

AN ORDINANCE

**AUTHORIZING THE ISSUANCE OF THE CITY OF URBANA, ILLINOIS
VARIABLE RATE DEMAND MULTI-FAMILY HOUSING REFUNDING
REVENUE BONDS, SERIES 2002 (PRAIRIE GREEN II APARTMENTS PROJECT)
IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED
\$1,400,000 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 AN INDENTURE OF TRUST SECURING SAID BONDS;
AUTHORIZING THE EXECUTION AND DELIVERY OF AN AMENDED AND
RESTATED LAND USE RESTRICTION AGREEMENT; AUTHORIZING THE
EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT;
AND RELATED MATTERS**

WHEREAS, the City of Urbana, Illinois (the "Issuer") is a home rule unit of government existing under the Constitution and the laws of the State of Illinois and is authorized and empowered by the provisions of the 1970 Constitution of the State of Illinois, Article VII, Section 6, and the provisions of 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 "Act") to issue its revenue bonds to refund outstanding bonds previously issued under the Act; 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 provided for the refunding of the Issuer's previously issued \$2,000,000 original principal amount Adjustable Rate Multifamily Housing Revenue Bonds, Series 1994 (Village Community Partners I, L.P. Project) (the "Prior Bonds"), the proceeds of which were used to finance the cost of acquiring real estate and the construction and equipping of approximately 48 units of multifamily housing in Urbana, Illinois (hereinafter referred to as the "Project"), which constitutes an economic development project under the

Act, and the Issuer is willing to issue its revenue bonds to refund the Prior Bonds and to enter into a loan agreement with 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 of the Issuer to authorize the refunding of the Prior Bonds and the issuance of the Issuer's Variable Rate Demand Multifamily Housing Refunding Revenue Bonds, Series 2002 (Prairie Green II Apartments Project) in the aggregate principal amount of not to exceed \$1,400,000 (the "Bonds"); and

WHEREAS, LaSalle Capital Markets, A Division of ABN AMRO Financial Services, Inc., its successors and their assigns (the "Underwriter") has indicated its willingness to purchase the Bonds; and

WHEREAS, it is necessary to authorize the execution of a Loan Agreement between the Issuer and the Borrower under the terms of which the Issuer will lend the proceeds of the sale of the Bonds to the Borrower to reimburse the Borrower for the refunding of the Prior Bonds, the payments to be paid by the Borrower to the Issuer in repayment of the loan to be sufficient to pay at maturity the principal of, premium, if any, and interest on the Bonds; and

WHEREAS, it is necessary for the Issuer to execute and deliver an Indenture of Trust to LaSalle Bank National Association, as Trustee (the "Trustee") for the holders from time to time of the Bonds pursuant to which the Bonds will be issued; and

WHEREAS, it is necessary for the Issuer to authorize the execution of an Amended and Restated Land Use Restriction Agreement; and

WHEREAS, LaSalle Bank National Association (the "Initial Letter of Credit Issuer") will issue an Irrevocable Transferable Direct Pay Letter of Credit to the Trustee (the "Letter of Credit"); and

WHEREAS, a Preliminary Official Statement (collectively, with the final Official Statement, the "Official Statement") has been prepared and presented to this meeting; and

WHEREAS, it is necessary to authorize the sale of the Bonds and to execute a Bond Purchase Agreement as hereinafter defined in connection therewith; 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 dated as of October 1, 2002, between the Issuer and the Borrower (the "Loan Agreement");
2. The Indenture of Trust dated as of October 1, 2002 (the "Indenture"), between the Issuer and the Trustee, setting forth terms, conditions and security requirements for the proposed bond issue to refund the Prior Bonds and containing the form of the Bonds; and
3. The Amended and Restated Land Use Restriction Agreement dated as of October 1, 2002 (the "Land Use Restriction Agreement") among the Issuer, the Borrower and the Trustee; and
4. The Bond Purchase Agreement to be dated the date the Bonds are priced (the "Bond Purchase Agreement") among the Issuer, the Borrower and the Underwriter.

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

Section 1. Pursuant to the Act, the refunding of the Prior Bonds through the issuance and sale of the Bonds in accordance with the terms of the Loan Agreement and the Indenture is hereby authorized and approved

Section 2. 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 and upon all right, title and interest of the Issuer in and to the Loan Agreement (except for certain rights of the Issuer to notice, 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 are 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 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 3. That the form, terms and provisions of the proposed Land Use Restriction Agreement, a copy of which is before this meeting, be, and it hereby is, 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 the Land Use Restriction Agreement in the name and on behalf of the Issuer and thereupon to cause the Land Use Restriction Agreement to be delivered to the Borrower and the Trustee, that the Land Use Restriction Agreement is to be in substantially the form 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 a Land Use Restriction

Agreement shall be entered into with the Borrower and the Trustee; and that from and after the execution and delivery of such instrument, 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 instrument as executed.

Section 4. That the form, terms and provisions of the proposed Bond Purchase Agreement, a copy of which is before this meeting, be, and it hereby is, 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 the Bond Purchase Agreement in the name and on behalf of the Issuer and thereupon to cause the Bond Purchase Agreement to be delivered to the Borrower and the Underwriter; that the Bond Purchase Agreement is to be in substantially the form 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 form of such instrument hereby approved; that the Bond Purchase Agreement shall be entered into with the Borrower and the Underwriter; and that from and after the execution and delivery of such instrument, 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 instrument as executed.

