

A RESOLUTION APPROVING AN AGREEMENT TO RETIRE
OUTSTANDING PARKING REVENUE BONDS BY THE ISSUE
OF GENERAL OBLIGATION BONDS WITHIN A TIME CERTAIN

WHEREAS, Investors Diversified Services, Inc., the present holders of all of the City's outstanding Parking Revenue Bonds, has indicated a willingness to accept ninety-four percent (94%) of the face value of such outstanding Revenue Bonds, plus interest accrued to the date of payment, in full payment therefor, if they are advised of the City's willingness to do such on or before the 16th of December, 1976, and

WHEREAS, a consortium of banks consisting of Busey First National Bank, a national banking association, Champaign County Bank and Trust Co., an Illinois banking corporation, National Bank of Urbana, a national banking association, Champaign National Bank, a national banking association, First National Bank in Champaign, a national banking association, and American National Bank of Champaign, a national banking association, have agreed to loan to the City the amount of \$2,200,000.00 for the purpose of allowing the City to consummate the repurchase of the said outstanding Parking Revenue Bonds under the terms and conditions set forth in the attached Agreement which is incorporated herein by reference, and

WHEREAS, the Urbana City Council finds and determines that it is in the best interest of the City of Urbana to approve the attached Agreement.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Urbana, Illinois, as follows:

1. That the Mayor of the City of Urbana, for and on behalf of the said City, is hereby authorized and directed to execute the Note securing the loan herein authorized, a facsimile of said Note being incorporated in the attached Agreement, and

2. That the Mayor of the City of Urbana, for and on behalf of the said City, is hereby authorized and directed to execute the Agreement attached hereto, and

3. It is herewith expressly recognized and authorized that the said Note securing the said loan pledges the full faith and credit of the City of Urbana for repayment of said loan, and

4. That the City Council authorizes and directs the Mayor of the City of Urbana, Illinois, to proceed forthwith in the preparation of the necessary steps to accomplish the issuance of general obligation bonds in an amount determined to be sufficient to repay the loan as set forth in the attached Agreement, and

5. It is the intention and purpose of this Council, while pledging the full faith and credit of the City of Urbana both to secure payment of the Note mentioned in the attached Agreement and to secure payment of the general obligation bonds to be issued pursuant to this Resolution and subsequent Ordinances, to nevertheless use the Parking meter revenues of the Urbana Parking Meter System each year to retire the said general obligation bonds in accordance with the terms thereof, and to abate the Bond Ordinance Levy each year pertaining to said general obligation bonds to be issued, if the parking meter revenues are sufficient to meet the payments necessary for said bonds.

PASSED by the City Council of the City of Urbana, Illinois, this 15TH day of December, 1976.

Duane Eckerty
Duane Eckerty, City Clerk

APPROVED by the Mayor of the City of Urbana, Illinois, this 16 day of December, 1976.

Hiram Paley
Hiram Paley, Mayor

AGREEMENT

For and in consideration of the mutual promises herein contained, the City of Urbana, Illinois, a home rule municipality, hereinafter called City, and a consortium of banks consisting of Busey First National Bank, a national banking association, Champaign County Bank and Trust Co., an Illinois banking corporation, National Bank of Urbana, a national banking association, Champaign National Bank, a national banking association, First National Bank in Champaign, a national banking association, and American National Bank of Champaign, a national banking association, hereinafter called Bank, agree as follows:

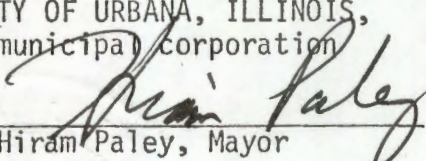
1. Bank shall loan the City the sum of **\$2,200,000.00** on demand of the City if such demand is made on or before the 31st day of December, 1976 and if City shall first pass all necessary resolutions and execute all other documents necessary to make such loan a valid and proper transaction. It is understood and agreed that as a matter of convenience the loan shall be made by Busey First National Bank and participated by it among the other banks in the consortium.
2. City shall execute a note in the form of Exhibit A, attached hereto and incorporated herein by this reference, evidencing such loan, it being clearly understood that by executing said note the City is pledging its full faith and credit to repay said loan with any and all funds available including borrowed funds.
3. As collateral for said loan, the City shall pledge certain City of Urbana Motor Vehicle Parking System Revenue Bonds, Series 1963 having a total par value of \$2,380,000. Said bonds shall be held by Bank as security for said loan until the loan is paid in full, both principal and interest. Said bonds shall be deemed to be owned by the City and pledged as collateral for the loan and shall become the property of Bank as holder thereof only in the event of default of City in payment of said loan in accordance with its terms.
4. City agrees that proceeds of said loan shall be used only for the purchase of all outstanding Motor Vehicle Parking System Revenue Bonds, Series 1963, said bonds to be delivered to Bank as collateral as aforesaid upon receipt thereof by the City.

