

ORDINANCE NO. 9798-33

AN ORDINANCE
AUTHORIZING THE EXECUTION AND DELIVERY
OF AN INTERGOVERNMENTAL COOPERATION AGREEMENT
AND CERTAIN DOCUMENTS IN CONNECTION THEREWITH;
AND RELATED MATTERS

WHEREAS, pursuant to Section 6(a) of Article VII of the 1970 Constitution of the State of Illinois, the City of Urbana, Champaign County, 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 "Municipality"); and

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

WHEREAS, the Municipality now has determined that it is necessary, desirable and in the public interest to issue revenue bonds to provide an adequate supply of residential housing for low- and moderate-income persons and families within the Municipality; and

WHEREAS, pursuant to Section 10 of Article VII of the 1970 Constitution of the State of Illinois and the Intergovernmental Cooperation Act (*5 Illinois Compiled Statutes 1996, 220/1 et seq.*, as supplemented and amended), public agencies may exercise and enjoy with any other public agency in the State of Illinois any power, privilege or authority which may be exercised by such public agency individually, and, accordingly, it

is now determined that it is necessary, desirable and in the public interest for the Municipality to enter into an Intergovernmental Cooperation Agreement (the "Cooperation Agreement") dated as of September 1, 1997, by and among the Municipality and certain other municipalities named therein (the "Municipalities"), to provide for the joint issuance of such revenue bonds to aid in providing an adequate supply of residential housing in such Municipalities (the "Program"); and

WHEREAS, to provide for the Program, the City of Danville, Vermilion County, Illinois (the "Issuer") proposes to issue, sell and deliver not to exceed \$20,000,000 aggregate principal amount of Collateralized Single Family Mortgage Revenue Bonds, Series 1997 (the "Bonds") to obtain funds to finance the acquisition of mortgage-backed securities (the "GNMA Securities") of the Governmental National Mortgage Association ("GNMA"), evidencing a guarantee by GNMA of timely payment, the acquisition of mortgage-backed securities (the "FNMA Securities") of the Federal National Mortgage Association ("FNMA"), evidencing a guarantee by FNMA of timely payment, and the acquisition of mortgage-backed securities (the "FHLMC Securities") of the Federal Home Loan Mortgage Corporation ("FHLMC"), evidencing a guarantee by FHLMC of timely payment, of monthly principal of and interest on certain qualified mortgage loans under the Program (the "Mortgage Loans"), on behalf of the Municipality and the other Municipalities all under and in accordance with the Constitution and the laws of the State of Illinois; and

WHEREAS, the City Clerk of the Municipality has caused a notice of public hearing with respect to the plan of finance of the costs of the Program through the issuance of the Bonds to be published in the *Champaign-Urbana News-Gazette*, a

newspaper of general circulation in the Municipality, pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), on August 14, 1997, and the City Council of the Municipality has conducted said public hearing on September 2, 1997, prior to the adoption of this authorizing ordinance; and

WHEREAS, a form of the Cooperation Agreement has been presented to and is 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 Municipality that the issuance of the Bonds by the Issuer is advantageous to the Municipality 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, Section 10 of Article VII of the 1970 Constitution of the State of Illinois and the Intergovernmental Cooperation Act; and that, by the adoption of this authorizing ordinance, the City Council of the Municipality hereby approves the issuance of the Bonds for the purposes as provided in the preambles hereto, the text hereof and the Notice of Public Hearing which is hereby incorporated herein by reference, which public approval shall satisfy the provisions of Section 147(f) of the Code.

Section 2. That the form, terms and provisions of the proposed Cooperation Agreement be, and they are hereby, in all respects approved (provided, however, that, during the Reservation Period, as defined in the Cooperation Agreement, 50 percent of the Program Allocation allocated to the Municipality shall be set-aside for use in buying