Section 5. That the issuance of the Bonds in the aggregate principal amount of not to exceed \$1,400,000 to mature on June 1, 2029 with the interest rate to be at the Weekly Rate, the Semi-Annual Rate or the Multi-Annual Rates, as determined from time to time in accordance with the Indenture is hereby 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 not to exceed \$1,400,000 aggregate principal amount of Bonds; and the form 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 is, 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 not to exceed \$1,400,000, it shall represent the approved form of the Bonds of the Issuer.

Section 6. That the distribution and use of the Preliminary Official Statement in substantially the form presented at this meeting (with such changes therein as shall be required or approved by counsel to the Issuer) by the Underwriter is hereby approved and the distribution and use of a Official Statement (in substantially the form of the Preliminary Official Statement but with appropriate variations to reflect the final terms of the Loan Agreement, the Land Use Restriction Agreement, the Indenture, the Bonds and the Bond Purchase Agreement) is hereby authorized. The Mayor is hereby authorized, empowered and directed to certify that the portions of the Preliminary Official Statement and the Official Statement relating to the Issuer is in a form deemed final by the Issuer.

Section 7. That the sale of the Bonds, upon the terms and conditions set out in the Bond Purchase Agreement, be, and is, in all respects authorized and approved.

Section 8. That from and after the execution and delivery of the Loan Agreement, the Indenture, the Land Use Restriction Agreement and the Bond Purchase Agreement, 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 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. The Mayor and the City Clerk be, and they are hereby, further authorized and directed for and on behalf of the Issuer, to execute all papers, documents, certificates and other instruments that may be required for the carrying out of the authority conferred by this Ordinance or to evidence said authority, including without limitation the signing of IRS Form 8038 and the filing thereof as therein required and the certifications relating to Section 148 of the Code and the regulations promulgated thereunder and changes in the documents approved hereby as approved by the officials of the Issuer executing the same, and to exercise and otherwise take all necessary action to the full realization of the rights, accomplishments and purposes of the Issuer under the Loan Agreement, the Land Use Restriction Agreement, the Indenture, the Official Statement and the Bond Purchase Agreement and to discharge all of the obligations of the Issuer thereunder. For purposes of certifying to matters of arbitrage, the Mayor is hereby designated an officer responsible for issuing the Bonds.

Section 9. 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 not to exceed \$1,400,000 and the refunding of the Prior Bonds to that amount be, and the same hereby are, in all respects, approved and confirmed.

Section 10. That 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. The Bonds may be initially issued in book-entry form and registered in the name of The Depository Trust Company, New York, New York ("DTC"), or its nominee, as securities depository for the Bonds. The Mayor is hereby authorized, empowered and directed to execute and deliver an agreement with DTC and any other necessary parties in order to effect such book-entry registration.

Section 12. 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 13. 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 14. This Ordinance shall be in full force and effect from and after its passage and approval, in accordance with law.

Section 15. The Bonds, including but not limited to the principal of, premium, if any, interest thereon and any expenses thereto shall be limited obligations of the Issuer, payable solely and only from the revenues and receipts derived by the Issuer pursuant to the Loan Agreement and shall be otherwise secured as provided in the Loan Agreement and the Indenture. The Bonds shall not in any respect be a general obligation of the Issuer, nor shall they be payable in any manner from funds of the Issuer raised by taxation. The Bonds shall state that they do not constitute an indebtedness of the Issuer or a loan of credit thereof within the meaning of any constitutional or statutory provision. Nothing in this Ordinance, the Loan Agreement, the Indenture, the Land Use Restriction Agreement, the Bond Purchase Agreement, the Official Statement or the form of the Bonds

(hereinafter referred to collectively as the "Financing Documents") or in any document or agreement required hereby and thereby, shall be construed as an obligation or commitment by the Issuer to expend any of its funds other than (i) the proceeds derived from the sale of the Bonds, (ii) the revenues and receipts derived from the Loan Agreement, and (iii) any monies arising out of the investment or reinvestment of said proceeds, income, revenues, receipts or monies.

PASSED by the City Council this 21st day of October,
2002 .

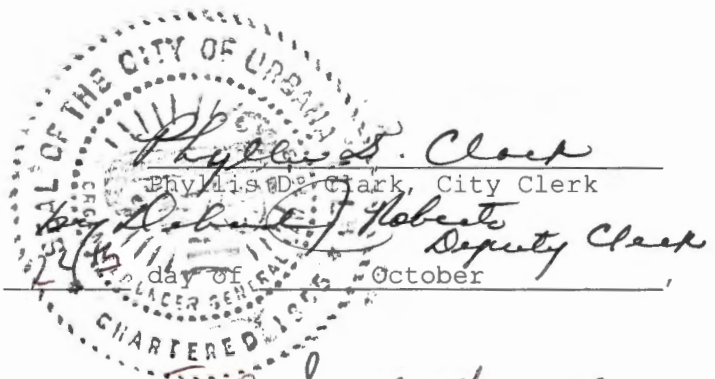
AYES: Hayes, Huth, Otto, Patt, Whelan, Wyman

NAYS:

ABSTAINS:

APPROVED by the Mayor this

2002 .



Phyllis D. Clark
Phyllis D. Clark, City Clerk

Robert J. Roberts
Deputy Clerk

day of October

Tod Satterthwaite

Tod Satterthwaite, Mayor