

ORDINANCE NO. 9394- 98

AN ORDINANCE AUTHORIZING THE CITY OF URBANA,
ILLINOIS TO ISSUE ITS "CITY OF URBANA, ILLINOIS
ADJUSTABLE RATE MULTIFAMILY HOUSING REVENUE BONDS
(VILLAGE COMMUNITY PARTNERS I, L.P. PROJECT)"
AND APPROVING AND AUTHORIZING
OTHER ACTIONS IN RESPECT THERETO

WHEREAS, relieving conditions of unemployment and underemployment, and encouraging economic development of the community to reduce the evils associated with unemployment and underemployment are essential to the health, safety and general welfare of the inhabitants of the City of Urbana; and

WHEREAS, pursuant to its powers as a home rule unit of government under Section 6 of Article VII of the Constitution of Illinois and pursuant to Ordinance No. 7475-3, passed on May 20, 1974, and approved on May 21, 1974, as amended and supplemented by Ordinance No. 8081-37, passed on October 6, 1980, and approved October 14, 1980 (collectively, the "Enabling Ordinance"), the City of Urbana is authorized and empowered to issue its multifamily housing revenue bonds to finance the costs of acquiring and constructing multifamily housing projects; and

WHEREAS, the City of Urbana has previously entered into a Memorandum of Agreement with Village Housing Corporation which Memorandum of Agreement this City Council approved and authorized pursuant to Resolution No. 9394-R17, passed on January 18, 1994 and amended pursuant to Resolution No. 9394-R33, passed on May 16, 1994 regarding

the financing of proposed multifamily housing facilities for Village Community Partners I, L.P.; and

WHEREAS, a public hearing on the proposed financing for Village Community Partners I, L.P. (the "Borrower") and the issuance of multifamily housing bonds by the City of Urbana pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), has been conducted by the Urbana City Council on this date; and

WHEREAS, the Borrower has represented to this City Council that the Borrower has considered the sources and uses of funds and the total financing planned for the Project (as defined below), any proceeds generated by reason of tax benefits associated with the Project, the percentage of funds used for Project costs other than the costs of intermediaries and the reasonableness of the development and operational costs of the Project and that the amount of tax credits utilized pursuant to Section 42 of the Code in connection with the financing of the Project does not exceed the amount necessary for the financial feasibility of the Project and its viability as a qualified low or moderate income housing facility; and

WHEREAS, the Borrower has described the qualified allocation plan applicable to the City of Urbana and has appeared before this City Council and stated the reasons why it believes that the Project satisfies the requirements for allocation of a housing credit dollar amount under the Illinois Housing Development Authority's qualified allocation plan.

NOW, THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF URBANA AS FOLLOWS:

Section 1. It is hereby found that the financing of the multifamily housing facilities referred to in the Loan Agreement presented to this City Council, the issuance and sale of the

Adjustable Rate Multifamily Housing Revenue Bonds (Village Community Partners I, L.P. Project) (the "Bonds"), the loan of the proceeds of the Bonds to Village Community Partners I, L.P. for the acquisition, construction and equipping of such facilities, the payment of the Bonds by the note payments of Village Community Partners I, L.P. under the Loan Agreement and Note, the issuance of a letter or letters of credit to secure the payment of interest on or principal of the Bonds and the securing of said Bonds under the Trust Indenture, complies with the purposes and provisions of the Enabling Ordinance and will be of benefit to the health, safety and general welfare of the City of Urbana and its inhabitants.

Section 2. The new multifamily housing facilities will consist of the acquisition of land and the construction and equipping of up to 48 units of multifamily housing a portion of which shall be for individuals having low and moderate income, to be located on the southeast corner of Smith Lane and Washington Street, in the City of Urbana, Illinois (the "Project").

Section 3. The forms of the Loan Agreement, Trust Indenture, Bond Purchase Agreement and Preliminary Official Statement substantially in the form thereof as presented to the City Council, are hereby approved (herein collectively referred to as the "Financing Agreement").