securities with mortgage loans made to persons in households earning at or below 80 percent of median family income for Champaign County, Illinois, as periodically determined by the U.S. Department of Housing and Urban Development); that the Mayor of the Municipality be, and is hereby authorized, empowered and directed to execute, and the City Clerk of the Municipality be, and is hereby, authorized, empowered and directed to attest and to affix the official seal of the Municipality to, the Cooperation Agreement in the name and on behalf of the Municipality, and thereupon to cause the Cooperation Agreement to be delivered to the other Municipalities; that the Cooperation Agreement is to be in substantially the form presented to and before this meeting and hereby approved or with such changes therein as shall be approved by the officer of the Municipality executing the Cooperation Agreement, his execution thereof to constitute conclusive evidence of his approval of any and all changes or revisions therein from the form of Cooperation Agreement before this meeting; that from and after the execution and delivery of the Cooperation Agreement, the officers, officials, agents and employees of the Municipality are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Cooperation Agreement as executed; and that the Cooperation Agreement shall constitute and is hereby made a part of this authorizing ordinance and a copy of the Cooperation Agreement shall be placed in the official records of the Municipality and shall be available for public inspection at the principal office of the Municipality.

Section 3. That the Mayor, the City Clerk and the proper officers, officials, agents and employees of the Municipality are hereby authorized, empowered and directed

to do all such acts and things and to execute all such documents and certificates as may be necessary to carry out and comply with the provisions of the Cooperation Agreement and to further the purposes and intent of this authorizing ordinance, including the preamble hereto.

Section 4. That all acts of the officers, officials, agents and employees of the Municipality heretofore or hereafter taken, which are in conformity with the purposes and intent of this authorizing ordinance and in furtherance of the issuance and sale of the Bonds, and the same hereby are, in all respects, ratified, confirmed and approved, including without limitation the publication of a Notice of Public Hearing.

Section 5. That the Municipality hereby transfers its 1997 unified volume cap in the amount of \$1,892,402 to the Issuer, which is hereby allocated by the Municipality to the issuance of the Bonds; and the Municipality hereby acknowledges receipt of an allocation of unified volume cap from the Office of the Governor of the State of Illinois in the amount of \$1,603,892.86, which is hereby allocated by the Municipality to the issuance of the Bonds.

Section 6. That after the Cooperation Agreement is executed by the Municipality, this authorizing ordinance shall be and remain irrevocable until the Bonds and the interest thereon shall have been fully paid, cancelled and discharged.

Section 7. 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.

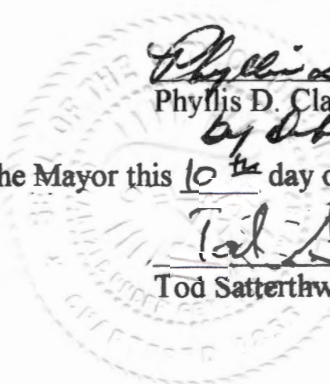
Section 8. That all ordinances, resolutions and orders, or parts thereof, in conflict with the provisions of this authorizing ordinance are, to the extent of such conflict, hereby superseded; and that this authorizing ordinance shall be in full force and effect upon its adoption and approval as provided by law.

PASSED by the City Council this 2nd day of September, 1997.

AYES: Hayes, Huth, Kearns, Patt, Taylor, Whelan, Wyman

NAYS:

ABSTAINS:

 Phyllis D. Clark
Phyllis D. Clark, City Clerk

by Deborah J. Robert, Deputy Clerk

APPROVED by the Mayor this 10th day of September, 1997.

Tod Satterthwaite
Tod Satterthwaite, Mayor

Received from
Bruce S.

(unsigned)

10-98

DMS

Docs Center

INTERGOVERNMENTAL COOPERATION AGREEMENT

CITY OF AURORA, KANE, DUPAGE, WILL AND KENDALL COUNTIES, ILLINOIS,
CITY OF DANVILLE, VERMILION COUNTY, ILLINOIS,
CITY OF ELGIN, KANE COUNTY, ILLINOIS
VILLAGE OF MAYWOOD, COOK COUNTY, ILLINOIS
VILLAGE OF PEORIA HEIGHTS, PEORIA COUNTY, ILLINOIS
CITY OF URBANA, CHAMPAIGN COUNTY, ILLINOIS

