxes):

For the Year	A Tax Sufficient to Produce the Sum of:
1992	$155,437.50 for principal and interest
1993	$128,675.00 for principal and interest
1994	$129,137.50 for principal and interest
1995	$129,325.00 for principal and interest
1996	$129,237.50 for principal and interest
1997	$128,875.00 for principal and interest
1998	$133,100.00 for principal and interest

1999	$131,912.50	for principal and interest
2000	$130,450.00	for principal and interest
2001	$133,575.00	for principal and interest

Interest or principal coming due at any time when there are insufficient funds on hand from the Full Faith and Credit Taxes to pay the same shall be paid promptly when due from current funds on hand in advance of the collection of the Full Faith and Credit Taxes herein levied; and when the Full Faith and Credit Taxes shall have been collected, reimbursement shall be made to such funds in the amount so advanced.

Whenever other funds from any lawful source are made available for the purpose of paying any principal of or interest on the Bonds so as to enable the abatement of the taxes levied herein for the payment of same, the Corporate Authorities shall, by proper proceedings, direct the deposit of such funds into the Principal and Interest Account of the Special Tax Allocation Fund (the **"Bond Fund"**) and further shall direct the abatement of the taxes by the amount so deposited. A certified copy of any such proceedings abating taxes shall be filed with the County Clerk of The County of Champaign, Illinois, in a timely manner to effect such abatement.

The Issuer covenants and agrees with the purchasers and registered owners of the Bonds that so long as any of the Bonds remain outstanding and unless and to the extent that moneys are then irrevocably on deposit in the Principal and Interest Account of the Special Tax Allocation Fund, 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 levy and collect the foregoing tax levy. The Issuer and its officers will comply with all present and future applicable laws in order to assure that the Full Faith and Credit Taxes may be levied, extended and collected as provided herein and deposited into the Bond Fund.

Section 12. Filing with County Clerk. Promptly, as soon as this ordinance becomes effective and prior to issuance of any Bonds, a copy of this ordinance, certified by the Issuer's City Clerk, shall be filed with the County Clerk of The County of Champaign, Illinois; and such County Clerk shall in and for each of the years 1992 to 2001, inclusive, ascertain the rate percent required to produce the aggregate tax hereinbefore provided to be levied in each such year and in such County; and such County Clerk shall extend the same for collection on the tax books in connection with any other taxes that may be levied in each such year in and by the Issuer for general corporate purposes of the Issuer; and in each such year such annual tax shall be levied and collected by and for and on behalf of the Issuer in like manner as provided by law for the levy and collection of taxes for general corporate purposes for each such year, without limit as to either rate or amount, and in addition to and in excess of all other taxes.

Section 13. Sale of Bonds. The Accepted Bid Form is hereby ratified, confirmed and approved. All things done by the Mayor, Clerk, City Comptroller, City Attorney and other officers of the Issuer preliminary to the receipt of bid forms related to the Bonds shall be and are hereby ratified, confirmed and approved.

The Bonds shall be executed by the authorized officers of the Issuer, as hereinabove provided, as soon as may be after this ordinance becomes effective, and after due authentication by the Bond Registrar shall be delivered by the Issuer to the Purchaser upon receipt of the purchase price in the amount set forth in the Accepted Bid Form, the contract for the sale of the Bonds, plus accrued interest on the Bonds to the date of delivery. The Accepted Bid Form, shall be, and the same hereby is, in all respects ratified, approved and confirmed, as the case may be, it being hereby found and determined that such contract is in the best interests of the Issuer and that no person holding any 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 said contract.

The issuance, sale and delivery of the Bonds shall be accompanied by certain supporting documentation, as follows: (1) a certified copy of this ordinance; (2) a written direction from the Mayor to the Bond Registrar to authenticate and deliver Bonds; (3) the approving opinion of Evans & Froehlich, Champaign, Illinois (or other nationally recognized bond counsel, **"Bond Counsel"**), that such Bonds have been duly and validly issued and constitute general obligations binding against the Issuer according to their terms and as to the tax-exempt status thereof; (4) the purchase price for the Bonds; and (5) such other and further showings and instruments as the Issuer, Bond Counsel or the Purchaser shall reasonably require, including the Accepted

Bid Form related to the Bonds. To the extent required thereby, the Issuer shall cooperate with the Purchaser related to the Purchaser's compliance with Rule 15c2-12 of the Securities and Exchange Commission.