5. City agrees to immediately proceed to issue general obligation bonds for the specific purpose of raising funds to repay said loan at maturity and herewith commits itself to proceed to promptly undertake the necessary steps for the issuance of such general obligation bonds in an amount, considering other funds available to the City for such purposes, sufficient to repay the principal and interest of said loan in full at or prior to maturity.

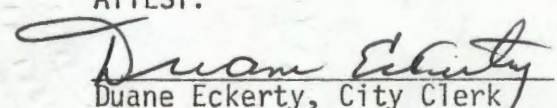
IN WITNESS WHEREOF the parties hereto have executed this Agreement this _____ day of December, 1976.

CITY OF URBANA, ILLINOIS,
a municipal corporation

BY


Hiram Paley, Mayor

ATTEST:


Duane Eckerty, City Clerk

BUSEY FIRST NATIONAL BANK

BY _____

CHAMPAIGN COUNTY BANK & TRUST CO.

BY _____

NATIONAL BANK OF URBANA

BY _____

CHAMPAIGN NATIONAL BANK

BY _____

FIRST NATIONAL BANK IN CHAMPAIGN

BY _____

AMERICAN NATIONAL BANK OF CHAMPAIGN

BY _____

COLLATERAL PROMISSORY NOTE

| | | |
|----------|---------------|--------|
| AMOUNT | | DATE |
| MATURITY | April 1, 1977 | NUMBER |

FOR VALUE RECEIVED, the City of Urbana, a municipal corporation, (hereinafter called Debtor), promises to pay to the order of BUSEY FIRST NATIONAL BANK at its office in Urbana, Illinois in lawful money of the United States, on April 1, 1977 the sum of \$ 2,200,000.00, with interest thereon at the rate of 4½ per cent per annum from date hereof until maturity, payable at maturity.

Annual interest shall be calculated on a 365-day year. To secure payment of this note, the Debtor pledges to the Holder and grants to the Holder a security interest in certain City of Urbana Motor Vehicle Parking System Revenue Bonds, being to wit: \$2,380,000.00 Par value of Urbana Motor Vehicle Parking System Revenue Bonds, Series 1963; now or at any time hereafter assigned, transferred or delivered to or left in the possession of the Holder by or for the account of the Debtor; and to further secure payment of this note, the City of Urbana pledges its full faith and credit.

If any one or more of the following events shall occur (hereinafter called an "Event of Default"), that is to say, if (i) default shall be made in the punctual payment of any obligation hereunder, when due; (ii) default shall be made in the punctual payments of any other obligation of the Debtor to the Holder, when due; or shall file or commence or have filed or commenced against it any proceeding for any relief under bankruptcy or insolvency laws or any laws relating to the relief of debtors, readjustment of indebtedness, reorganizations, compositions or extensions, or a receiver or trustee shall be appointed for the Debtor; then upon the occurrence of any such event, this Note shall, at the option of the Holder, become immediately due

and payable, without presentment, demand, notice of protest of any kind, all of which are expressly waived by the Debtor. In case of the occurrence of an Event of Default hereunder, any indebtedness due from the Holder to the Debtor may, at the option of the Holder, be set off and applied against this Note whether due or not. The Debtor agrees to pay all costs of collection, legal expenses and reasonable attorney's fees incurred or paid by the Legal Holder in collecting this Note after the occurrence of an Event of Default.

Upon the occurrence of any such Event of Default, and at any time thereafter, the Holder shall have the rights and remedies of a secured party under the Uniform Commercial Code of Illinois, including without limitation thereto, the right to sell or otherwise dispose of any or all of the Collateral and, further, the right to demand that the Debtor shall assemble the Collateral and make it available to Holder at a reasonable time and place convenient to Holder. The Holder will send the Debtor reasonable notice of the time and place of any public sale thereof or of the time after which any private sale or other intended disposition is to be made. The requirement of sending reasonable notice shall be met if such notice is mailed, postage prepaid, to the Debtor at 400 South Vine Street, Urbana, Illinois 61801 at least ten days before the time of the sale or disposition.

This right is expressly granted to the Holder at its option in event of default to transfer at any time to itself or to its nominee any Collateral pledged hereunder and to receive the income thereon and hold the same as security or apply it on the principal or interest due hereon or due on any liability secured hereby. The Holder shall use reasonable care in the physical custody of any Collateral, but shall bear no responsibility for its protection, collection or enforcement.

No delay or omission on the part of the Holder in exercising any power or right hereunder shall impair such right or power or any other right or power of Holder hereunder. All rights, powers and remedies of Holder are cumulative. No waiver by Holder or any default shall operate as a waiver of any other default or of the same default on a future occasion.

Every legal Holder of this Note shall have and may exercise all the rights.

and powers given to the Lender in this Note.

Interest shall cease to accrue on the amount of any prepayment. Any unearned interest herefore collected will be computed proportionately and rebated when the loan is paid in full. City shall have privilege of prepaying, without penalty, any amount so long as each payment is in a multiple of \$10,000.00.

Hiram Paley, Mayor
City of Urbana, Illinois

Attest:

Duane Eckerty
City Clerk
City of Urbana, Illinois