

**AN ORDINANCE PROVIDING FOR THE REFINANCING BY THE CITY OF URBANA, ILLINOIS OF A RESIDENTIAL RENTAL PROJECT BY THE REFUNDING OF PRIOR BONDS FOR VILLAGE COMMUNITY PARTNERS I, L.P. (THE "BORROWER"); AUTHORIZING THE ISSUANCE OF ITS \$1,700,000 ADJUSTABLE RATE MULTIFAMILY HOUSING REVENUE BONDS, SERIES 2001 (VILLAGE COMMUNITY PARTNERS I, L.P. -- PRAIRIE GREEN APARTMENTS), IN CONNECTION THEREWITH; AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT BETWEEN THE CITY OF URBANA, ILLINOIS AND THE BORROWER; AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST INDENTURE SECURING SAID BONDS; AND AUTHORIZING THE EXECUTION OF A BOND PURCHASE AGREEMENT PROVIDING FOR THE SALE OF SAID BONDS TO THE PURCHASER THEREOF AND RELATED MATTERS.**

WHEREAS, the City of Urbana, Illinois, a home rule unit and municipality existing under the Constitution and laws of the State of Illinois (the "Issuer") is authorized and empowered by the provisions of Ordinance No. 7475-3, as amended and supplemented by Ordinance No. 8081-37 (collectively, the "Act") to issue its revenue bonds to finance the costs of any project to the end that the Issuer may be able to relieve conditions of unemployment, to maintain existing levels of employment and to encourage the increase of commerce and industry within the City of Urbana, Illinois, thereby reducing the evils attendant upon unemployment and provide for the increased welfare and prosperity of the residents of the City of Urbana; and

WHEREAS, on June 29, 1994, the Issuer issued its \$2,000,000 Adjustable Rate Multifamily Housing Revenue Bonds, Series 1994 (Village Community Partners I, L.P. -- Prairie Green Apartments) (the "Prior Bonds"); and

WHEREAS, as a result of negotiations between the Issuer and Village Community Partners I, L.P., an Indiana limited partnership (the "Borrower"), the Borrower has made arrangements, with the assistance and cooperation of the Issuer, to prepay the loan (the "Prior Loan") financed with the proceeds of the Prior Bonds and to correspondingly refund the Prior Bonds, and the

Issuer is willing to issue its revenue bonds to refund the Prior Bonds and to enter into a Loan Agreement, which includes the form of the Borrower's Note (the "Loan Agreement"), dated as of May 1, 2001, between the Issuer and the Borrower, upon terms which will produce revenues and receipts sufficient to provide for the prompt payment at maturity of the principal and interest on such revenue bonds, all as set forth in the details and provisions of the Loan Agreement hereinafter identified; and

WHEREAS, it is necessary and proper for the Issuer, for the benefit of the inhabitants within the Issuer, to authorize the refunding of the Prior Bonds and the issuance of the Issuer's Adjustable Rate Multifamily Housing Revenue Bonds, Series 2001 (Village Community Partners I, L.P. -- Prairie Green Apartments) in the aggregate principal amount not to exceed \$1,700,000 (the "Bonds"); and

WHEREAS, the Bonds will be secured by a letter of credit to be issued by the Federal Home Loan Bank of Chicago; and

WHEREAS, City Securities Corporation and U.S. Bancorp Piper Jaffray Inc. (collectively, the "Underwriter"), have indicated their willingness to purchase the Bonds; and

WHEREAS, it is necessary to authorize the execution of the Loan Agreement with respect to the Bonds, under which the payments to be paid by the Borrower to the Issuer in repayment of the loan of the proceeds of the Bonds are intended to be sufficient to pay the principal of, premium, if any, and interest on the Bonds; and

WHEREAS, it is necessary for the Issuer to execute and deliver a Trust Indenture dated as of May 1, 2001 (the "Indenture"), between the Issuer and the Trustee, setting forth terms and conditions of, and security for, the Bonds and containing the form of the Bonds, for the benefit of holders from time to time of the Bonds, pursuant to which the Bonds will be issued; and