Section 14. Special Tax Allocation Fund and Accounts. There is hereby continued the heretofore created special fund known as the Special Tax Allocation Fund for the Project Area (the **"Special Tax Allocation Fund"**). All of the Pledged Taxes, any amounts received from the sale of property acquired or constructed and paid for from Bond proceeds 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 in the Special Tax Allocation 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 and the Act.

Pursuant to and in accordance with the provisions of the Act, the Pledged Taxes are to be paid to the Treasurer by the officers who collect or receive the Pledged Taxes. Whenever the Treasurer receives any of the Pledged Taxes he or she shall promptly deposit same into the Special Tax Allocation Fund. The moneys on deposit in the Special Tax Allocation Fund shall be used solely and only for the purpose of carrying out the terms and conditions of this ordinance and, with appropriate subaccounts to identify the source of deposits as Full Faith and Credit Taxes or Incremental Property Taxes, and after setting aside in one or more separately designated accounts funds necessary for Additional Bonds or other obligations under development and redevelopment agreements under Section 11-74.4-4(c) of the Act having a higher claim on Incremental Property Taxes, shall be deposited as hereinafter provided to the following accounts within the Special Tax Allocation Fund:

(a) <u>**The Principal and Interest Account**</u>. There is hereby created a special account within the Special Tax Allocation Fund to be known as the **"Principal and Interest Account"**. As moneys are deposited by the Issuer into the Special Tax Allocation Fund, they shall immediately be credited to the Principal and Interest Account and, except as hereinafter provided, such moneys shall be used solely and only for the purpose of paying principal of and interest on the Bonds as the same become due together with the fees of any Paying Agent in connection therewith. The Full Faith and Credit Taxes shall be deposited into the Principal and Interest Account and shall be used solely and only for the payment of the Bonds. Incremental Property Taxes shall be deposited to the Principal and Interest Account and shall be used solely and only to pay principal of, interest on, and any premium on the Bonds or to abate the levy of Full Faith and Credit Taxes.

If, on or before thirty (30) days before the principal payment date on any of the Bonds, there are Incremental Property Taxes in the Principal and Interest Account in excess of the Principal Requirement and the Interest Requirement, such Incremental Property Taxes shall then be credited to the following General Account within the Special Tax Allocation Fund.

(b) **<u>The General Account</u>**. There is hereby created a special account within the Special Tax Allocation Fund to be known as the **"General Account"**. Moneys on deposit in the General Account shall be transferred first, if necessary, to repay any Full Faith and Credit Taxes applied to debt service and to remedy any deficiencies in the Principal and Interest Account of the Special Tax Allocation Fund, and, thereafter, shall, at the discretion of the Corporate Authorities, be used for one or more of the following purposes:

(1) for the purpose of paying any Project Costs not paid from other sources, or

(2) for the purpose of redeeming Bonds in accordance with the provisions of this ordinance; or

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

(4) for the purpose of refunding, advance refunding, or pre-paying any Bonds, or

(5) for the purpose of distributing such funds to the State of Illinois or taxing districts or municipal corporations having the power to tax real property in the Project Area pursuant to and in accordance with the provisions of the Act, or

(6) for any other purpose related to the Project or the Plan.

(c) **The Rebate Account**. As necessary, 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. 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 Special Tax Allocation 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 Tax Allocation Fund and such accounts have been created. In addition, such investments shall be sold when necessary to remedy any deficiency in the Special Tax Allocation Fund or such accounts created therein. Any earnings or losses on such investments shall be attributed to the account within the Special Tax Allocation Fund for which the investment was made.

Section 15. **General Covenants**. The Issuer covenants and agrees with the registered 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 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, 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 Special Tax Allocation Fund, 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. The Issuer will cause to be prepared within a reasonable period after the close of each fiscal year of the Issuer so long as any of the Bonds are outstanding complete audited financial statements with respect to the preceding fiscal year showing the Pledged Taxes received, all disbursements from the funds and accounts created by this ordinance and the financial condition of the Project, including the balances in all funds and accounts relating to the Bonds and the Project as of the end of such fiscal year. The Issuer will furnish a copy of such statements to the registered owner of any Bond upon request.

(d) The Issuer will preserve and protect the security of the Bonds and the rights of the registered owners of the Bonds, 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 and interest appertaining thereto shall be incontestable by the Issuer.

(e) The Issuer will continue to implement the Project with all practicable dispatch in accordance with its stated objectives and purposes in conformity with the Redevelopment Plan and the Act.