and

CITY OF WAUKEGAN, LAKE COUNTY, ILLINOIS

Dated as of September 1, 1997

INTERGOVERNMENTAL COOPERATION AGREEMENT

THIS INTERGOVERNMENTAL COOPERATION AGREEMENT (the "*Cooperation Agreement*") dated as of September 1, 1997, by and among the CITY OF AURORA, KANE, DUPAGE, WILL AND KENDALL COUNTIES, ILLINOIS, 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 ("*Aurora*"), the CITY OF DANVILLE, VERMILION COUNTY, ILLINOIS, 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 ("*Danville*"), the CITY OF ELGIN, KANE COUNTY, ILLINOIS, 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 ("*Elgin*"), the VILLAGE OF MAYWOOD, COOK COUNTY, ILLINOIS, 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 ("*Maywood*"), the VILLAGE OF PEORIA HEIGHTS, PEORIA COUNTY, ILLINOIS, 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 ("*Peoria Heights*"), the CITY OF URBANA, CHAMPAIGN COUNTY, ILLINOIS, 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 ("*Urbana*"), and the CITY OF WAUKEGAN, LAKE COUNTY, ILLINOIS, 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 ("*Waukegan*");

WITNESSETH:

WHEREAS, Section 10 of Article VII of the Constitution of the State of Illinois authorizes units of local government and school districts to contract or otherwise associate among themselves in any manner not prohibited by law or by ordinance, and to use their credit, revenues and other reserves to pay cash and to service debt related to intergovernmental activities; and

WHEREAS, the Intergovernmental Cooperation Act (*5 Illinois Compiled Statutes 1996, 220/1 et seq.*, as supplemented and amended), authorizes public agencies to exercise any power or powers, privileges or authority which may be exercised by any such public agency individually to be exercised and enjoyed jointly with any other public agency in the State of Illinois; and

WHEREAS, Aurora, Danville, Elgin, Maywood, Peoria Heights, Urbana and Waukegan (collectively, the "*Municipalities*") are each a unit of local government and a public agency of the State of Illinois; and

WHEREAS, pursuant to the Constitution of the State of Illinois, and particularly Section 6(a) of Article VII of the 1970 Constitution of the State of Illinois, each Municipality has the power to issue its revenue bonds for public purposes, including the financing and purchase of mortgage loans to finance single family residences for low and moderate income persons within its corporate boundaries, and to pledge to the payment of the principal of, premium, if any, and interest on such revenue bonds the payments made

with respect to the mortgage loans purchased with and financed by the proceeds of such revenue bonds; and

WHEREAS, the Municipalities have determined that it is necessary and desirable to have Danville (the "Issuer") issue such revenue bonds on behalf of all of the Municipalities for the purpose of financing and purchasing mortgage loans to finance single family residences for low and moderate income persons within the corporate boundaries of the Municipalities; and

WHEREAS, to provide for the Program, the Issuers propose jointly to issue, sell and deliver \$_____ aggregate principal amount of Collateralized Single Family Mortgage Revenue Bonds, Series 1997 (the "Bonds") to obtain funds to finance the acquisition of mortgage-backed securities (the "GNMA Securities") of the Government National Mortgage Association ("GNMA"), evidencing a guarantee by GNMA of timely payment of, mortgage-backed securities (the "FNMA Securities") of the Federal National Mortgage Association ("FNMA"), evidencing a guaranty by FNMA of timely payment of, and mortgage-backed securities (the "FHLMC Securities") of the Federal Home Loan Mortgage Corporation ("FHLMC"), evidencing a guaranty by FHLMC of timely payment of, monthly principal of and interest on certain qualified mortgage loans under the Program (the "Mortgage Loans"), all under and in accordance with the Constitution and laws of the State of Illinois; and

WHEREAS, 30 Illinois Compiled Statutes 1996, 345/6 et seq., as supplemented and amended, permits the corporate authorities of any home rule unit of government to reallocate its private activity bond allocation to another home rule unit, and to allocate volume cap which has been allocated to it toward the issuance of the Bonds, subject to certain restrictions, guidelines and procedures;

NOW, THEREFORE, in consideration of the above premises and of the mutual covenants hereinafter contained and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Municipalities hereby agree, as follows:

Section 1. Bonds. The Issuers hereby agree to issue the Bonds jointly for the purpose of purchasing GNMA Securities, FNMA Securities and FHLMC Securities to finance mortgage loans for single family residences for low and moderate income persons within the corporate boundaries of each Municipality, to pay interest on the Bonds and to pay the costs of issuance of the Bonds. The Bonds shall be issued in such aggregate principal amounts, shall be issued in such series and classes, shall have such stated maturity or maturities, shall bear interest at such rate or rates, payable on such date or dates, shall be subject to redemption prior to maturity, shall be payable at such date or dates and at such place or places, and shall have such other terms, all as shall be agreed upon by the Issuer and approved by ordinance of the governing body of the Issuer. The proceeds of the Bonds shall be applied to such public purposes and to the payment of the costs of issuance as shall be approved by ordinance of the governing body of the Issuer.

