

ORDINANCE NO. 8081-47

AN ORDINANCE authorizing the issue of \$10,000,000 Residential Mortgage Revenue Bonds, 1980 Series, of the City of Urbana, Champaign County, Illinois

WHEREAS, the City of Urbana, Champaign County, Illinois (the "City") has pursuant to its home rule powers granted under the 1970 Constitution of the State of Illinois duly adopted on May 7, 1979, an enabling ordinance, which said ordinance was duly amended on October 20, 1980, (the "Enabling Ordinance") (1) to provide for and promote the public health, safety, morals and welfare; (2) to assist persons in acquiring and owning decent, safe and sanitary housing which they can afford; (3) to promote the integration of families of varying economic means; and (4) to preserve and increase the City's ad valorem tax base; and

WHEREAS, the City has developed a program with Busey First National Bank, Champaign County Bank and Trust Co., Citizens Building Association, and University Federal Savings & Loan Association (the "Participants") for the purchase without recourse from the Participants of home mortgages (as defined in the Enabling Ordinance) which will be serviced by the Participants; and

WHEREAS, in furtherance of the purposes set forth in the Enabling Ordinance the City wishes to provide for the financing of the acquisition of the home mortgages by the sale and issuance of its revenue bonds, and authorizing such actions as might be required to implement such stated intention; and

WHEREAS, pursuant to and in accordance with the provisions of the Enabling Ordinance, the City is now prepared to proceed with financing the acquisition of such home mortgages and to issue and sell \$10,000,000 in principal amount of its Residential Mortgage Revenue Bonds, 1980 Series (the "Bonds"), such Bonds to be secured by the Indenture (as hereinafter defined) and to be payable solely from Bond proceeds, Commitment Fees, Transaction Fees, proceeds of certain letters of credit, revenues and other amounts derived by the City from Mortgage Loans (including earnings thereon and certain insurance proceeds with respect thereto), and certain reserve funds; and

WHEREAS, Stern Brothers & Co. (the "Underwriter") has submitted a proposal to purchase the Bonds; and

WHEREAS, copies of the Sale and Service Agreement, Indenture, Bond Purchase Agreement, and Placement Memorandum have been presented to and are before this meeting;

NOW, THEREFORE, Be It Ordained by the City Council of the City of Urbana, Champaign County, Illinois:

Section 1. The following words and terms as used in this ordinance shall have the following meanings unless the context clearly indicates another or different meaning or intent:

"Bonds" shall mean the Residential Mortgage Revenue Bonds, 1980 Series of the City in an aggregate principal amount of \$10,000,000 authorized to be issued pursuant to this ordinance and Article II of the Indenture.

"Bond Purchase Agreement" shall mean the Bond Purchase Agreement to be entered into between the City and the Underwriter, as approved by this ordinance, relating to the purchase of the Bonds.

"City" shall mean the City of Urbana, Champaign County, Illinois.

"Custodian" shall mean Continental Illinois National Bank and Trust Company of Chicago and any successor acting as such under the Indenture.

"Indenture" shall mean the Trust Indenture dated as of October 1, 1980, among the City, the Trustee, and the Custodian, as approved by this ordinance, as the same may be supplemented from time to time in accordance with its terms.

"Mortgage Loans" shall mean the Mortgage Loans to be acquired pursuant to, and as defined in, the Sale and Service Agreement.

"Participants" shall mean and include the following home mortgage lending institutions which have agreed to originate and service Mortgage Loans pursuant to the Sale and Service Agreement: Busey First National Bank, Champaign County Bank and Trust Co., Citizens Building Association, and University Federal Savings & Loan Association.

"Placement Memorandum" shall mean the Placement Memorandum as further described in Section 9 hereof.

"Sale and Service Agreement" shall mean the Sale and Service Agreement dated as of October 1, 1980 among the City and the Participants as approved by this ordinance, and as the same may be amended from time to time.

"Trustee" shall mean First Wisconsin Trust Company and any successor acting as such under the Indenture.

"Underwriter" shall mean Stern Brothers & Co.

Section 2. Pursuant to the Enabling Ordinance, the City does hereby authorize the financing of the acquisition of the Mortgage Loans in accordance with the terms of the Sale and Service Agreement and does hereby find and declare that this ordinance is being enacted pursuant to the powers granted by the Enabling Ordinance and that the issuance of the Bonds is for the public purposes as set forth in the Enabling Ordinance.

Section 3. To provide for the financing of the cost of the acquisition of the Mortgage Loans, the City does hereby authorize the issuance of revenue bonds of the City under the Enabling Ordinance, to be designated "City of Urbana, Champaign County, Illinois, Residential Mortgage Revenue Bonds, 1980 Series" in the aggregate principal amount of \$10,000,000. The Bonds shall be issued in the forms and denominations set forth in the Indenture; shall be dated, except as otherwise provided in the Indenture, October 1, 1980; shall be numbered, as provided in the Indenture; shall mature on October 1, 2007, and bear interest payable semiannually at the rate of 10-1/4% per annum, as set forth in the Indenture; shall be subject to redemption prior to maturity upon the terms and conditions set forth in the Indenture; and shall be sold to the Underwriter at the price of 98.5% of par plus accrued interest.