(f) 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 of the rights and benefits provided in this ordinance.

Section 16. Application of Funds. Accrued interest, capitalized interest, if any, and premium, if any, on the Bonds shall be and is hereby appropriated for the purpose of paying the first interest due on the Bonds and to such end is hereby ordered to be deposited into the Principal and Interest Account.

The principal proceeds of the Bonds shall be set aside in a separate fund, hereby created, and designated as the "Redevelopment Project Fund (TIF #3)" (the **"Project Fund"**). Money in the Project Fund shall be used to pay costs of the Project, and all costs and expenses incidental or allocable or related thereto, including all costs of issuance of the Bonds, and shall be disbursed by the City Comptroller in accordance with the Issuer's disbursement procedures.

<u>Section 17</u>. <u>General Arbitrage Covenants</u>. The principal proceeds from the sale of the Bonds shall be devoted to and used with due diligence for the purpose for which the Bonds are hereby authorized to be issued.

One purpose of this Section 17 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 Section 1.103-13(a)(2)(ii) of the Income Tax Regulations dealing with arbitrage and rebate (the **"Regulations"**). The covenants and agreements contained herein and at the time of the issuance of the Bonds are made for the benefit of the owners from time to time of the Bonds. The Corporate Authorities and the Issuer agree, certify, covenant and represent as follows:

(1) All of the amounts received upon the sale of the Bonds, plus all investment earnings thereon (the **"Proceeds"**)

are needed for the purposes for which the Bonds are being issued.

(2) The Issuer has entered 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 net Bond proceeds 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 through October 1, 1995, at which time all of the Proceeds will have been spent.

(3) 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 proceeds of the Bonds will be invested in any investment substantially guaranteed yield for four (4) years or more. 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 its purchase price, 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).

(4) Any accrued interest and premium received on the delivery of the Bonds will be deposited in the Bond Fund and used to pay the first interest due on the Bonds. Earnings on investment of moneys in a fund, including the Bond Fund, will be credited to that fund or, to the extent permitted by law, will be transferred to the Issuer's operating funds. Interest earnings on the Project Fund and the Bond Fund have not been earmarked or restricted by the Corporate Authorities for a designated purpose. 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 Bond Fund. None of the proceeds of the Bonds will be used more than thirty (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.

(5) The Bond Fund 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 Bond Fund will be spent within the 12-month period beginning on the date of deposit therein. Any earnings from the investment of amounts in the Bond Fund 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 Bond Fund 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 Bond Fund, or (ii) in the aggregate, one-twelfth (1/12th) of the annual debt service on the Bonds.

(6) Other than the Bond Fund, 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.

(7) (a) All amounts on deposit in the Project Fund or the Bond Fund and all Proceeds, no matter in what funds or accounts deposited (**"Gross Proceeds"**), to the extent not exempted in (b) 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 (6) 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%.

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

(i) 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 owner thereof for federal income tax purposes (**"Tax-Exempt Obligations"**);

(ii) amounts deposited in the Bond Fund 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;

(iii) 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;

(iv) an amount not to exceed the lesser of 5% of Bond proceeds or $100,000;

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

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

(8) Subject to (17) below, once moneys are subject to the Yield limits of (7)(a) above, they remain Yield restricted until they cease to be Gross Proceeds.

(9) As set forth in Section 148(f)(4)(C) of the Code, the Issuer is excepted from the required rebate of arbitrage profits on the Bonds because the Issuer is a governmental unit with general taxing powers, none of the Bonds is a "private activity bond" as defined in Section 141(a) of the Code, all the net proceeds of the Bonds are to be used for the local government activities of the Issuer, and the aggregate face amount of all Tax-Exempt Obligations (including qualified 501(c)(3) bonds and excluding other "private activity bonds" as defined in the Code) issued by the Issuer and all subordinate entities thereof during the calendar year 1992, including the Bonds, will not exceed $5,000,000.

(10) None of the Proceeds is expected to 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.

(11) 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.

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

(13) 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.

(14) Subsequent to 31 days 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 issue 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 the Proceeds.

(15) No portion of the Project is expected to be sold or otherwise disposed of prior to the last maturity of the Bonds.

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

(17) The Yield restrictions contained in (7) above or any other restriction or covenant contained herein may be violated or changed if the Issuer receives an opinion of Bond Counsel approving the Bonds to the effect that such violation or change will not adversely affect the tax exemption of interest on the Bonds to which it is otherwise entitled.