Section 2. Transfer and Allocation of Unified Volume Cap. Each Municipality, other than the Issuer, hereby transfers to the Issuer any unified volume cap that it reserved

before May 1, 1997, to issue private activity bonds, as set forth in *Exhibit A* attached to and made a part of this Cooperation Agreement. The Municipalities hereby allocate the unified volume cap referred to in the preceding sentence to the issuance of the Bonds. Each Municipality that received an allocation of unified volume cap from the State of Illinois after June 1, 1997, as set forth in *Exhibit A* attached hereto and made a part hereof, hereby allocates such volume cap to the issuance of the Bonds.

Section 3. Allocation of Program Allocation. The origination and servicing agreement and the trust indenture relating to the issuance of the Bonds shall provide that from the date of issuance of the Bonds through April 1, 1998 (the "*Reservation Period*"), a portion of the proceeds of the Bonds shall be made available to each Municipality in the amounts set forth in *Exhibit B* attached hereto and made a part hereof (the "*Program Allocation*"), subject to the requirements of Section 143 of the Internal Revenue Code of 1986, as amended (the "*Code*"). During the Reservation Period, the Program Allocation allocated to a Municipality may not be reallocated to another Municipality without the express written consent of the Municipality from whom the Program Allocation is to be reallocated.

Section 4. Reallocation of Program Allocation. After each Reservation Period, Program Allocation may be reallocated by the trustee with respect to the Bonds in the manner set forth in the origination and servicing agreement and the trust indenture relating to the Bonds, subject to the requirements of Section 143 of the Code.

Section 5. Pledge of Collateral. The Issuer hereby agrees to assign and pledge to the trustee with respect to the Bonds all of the GNMA Securities, the FNMA Securities and the FHLMC Securities purchased with the proceeds of the Bonds. The Issuer hereby further agrees to assign and pledge to such trustee all other such documents, instruments, securities and moneys as shall be approved by ordinance of the governing body of the Issuer.

Section 6. Documents and Instruments. The Issuer hereby agrees to enter into all such documents and instruments as shall be necessary or appropriate in connection with the issuance of the Bonds, including without limitation origination and servicing agreements, trust indentures, bond purchase contracts or agreements, official statements, continuing disclosure undertakings and closing certificates. The Issuer hereby further agrees to enter into all such other documents and instruments as shall be necessary or appropriate in connection with the issuance of the Bonds, including without limitation closing certificates.

Section 7. Absolute and Irrevocable Conditions; Amendment. All terms and conditions contained herein are intended to be absolute and irrevocable conditions hereof and are agreed to by the Municipalities. This Cooperation Agreement may not be effectively amended, changed, modified, altered or terminated without the written consent of all of the Municipalities, authorized by ordinances adopted by their respective governing bodies, certified copies of which shall be filed with the other Municipalities.

Section 8. Municipalities' Obligations Unconditional. The Municipalities shall have no right to terminate, cancel or rescind this Cooperation Agreement, it being the intent

hereof that the Municipalities shall be absolutely and unconditionally obligated to perform all covenants contained in this Cooperation Agreement.

Section 9. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by registered or certified mail, postage prepaid, addressed to the appropriate address set forth in *Exhibit C* attached to and made a part of this Cooperation Agreement. A duplicate copy of each notice, certificate or other communication given hereunder to any Municipality shall also be given to the others. Any Municipality, by notice given hereunder, may designate a different or further address to which subsequent notices, certificates or other communications will be sent.

Section 10. Binding Effect. This Cooperation Agreement shall inure to the benefit of and shall be binding upon the Municipalities and their respective successors and assigns.

Section 11. Severability. In the event any provision of this Cooperation Agreement shall be held invalid or unenforceable by a court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision of this Cooperation Agreement.