Section 4. The Bonds shall be limited obligations of the City payable solely from Bond proceeds, Commitment Fees, Transaction Fees, proceeds of certain letters of credit, revenues and other amounts derived by the City from Mortgage Loans (including earnings thereon and certain insurance proceeds with respect thereto) and certain reserve funds. The Bonds and interest thereon shall not be deemed to constitute a debt or liability of the City, the State of Illinois or any political subdivision thereof, and their issuance shall not, directly or indirectly or contingently, obligate the City, the State of Illinois or any political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment, nor shall the Bonds be construed to create any moral obligation on the part of the City, the State of Illinois or any political subdivision thereof with respect to their payment. Nothing in the Bonds or in the Indenture or the proceedings of the City authorizing the issuance of the Bonds or in the Enabling Ordinance shall be construed to authorize the City to create a debt of the City, the State of Illinois or any political subdivision thereof within the meaning of any constitutional or statutory provision of the State of Illinois. The nature of the obligation represented by the Bonds is as more fully set forth in the Indenture.

Section 5. The City does hereby covenant and agree not to issue other revenues bonds to purchase or otherwise

finance single family residential mortgage loans until substantially all of the moneys in the Acquisition Fund provided in the Indenture have been used, or committed to be used, as provided in the Indenture.

Section 6. The Bonds shall be executed on behalf of the City in the manner provided in the Indenture. If any of the officers who shall have signed or sealed any of the Bonds shall cease to be such officers of the City before the Bonds so signed and sealed shall have been actually authenticated by the Custodian or delivered by the City, such Bonds nevertheless may be authenticated, issued and delivered with the same force and effect as though the person or persons who signed or sealed such Bonds had not ceased to be such officer or officers of the City; and also any such Bonds may be signed and sealed on behalf of the City by those persons who, at the actual date of the execution of such Bonds, shall be the proper officers of the City, although at the nominal date of such Bonds any such person shall not have been such officer of the City.

Section 7. The Indenture is hereby approved in substantially the form attached hereto as Exhibit A, and the Mayor is hereby authorized to execute, acknowledge and deliver the Indenture, attested by the City Clerk, with such changes therein as do not alter the purpose or intent thereof as shall be approved by such persons executing such document, their execution to constitute conclusive evidence of such approval.

Section 8. The Sale and Service Agreement between the City and the Participants is hereby approved in substantially the form attached hereto as Exhibit B, and the Mayor of the City is hereby authorized to execute, acknowledge and deliver the City's acceptance of the Sale and Service Agreement, attested by the City Clerk, with such changes therein as do not alter the purpose or intent thereof as shall be approved by such persons executing such document, their execution to constitute conclusive evidence of such approval. The Participants shall undertake to accept and process applications for Mortgage Loans on a non-discriminatory, "first-come, first-served" basis, but subject to and pursuant to the provisions of the Sale and Service Agreement.

Section 9. The Placement Memorandum is hereby approved in substantially the form attached hereto as Exhibit C, and the Mayor is hereby authorized to execute and deliver the Placement Memorandum on behalf of the City with such changes as do not alter the purpose or intent thereof as shall be approved by the Mayor, his execution to constitute conclusive evidence of such approval.

Section 10. The Bond Purchase Agreement is hereby approved in substantially the form attached hereto as Exhibit

D, and the Mayor is hereby authorized to execute and deliver said Bond Purchase Agreement on behalf of the City, attested by the City Clerk.

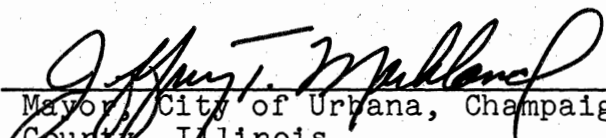
Section 11. The interest rate on the Mortgage Loans shall be as specified and provided in the Sale and Service Agreement, it being understood that the difference between the interest rate on the Mortgage Loans and the interest rates on the Bonds represents the costs of insurance premiums, amortized costs of the expenses of issuing the Bonds, fees of servicing and administering the Mortgage Loans, Trustee and Custodian fees, and amortized amounts to secure the payment of the Bonds.

Section 12. The authorized officials of the City are hereby empowered to execute and deliver the Bonds and all documents and other instruments which may be required under the terms of the Bond Purchase Agreement, the Indenture, the Sale and Service Agreement and this ordinance. For purposes of this section "authorized officials of the City" shall mean the Mayor, City Clerk and Chief Administrative Officer.

Section 13. All ordinances, resolutions or orders, or parts thereof, in conflict with the provisions of this ordinance are to the extent of such conflict hereby repealed.

Section 14. This ordinance shall become effective upon its adoption and approval.

APPROVED

  
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Mayor, City of Urbana, Champaign  
County, Illinois

(SEAL)

Adopted: November 3, 1980.

Approved: November 3, 1980.

Attest:

  
  
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City Clerk