(18) 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 approving the Bonds should be contacted if such changes do occur.

(19) 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 the Proceeds or any other moneys or property will be used in a manner that will cause the Bonds to be private activity bonds, arbitrage bonds or hedge bonds within the meaning of Sections 141, 148 and 140(g) of the Code and of the 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.

The Corporate Authorities also certify and further covenant with the purchasers and registered owners 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 the Bonds to be **"arbitrage bonds"** within the meaning of Section 148(a) of the Code, and any lawful regulations promulgated or proposed thereunder, or under the Internal Revenue Code of 1954, as amended, including Treas. Reg. Sections 1.103-13, 1.103-14, 1.103-15 and 1.148-0 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 if, when and to the extent that Section 148(a) of the Code or Regulations promulgated thereunder or under the Internal Revenue Code of 1954, as amended, 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 the Bonds subject to federal income taxation.

The Issuer also agrees and covenants with the purchasers and registered owners of the Bonds from time to time outstanding that, to the extent possible under Illinois law, it will comply with whatever federal law is adopted in the future which applies to the Bonds and affects the tax-exempt status of the Bonds.

Section 18. **Discharge of Obligations**. The Issuer may discharge its obligations under this ordinance in any one or more of the following ways: (a) by paying, or causing to be paid, the principal of, interest on, and premium, if any, on all of the Bonds outstanding as and when the same become due, either at maturity or by redemption prior to maturity; (b) by delivering to the Bond Registrar for cancellation all Bonds outstanding; or (c) by depositing, with a bank with trust powers or a trust company authorized to do business in the State of Illinois, cash or Government Securities in such amount as will, together with the income or profit to accrue thereon, without consideration of any reinvestment thereof, be fully sufficient to pay and discharge the principal of and interest on and redemption premium, if any, on all Bonds at their respective maturity and mandatory or optional redemption dates, as the case may be.

Section 19. Qualified Tax-Exempt Obligations. 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 Bonds 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.

Section 20. Tax Covenants. The Issuer agrees to comply with all provisions of the present Code which, if not complied with by the Issuer, would cause the Bonds not to be tax-exempt. In furtherance of the foregoing provisions, but without limiting their generality, the Issuer agrees: (a) through its officers, to make such further specific covenants, representations as shall be true, correct and complete, 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 Bond 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 subsequently determined to be 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.

Section 21. **Registered Form**. The Issuer recognizes that Section 149 of the Code requires the Bonds to be issued and to remain in fully registered form in order to be and remain Tax-exempt. In this connection, the Issuer agrees that it will not take any action to permit the Bonds to be issued in, or converted into, bearer or coupon form.

Section 22. **Certain Exceptions**. The Issuer reserves the right to use or invest moneys in connection with the Bonds in any manner, notwithstanding the representations and covenants in this ordinance, provided it shall first have received an opinion from an attorney or a firm of attorneys of nationally recognized standing in matters pertaining to tax-exempt bonds to the effect that use or investment of such moneys as contemplated will not result in loss or impairment of tax-exempt status for the Bonds.

Section 23. **Rights and Duties of Bond Registrar**. The Bond Registrar and Paying Agent by acceptance of duties hereunder agrees:

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

(b) for the Bond Registrar, to maintain a list of registered owners of the Bonds as set forth herein and to furnish such list to the Issuer upon request, but otherwise to keep such list confidential to the extent permitted by law;

(c) for the Bond Registrar, to cancel and/or destroy Bonds which have been paid at maturity or upon redemption or submitted for exchange or transfer;

(d) for the Bond Registrar, to furnish the Issuer at least annually a certificate with respect to Bonds cancelled and/or destroyed; and

(e) for the Bond Registrar, 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 the Paying Agent.

Section 24. Effective Date and Repeal. All ordinances, resolutions and orders, or parts thereof, in conflict herewith, are to the extent of such conflict hereby superseded; and this Ordinance shall be in full force and effect immediately upon its passage and approval as provided by law.

Adopted upon motion of Council Member Pollock, seconded by Council Member Smyth, and roll call vote, as follows:

AYES: Barr, Clark, Pollock, Singer, Smyth, Tarr, Whelan

NAYS: None

ABSENT: None

PASSED by the City Council this 21st day of September, 1992.

Ruth S. Brookens

Ruth S. Brookens, City Clerk

APPROVED by the Mayor this 23rd day of September, 1992.

Jeffrey T. Markland

Jeffrey T. Markland, Mayor