WHEREAS, it is necessary to authorize the sale of the Bonds and to execute a Bond Purchase Agreement (the "Purchase Contract"), among the Issuer, the Borrower and the Underwriter in connection therewith; and

WHEREAS, it is necessary to authorize the execution and delivery of an Amended and Restated Land Use Restriction Agreement dated as of May 1, 2001, by and among the Issuer, the Trustee and the Borrower (the "Regulatory Agreement"); and

WHEREAS, an Official Statement (the "Official Statement") has been prepared and presented to this meeting; and

WHEREAS, the Issuer has caused to be prepared and presented to this meeting the following documents, which the Issuer proposes to enter into:

1. The Loan Agreement;
2. The Indenture;
3. The Purchase Contract; and
4. The Regulatory Agreement; and

WHEREAS, the Mayor and City Council of the Issuer held a Public Hearing pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended, on April 16, 2001;

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND THE CITY COUNCIL OF THE CITY OF URBANA, CHAMPAIGN COUNTY, ILLINOIS, AS FOLLOWS:

Section 1. That the form, terms and provisions of the proposed Loan Agreement and Indenture be, and they hereby are, in all respects approved, and that the Mayor and the City Clerk of the Issuer be, and they are hereby authorized, empowered and directed to execute and deliver such instruments in the name and on behalf of the Issuer, to cause the Loan Agreement to be delivered to the Borrower and to cause the Indenture to be delivered to the Trustee; that the Indenture shall constitute a lien for the security of the Bonds upon all right, title and interest of the Issuer in and to the Loan Agreement (except for certain rights of the Issuer to indemnification and

payment of expenses) and in and to the payments, revenues and receipts payable to the Issuer pursuant thereto, and said revenues are hereby and in the Indenture pledged for such purpose; that the Loan Agreement and the Indenture are to be in substantially the respective forms submitted to this meeting and hereby approved, with such changes therein as shall be approved by the officials of the Issuer executing the same, their execution thereof to constitute conclusive evidence of their approval of any and all changes or revisions therein from the forms of the Loan Agreement and the Indenture as hereby approved; and that from and after the execution and delivery of such instruments, the 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 such instrument as executed.

Section 2. That the forms, terms and provisions of the proposed Purchase Contract and Regulatory Agreement, copies of which are before this meeting, be, and they hereby are, in all respects approved, and that the Mayor and the City Clerk of the Issuer be, and they hereby are, authorized, empowered and directed to execute and deliver the Purchase Contract and the Regulatory Agreement in the name and on behalf of the Issuer and thereupon to cause the Purchase Contract and the Regulatory Agreement to be delivered to the other parties thereto; that the Purchase Contract and the Regulatory Agreement are to be in substantially the forms thereof submitted to this meeting and hereby approved, with such changes therein as shall be approved by the officials of the Issuer executing the same, their execution thereof to constitute conclusive evidence of their approval of any and all changes or revisions therein from the forms of such instruments as hereby approved; and that from and after the execution and delivery of such instruments, the officials, agents and employees of the Issuer are hereby authorized,

empowered and directed to do all such acts and things necessary to carry out and comply with the provisions of such instruments as executed.

Section 3. That the issuance of the Bonds in the aggregate principal amount not to exceed \$1,700,000 maturing on or before **[December 1, \_\_\_\_]**, and bearing interest at the rates per annum set forth in the Indenture is hereby authorized and approved; that the Bonds shall initially bear interest at a variable interest rate, such rate not to exceed 6.50%, is hereby authorized and approved, and the Mayor and the City Clerk of the Issuer be and are hereby authorized, empowered and directed to cause to be prepared the Bonds in the form and having the other terms and provisions specified in the Indenture (as executed and delivered); that the Bonds shall be executed in the name of the Issuer with the manual or facsimile signature of its Mayor and the manual or facsimile signature of its City Clerk and the seal of the Issuer shall be impressed or reproduced thereon, and that the Mayor or any other officer of the Issuer shall cause the Bonds, as so executed and attested, to be delivered to the Trustee for authentication and the Trustee is hereby requested to authenticate the \$1,700,000 aggregate principal amount of Bonds; and the forms of the Bonds submitted to this meeting as the same appears in the Indenture, subject to appropriate insertion and revision in order to comply with the provisions of said Indenture be, and the same hereby are, approved, and when the same shall be executed on behalf of the Issuer in the manner contemplated by the Indenture and this Ordinance in the aggregate principal amount of \$1,700,000, they shall represent the approved forms of the Bonds of the Issuer.