Section 4. The City of Urbana shall issue its Bonds in an amount not to exceed Two Million Two Hundred Twenty-five Thousand Dollars (\$2,225,000) and maturing no later than June 1, 2034. Said Bonds are to be issued for the purpose of procuring funds to pay the costs of acquisition, construction and equipping of the Project, which Bonds will be payable as to principal, premium, if any, and interest from the note payments made by Village Community Partners I, L.P. under the Loan Agreement and Note or as otherwise provided in the above

described Trust Indenture. The Bonds shall be issued in fully registered form in Authorized Denominations (as defined in the Trust Indenture), and shall be redeemable as provided in Article IV of the Trust Indenture. Payments of principal and interest are payable in lawful money of the United States of America at the principal office of the Trustee (as defined in the Trust Indenture) or its successor in trust or by check mailed or delivered to the registered owners as provided in the Trust Indenture. No holder of any Bond shall ever have the right to compel any exercise of the taxing power of the State of Illinois, the City of Urbana or any other political subdivision of the State of Illinois to pay any Bond or the premium, if any or the interest thereon, and the Bonds shall not constitute any indebtedness of the State of Illinois, the City of Urbana or any other political subdivision of the State of Illinois, or a loan of credit thereof within the meaning of any constitutional or statutory provision.

Section 5. The Mayor and City Clerk are authorized and directed to sell the Bonds to the original purchasers thereof. The Bonds shall initially bear interest at the rate specified in the Bond Purchase Agreement on the date of its execution and thereafter at the rate that is in effect from time to time as established in accordance with the provisions of Article II of the Trust Indenture.

Section 6. The Mayor and City Clerk are authorized and directed to execute, attest, affix or imprint by any means the City seal to the documents constituting the Financing Agreement approved herein on behalf of the City and any other document which may be necessary or desirable prior to, on or after the date hereof to consummate or facilitate the transaction, including the Bonds authorized herein. The Mayor and City Clerk are hereby expressly authorized to deem the Preliminary Official Statement as it relates to the City of Urbana and the

issuance of the Bonds as nearly final and the distribution of the Preliminary Official Statement is hereby approved. The Mayor and City Clerk are hereby expressly authorized to approve any modifications or additions to the documents constituting the Financing Agreement which take place after the date of this Ordinance with the review and advice of counsel to the City. The approval of said modifications or additions shall be conclusively evidenced by the execution and attestation thereof and the affixing of the seal thereto or the imprinting of the seal thereon. The signatures of the Mayor and City Clerk on the Bonds may be either manual or facsimile signatures. The City Clerk is authorized to arrange for delivery of such Bonds to the Trustee named in the Trust Indenture, and payment for the Bonds will be made to the Trustee named in the Trust Indenture and after such payment, the Bonds will be delivered by the Trustee to the purchasers thereof. The Mayor and City Clerk shall execute and the City Clerk shall deliver the Bonds to the Trustee within ninety days of the adoption of this ordinance. The Bonds shall be originally dated the date of issuance and delivery thereof.

Section 7. No recourse shall be had for the payment of the principal of or premium or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement in this ordinance contained against any past, present or future Mayor, City Council member or other officer, employee or agent of the City of Urbana, or of any successor public corporation, as such, either directly or through the City of Urbana or any successor public corporation, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such Mayor, City Council Member or other officers, directors, employees or agents as such is hereby expressly waived and

released as a condition of and consideration for the passage of this ordinance and the issuance of such Bonds.

Section 8. The provisions of this Ordinance and the Trust Indenture securing the Bonds shall constitute a contract binding between the City of Urbana and the holders of the Bonds, and after the issuance of said Bonds, this Ordinance shall not be repealed or amended in any respect which would adversely affect the rights of such holders so long as any of said Bonds or the interest thereon remains unpaid.

Section 9. The City of Urbana hereby preliminarily finds and determines that the amount of tax credits to be allocated to the Project under Section 42 of the Code does not exceed the amount necessary for the financial feasibility of the Project and its viability as a qualified housing project throughout the credit period for the Project. In making the foregoing determination, the City of Urbana has relied upon representations of the Borrower. The foregoing determination shall not be construed to be a representation or warranty by the City of Urbana as to the feasibility or viability of the Project. The City of Urbana hereby authorizes and directs the Mayor of the City of Urbana to review and make the foregoing determination again for and on behalf of the City of Urbana, at the request of the Borrower, following review of the Project and supporting materials by the Illinois Housing Development Authority ("IHDA"), the credit agency for the State of Illinois, and the recommendation by IHDA of approval of such determination. Such determinations shall occur upon the sale of the Bonds to the initial purchasers thereof and on or about the date that each building in the Project is placed in service. In reliance upon the representations of the Borrower, it is hereby found and

determined that the Project satisfies the requirements for the allocation of a housing credit dollar amount under IHDA's qualified allocation plan.