Section 12. Further Assurances and Corrective Instruments. The Municipalities agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the expressed intention of this Cooperation Agreement.

Section 13. Execution in Counterparts. This Cooperation Agreement may be executed simultaneously in any number of counterparts, each of which counterparts shall be original and all of which counterparts shall constitute but one and the same instrument.

Section 14. Applicable Law. This Cooperation Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

Section 15. Effective Date. This Cooperation Agreement shall be in full force and effect on September 1, 1997, or on the date when it is executed by all Municipalities, whichever is later. Time is of the essence.

Section 16. Filing of Authorizing Ordinances. Each Municipality shall file with the other Municipalities a certified copy of the ordinance authorizing the execution of this Cooperation Agreement within two (2) weeks of the adoption of such ordinance.

IN WITNESS WHEREOF, the Municipalities have caused this Cooperation Agreement to be executed in their respective names by their respective duly authorized officials shown below:

CITY OF AURORA, KANE, DUPAGE, WILL
AND KENDALL COUNTIES, ILLINOIS

By _____
Mayor

(SEAL)

ATTEST:

City Clerk

CITY OF DANVILLE, VERMILION COUNTY,
ILLINOIS

By _____
Mayor

(SEAL)

ATTEST:

City Clerk

CITY OF ELGIN, KANE COUNTY, ILLINOIS

By _____
Mayor

(SEAL)

ATTEST:

City Clerk

VILLAGE OF MAYWOOD, COOK COUNTY,
ILLINOIS

By _____
President

(SEAL)

ATTEST:

Village Clerk

VILLAGE OF PEORIA HEIGHTS, PEORIA
COUNTY, ILLINOIS

By _____
President

(SEAL)

ATTEST:

Village Clerk

CITY OF URBANA, CHAMPAIGN COUNTY,
ILLINOIS

By _____
Mayor

(SEAL)

ATTEST:

City Clerk

CITY OF WAUKEGAN, LAKE COUNTY,
ILLINOIS

By _____
Mayor

(SEAL)

ATTEST:

City Clerk

EXHIBIT A

VOLUME CAP ALLOCATIONS
AND TRANSFERS

MUNICIPALITY	MUNICIPALITY RESERVED ALLOCATION	STATE ALLOCATION
City of Aurora, Kane, DuPage, Will and Kendall Counties, Illinois	\$ _____	\$1,603,892.86
City of Danville, Vermilion County, Illinois	_____	1,603,892.86
City of Elgin, Kane County, Illinois	_____	1,603,892.86
Village of Maywood, Cook County, Illinois	_____	1,603,892.86
Village of Peoria Heights, Peoria County, Illinois	_____	1,603,892.86
City of Urbana, Champaign County, Illinois	_____	1,603,892.86
City of Waukegan, Lake County, Illinois	=====	1,603,892.86

EXHIBIT B

PROGRAM ALLOCATIONS

MUNICIPALITY	PROGRAM ALLOCATION AT DATE OF ISSUANCE
City of Aurora, Kane, DuPage, Will and Kendall Counties, Illinois	
City of Danville, Vermilion County, Illinois	
City of Elgin, Kane County, Illinois	
Village of Maywood, Cook County, Illinois	
Village of Peoria Heights, Peoria County, Illinois	
City of Urbana, Champaign County, Illinois	
City of Waukegan, Lake County, Illinois	

EXHIBIT C

NOTICE ADDRESSES

MUNICIPALITY	ADDRESS
City of Aurora, Kane, DuPage, Will and Kendall Counties, Illinois	44 East Downer Place Aurora, Illinois 60507
City of Danville, Vermilion County, Illinois	<hr/> Danville, Illinois 61832
City of Elgin, Kane County, Illinois	150 Dexter Court Elgin, Illinois 60120
Village of Maywood, Cook County, Illinois	115 South 5th Street Maywood, Illinois 60153
Village of Peoria Heights, Peoria County, Illinois	4901 N. Prospect Road Peoria Heights, Illinois 61614
City of Urbana, Champaign County	400 South Vine Street Urbana, Illinois 61801
City of Waukegan, Lake County, Illinois	106 N. Utica Street Waukegan, Illinois 60085