Section 4. That the distribution and use of the Official Statement, substantially in the form thereof submitted to this meeting by the Underwriter, are hereby authorized and approved. The Mayor is hereby authorized, empowered and directed to certify that the portions of the Official Statement under the headings "THE ISSUER" and "LITIGATION . The Issuer" are in a form "deemed final" by the Issuer for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934.

Section 5. That the sale of the Bonds to the Underwriter, upon the terms and conditions set out in the Purchase Contract, be, and is, in all respects authorized and approved.

Section 6. That from and after the execution and delivery of said documents, the proper 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 and make all such changes as may be necessary to carry out and comply with the provisions of said documents as executed and to further the purposes and intent of this Ordinance, including the preamble hereto.

Section 7. That all acts and doings of the officials of the Issuer which are in conformity with the purposes and intent of this Ordinance and in furtherance of the issuance and sale of the Bonds in the aggregate principal amount of \$1,700,000 and the refunding of the Prior Bonds be, and the same hereby are, in all respects, authorized, approved, ratified and confirmed.

Section 8. That approval is hereby granted for the issuance of the Bonds pursuant to Section 147(f) of the Code.

Section 9. The Bonds shall be a limited obligation of the Issuer payable solely out of the revenues and receipts to be derived from the Loan Agreement. No holder of any Bond shall ever have the right to compel any exercise of the taxing power of the Issuer to pay the Bonds or the interest or premium, if any, thereon and the Bonds shall not constitute an

indebtedness of the Issuer or a loan of credit thereof within the meaning of any constitutional or statutory provision. It shall be plainly stated on the face of each Bond that it has been issued under the provisions of the Act and that it does not constitute an indebtedness of the Issuer or a loan of credit thereof within the meaning of any constitutional or statutory provisions.

Nothing in this Ordinance, the Loan Agreement or the Indenture shall be construed as an obligation or commitment by the Issuer to expend any of its funds other than (i) the proceeds of the sale of the Bonds, (ii) the revenues and receipts to be derived from the Loan Agreement, or (iii) any moneys arising out of the investment or reinvestment of said proceeds, revenues or moneys.

Section 10. The Bonds shall be issued in compliance with and under the authority of the provisions of the Act, this Ordinance and the Indenture.

Section 11. That the provisions of this Ordinance are hereby declared to be separable, and if any section, phrase or provision shall, for any reason, be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases or provisions.

Section 12. That all ordinances, resolutions, orders or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby superseded.

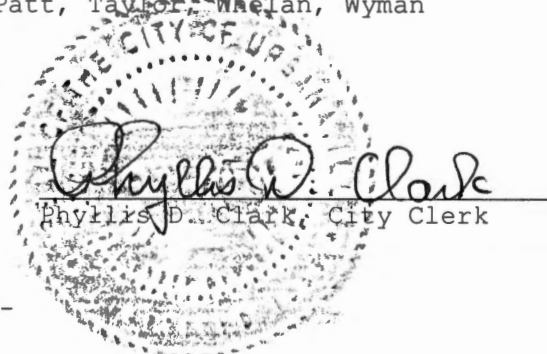
Section 13. This Ordinance shall be in full force and effect from and after its passage, approval and publication, in accordance with law.

PASSED by the City Council this 16<sup>th</sup> day of April,  
2001.

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

NAYS:

ABSTAINS:



APPROVED by the Mayor this 25<sup>th</sup> day of April,

2001 .

  
Tod Satterthwaite, Mayor