Section 10. This Ordinance shall be in full force and effect from and after the date of its passage and approved as required by law.

Upon motion by Council Member Singer, seconded by Council Member Pollock, this 16th day of May, 1994, by roll call vote, as follows:

AYES (names): Hayes, Patt, Pollock, Ryan, Singer, Taylor

NAYS(names): _____

ABSENT(names): Whelan

PASSED by City Council this 16th day of May, 1994.

Phyllis D. Clark
Phyllis D. Clark, City Clerk
By Sharon Medford, Deputy Clerk



APPROVED by the Mayor this 16th day of May, 1994.

Tod Satterthwaite
Tod Satterthwaite, Mayor

FIRST AMENDMENT TO MEMORANDUM OF AGREEMENT

THIS FIRST AMENDMENT TO MEMORANDUM OF AGREEMENT is between the City of Urbana, Illinois (the "Issuer") and Village Housing Corporation, an Indiana corporation, doing business as Village Community Apartments Corporation, wholly owned by Evansville Federal Savings Bank, as general partner of one or more to-be-formed Indiana limited partnerships (the "Borrower").

1. Preliminary Statement. The Issuer and the Borrower entered into a Memorandum of Agreement on January 18, 1994 which Memorandum of Agreement was approved and authorized by the City Council of the Issuer pursuant to Resolution No. 9394-R17. Since the date of execution of the Memorandum of Agreement, the Borrower has revised and refined its plans with respect to the projects described in the Memorandum of Agreement and the Borrower and the Issuer desire to amend the Memorandum of Agreement.

2. Paragraph 1(b) of the Memorandum of Agreement is amended to read as follows:

The Borrower wishes to obtain satisfactory assurance from the Issuer that the proceeds of the sale of such tax-exempt economic development revenue bonds of the Issuer will be made available to it to finance the costs of the acquisition of land and the construction and equipping of up to approximately 48 units of multi-family housing in one or more separate developments with one or more separate owners together with ancillary facilities to include but not be limited to, a clubhouse, swimming pool, playgrounds, carports and garages to be located in Urbana, Illinois (the "Projects").

3. Paragraph 1(c) of the Memorandum of Agreement is amended to read as follows:

Subject to the conditions contained herein and to the due compliance with all requirements of law, the Issuer, by virtue of such statutory authority as may now or hereafter be conferred by the Ordinance, will issue and sell one or more series of its economic development revenue bonds in an aggregate amount not to exceed \$2,225,000 (the "Bonds") to finance the costs of the Projects, which Bonds are intended to be tax-exempt under sections 103(a) and 142 of the Internal Revenue Code of 1986, as amended (the "Code").

4. Paragraph 4(a) of the Memorandum of Agreement is amended to read as follows:

All commitments of the Issuer under Paragraph 2 hereof and of the Borrower under Paragraph 3 hereof are subject to the condition that on or before September 1, 1994 (or such other date as shall be mutually satisfactory to the Issuer and the Borrower), the Issuer and the Borrower shall have agreed to mutually acceptable terms and conditions of the loan agreement and of the

Bonds and other instruments or proceedings relating to the Bonds including, without limitation, the Issuer's 0.5% issuance fee. The decision not to approve or agree to any term or condition of any document or not to take any action prior to issuance of the Bonds shall rest solely within the complete discretion of the parties to this Agreement.

5. The Memorandum of Agreement, to the extent that it is not inconsistent with this First Amendment to Memorandum of Agreement, is hereby ratified and confirmed, and this First Amendment to Memorandum of Agreement and all provisions contained herein shall be deemed a part of the Memorandum of Agreement.

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement by their officers thereunder duly authorized as of the ___ day of May, 1994.

Mayor

[SEAL]

ATTEST:

City Clerk

VILLAGE COMMUNITY APARTMENTS CORPORATION, an Indiana corporation, as general partner of one or more to-be-formed limited partnerships

By: _____
Bruce A. Cordingley, President

(SEAL)

ATTEST:

By: _____
Theresa P. Grenier, Vice President