

**AN ORDINANCE AUTHORIZING THE SALE OF CERTAIN
MORTGAGE-BACKED CERTIFICATES PLEDGED TO THE
SINGLE-FAMILY MORTGAGE REVENUE BONDS, SERIES 1990**

WHEREAS, the City of Urbana, Illinois (the "Issuer") is a home rule unit of government under Section 6 of Article VII of the 1970 Constitution of the State of Illinois; and

WHEREAS, pursuant to the Constitution and the laws of the State of Illinois and particularly Section 6 of Article VII of the 1970 Constitution of the State of Illinois, the Issuer is authorized to issue its revenue bonds for the purpose of financing the acquisition of mortgage loans for residential real property owned by persons of low and moderate income; and

WHEREAS, pursuant to the Constitution and the laws of the State of Illinois, and particularly Section 6 of Article VII of the 1970 Constitution and the laws of the State of Illinois, the Issuer, jointly with the City of Moline, Illinois, and the City of Rock Island, Illinois (collectively, the "Issuers"), have previously issued their Single Family Mortgage Revenue Bonds (GNMA Mortgage-Backed Securities Program), Series 1990 (the "Bonds") pursuant to the Trust Indenture dated as of September 1, 1990 (the "Indenture") by and among the Issuers, jointly, and The First National Bank of Chicago, succeeded in trust by Bank One Trust Company, N.A., as Trustee (the "Trustee"), to finance the acquisition of certain mortgage-backed certificates (the "Securities") guaranteed by the Government National Mortgage Association ("GNMA"); and

WHEREAS, it is now considered necessary, desirable and in the public interest for the Issuers to sell the Securities pledged under the Indenture, as permitted by the Indenture, and to provide for the payment of the principal of, premium, if any, and interest on the outstanding Bonds upon redemption prior to maturity with the proceeds of such sale in accordance with the provisions of the Indenture; and

WHEREAS, it is necessary and desirable in connection with the sale of the Securities to execute certain other documents and instruments, including without limitation one or more purchase contracts (the "*Purchase Contract*") and assignments of the Securities;

WHEREAS, a form of Purchase Contract has been presented to this meeting.

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

Section 1. That it is the finding and declaration of the Issuer that the sale of the Securities and the provision for the payment of the principal of, premium, if any, and interest on the Bonds through the sale of the Securities and the redemption of certain of the Bonds prior to maturity is advantageous to the Issuer and therefore serves a valid public purpose.

Section 2. That the Mayor of the Issuer be, and he or she is hereby, authorized, empowered and directed to sell the Securities to one or more purchasers to be selected by the Mayor of the Issuer (the "*Purchaser*"), at a purchase price of not less than 100% of the principal amount thereof and, to provide for the payment of the principal of, premium, if any, and interest on the Bonds upon redemption prior to maturity with the proceeds of such sale in accordance with the provisions of the Indenture; that the form, terms and provisions of the proposed Purchase Contract for the sale of the Securities

presented to this meeting be, and they are hereby, in all respects approved; that the Mayor and the City Clerk of the Issuer be, and each of them is hereby, authorized, empowered and directed to execute, and thereupon to cause the Purchase Contract to be delivered to the other Issuers and the Purchaser; that the Purchase Contract is to be in substantially the form presented to this meeting or with such changes therein as shall be approved by the officer of the Issuer executing the Purchase Contract, his or her execution thereof to constitute conclusive evidence of his or her approval of any and all changes or revisions therein from the form of Purchase Contract before this meeting; that from and after the execution and delivery of the Purchase Contract, the officers, officials, agents and employees of the Issuer are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Purchase Contract, as executed, including without limitation the execution of assignments of the Securities; and that the Purchase Contract shall constitute, and is hereby made, a part of this authorizing ordinance, and a copy of the Purchase Contract shall be placed in the official records of the Issuer and shall be available for public inspection at the principal office of the Issuer; and that from and after the sale of the Securities, the officers, officials, agents and employees of the Issuer are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with such sale of the Securities.

Section 3. That the Mayor and the City Clerk of the Issuer are hereby authorized to pay the costs of selling the Securities providing for the payment of the principal of, premium, if any, and interest on the Bonds in accordance with the provisions of the Indenture and the redemption of the Bonds prior to maturity, from the proceeds of the sale of the Securities.

Section 4. That the Mayor, the City Clerk and the proper officers, officials, agents and employees of the Issuer are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents and certificates, including without limitation the execution of assignments of the Securities, as may be necessary to carry out and comply with the sale of the Securities and the provision for the payment of the principal of, premium, if any, and interest on the Bonds at maturity and upon redemption prior to maturity as herein provided, and to further the purposes and intent of this authorizing ordinance, including the preamble to this authorizing ordinance.

Section 5. That all acts of the officers, officials, agents and employees of the Issuer which are in conformity with the purposes and intent of this authorizing ordinance and in furtherance of the sale of the Securities and the other components of the Trust Estate and the provision for the payment of the principal of, premium, if any, and interest on the Bonds at maturity and upon redemption prior to maturity as herein provided, and the same hereby are, in all respects, approved and confirmed.

Section 6. 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 7. 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 passage and approval, as provided by law.

PASSED by the City Council this 19th day of March,
2001 .

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

NAYS:

ABSTAINS:



Phyllis D. Clark
Phyllis D. Clark, City Clerk

Tod Satterthwaite
Tod Satterthwaite, Mayor

APPROVED by the Mayor this 30th day of March,
2001 .