

RESOLUTION NO. 9192-R38

A RESOLUTION RESPECTING THE PERFORMANCE
OF THE ISWDA BOND GUARANTEE

WHEREAS, the Intergovernmental Solid Waste Disposal Association (hereinafter "ISWDA") was formed by its members, the City of Champaign, the City of Urbana, and Champaign County by An Agreement and General Plan for Development of Solid Waste Disposal Facilities and Programs and the Creation of the Intergovernmental Solid Waste Disposal Association, a Municipal Joint Action Agency, pursuant to Illinois Revised Statutes, Ch. 127

WHEREAS, the ISWDA has found it necessary and desirable to obtain bank financing of approximately \$2,800,000.00+ in order to pay for activities in furtherance of its goals.

WHEREAS, the City of Urbana, the City of Champaign, and Champaign County have entered into a Surety and Guarantee Agreement with Busey Bank to assure the ultimate repayment of said bonds.

WHEREAS, said bonds mature on July 1, 1992.

WHEREAS, ISWDA and its bond guarantors, Champaign, Urbana and Champaign County, will be in default on said bonds on July 2, 1992 unless the bonds are retired or a new Agreement is negotiated with the lender by all parties involved.

WHEREAS, the release of any party without payment of the bonds in full or the negotiation of new arrangements regarding the debt requires the consent of ISWDA and each of its members by the terms of said Guarantee and Surety Agreement.

WHEREAS, the various agreements supporting the debt do not allow for the retirement of debt in an amount less than 100% of the total debt unilaterally by a single member of the Joint Action Agency.

WHEREAS, the debt and the ongoing interest costs of debt of ISWDA is joint and several to its members by the terms of the Surety and Guarantee Agreements with Busey Bank.

WHEREAS, Urbana is not willing to allow the release of the City of Champaign or Champaign County from obligations pursuant to said Guarantee and Surety Agreements while any debt is outstanding.

WHEREAS, ISWDA's debt was to be retired through a surcharge on waste volumes entering the facility.

WHEREAS, the retirement of ISWDA debt on other than a waste volume basis as anticipated is not equitable or fair to Urbana citizens.

WHEREAS, Urbana is unwilling to retire ISWDA debt on a basis other than that contained within the ISWDA Agreement.

WHEREAS, the consequences of a bond default will severally impair the future ability of the municipal government to borrow funds at a reasonable rate to fund municipal projects and activities.

WHEREAS, the actions of the City of Champaign have significantly impaired the ability of ISWDA to retire debt in the near future and to fulfill the goals of ISWDA.

WHEREAS, the payment of all or a portion of ISWDA debt as well as the continuation of debt requires the mutual consent of the Guarantors.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

The City of Urbana will withhold its mutual consent except for the following relative to the Busey Bonds due July 1, 1992:

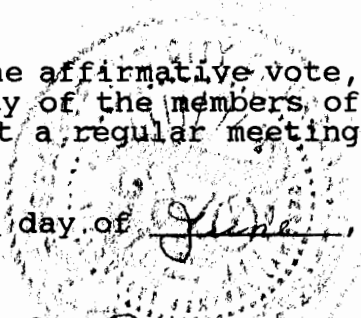
Section 1. The refinancing of the \$2,800,000.00 Bonds in their entirety until an ISWDA revenue stream can be developed to retire debt on a volume basis.

Section 2. Urbana immediately paying its share of the Bonds on a waste system volume basis if released from the Guarantee and Surety Agreement.

Section 3. The payment of such Bonds in full by another member government.

This Resolution is hereby passed by the affirmative vote, the "ayes" and "nays" being called of a majority of the members of the Council of the City of Urbana, Illinois, at a regular meeting of said Council.

PASSED by the City Council this 1st day of June, 1992.


Ruth S. Brookens
Ruth S. Brookens, City Clerk

APPROVED by the Mayor this 11th day of June, 1992.

Jeffrey T. Markland
Jeffrey T. Markland, Mayor