

FIRST READING

March 24, 1980

SECOND READING:

March 24, 1980

VOTE: Roll Call Vote 5-0-1-1

PASSED: March 24, 1980

ORDINANCE 80-28 AUTHORIZING THE FINANCING OF INDUSTRIAL FACILITIES AND RELATED PROPERTY CONSTITUTING AN "ECONOMIC DEVELOPMENT PROJECT" WITHIN THE MEANING OF ORDINANCE 75-34, AS AMENDED; AUTHORIZING THE ISSUANCE OF \$1,500,000 INDUSTRIAL DEVELOPMENT REVENUE BONDS (DEKALB COUNTY MARKETING SERVICE, INC., PROJECT), SERIES A IN CONNECTION THEREWITH; AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT BETWEEN THE CITY OF DEKALB, ILLINOIS AND DEKALB COUNTY MARKETING SERVICE, INC.; AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDENTURE OF TRUST SECURING SAID BONDS; AND AUTHORIZING THE SALE OF SAID BONDS TO THE PURCHASER THEREOF AND RELATED MATTER

WHEREAS, pursuant to Ordinance No. 75-34 duly adopted by the City Council of the City of DeKalb, Illinois (hereinafter referred to as the "Issuer") on June 3, 1975, as amended by Ordinance No. 79-98 duly adopted on September 24, 1979, which is the only amendment, modification or change to Ordinance No. 75-34 (collectively the "Enabling Ordinance"), the Issuer is authorized to issue its revenue bonds to defray in whole or in part the costs of any "economic development project", as defined in the Enabling Ordinance, for the purpose set forth therein; and,

WHEREAS, as a result of negotiations between the Issuer and DeKalb County Marketing Service, Inc. (hereinafter sometimes referred to as the "Company"), and in reliance upon a Memorandum of Agreement between the Issuer and Company dated September 24, 1979, the Company has entered into contracts for the acquisition, construction and installation of certain industrial facilities (hereinafter referred to as the "Project"), which constitute an "economic development project" within the meaning of the Enabling Ordinance and which will be of the character and accomplish the purposes provided by the Enabling Ordinance, and the Issuer is willing to issue its revenue bonds to finance the cost of the Project and to enter into a loan agreement with the Company upon terms which will produce revenues and receipts sufficient to provide for the prompt payment at maturity of the principal, interest and redemption premiums, if any, 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 interests and convenience of the Issuer and its inhabitants to authorize the financing of the Project, and the same is a matter pertaining to the government and affairs of the Issuer; and

WHEREAS, it is necessary to authorize the execution of a Loan Agreement between the Issuer and the Company, under the terms of which the Issuer will loan the proceeds of the sale of the revenue bonds to the Company to enable it to acquire, construct and install the Project, the payment to be paid by the Company to the Issuer in repayment of the loan to be sufficient to pay at maturity the principal, interest and redemption premiums, if any, on the revenue bonds hereinafter authorized; and,

WHEREAS, it is necessary for the Issuer to execute and deliver an Indenture of Trust to The Northern Trust Company, as Trustee (the "Trustee") for the bondholders, pursuant to which the said revenue bonds will be issued; and,

WHEREAS, it is necessary to authorize the sale of said revenue bonds; and,

WHEREAS, it is necessary that DeKalb County Farm Bureau, an Illinois not-for-profit corporation and sole owner of all of the outstanding capital stock of the Company, enter into a Guaranty Agreement with the Trustee, guaranteeing payment of the principal, premium, if any, and interest on said revenue bonds; 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 March 1, 1980, between the Issuer and the Company (the "Loan Agreement");

2. The Indenture of Trust dated as of March 1, 1980, between the Issuer and the Trustee, setting forth terms, conditions and security requirements for the proposed bond issue to finance the Project (the "Indenture");

3. The Industrial Development Revenue Bonds (DeKalb County Marketing Service, Inc. Project), Series A (the "Series A Bonds") to be issued in the aggregate principal amount of \$1,500,000.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL of the City of DeKalb, DeKalb 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 Company and to cause the Indenture to be delivered to the Trustee; that the Indenture shall constitute a lien for the security of the Series A 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), the promissory note of the Company (the "Note") delivered pursuant thereto, and in and to the Revenues (as defined in the Indenture) 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 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 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 instruments as executed.

Section 2. That the Mayor or the City Clerk of the Issuer be and are hereby authorized, empowered and directed to cause to be prepared an issue of \$1,500,000 aggregate principal amount of the Series A Bonds of the Issuer, bearing interest on the unpaid principal balance at the rate of eight per cent (8%) per annum (with past due interest as provided in the Indenture, as executed), payable September 1, 1980 and semiannually thereafter on March 1 and September 1 of each year, and maturing March 1, 1995, and subject to mandatory, optional and sinking fund redemption as set forth in the Indenture, as executed. That such Series A Bonds shall be in such form and shall have the other terms and provisions specified in said Indenture (as executed and delivered); that said Bonds shall be executed and attested in the name of the Issuer with the manual signature of the Mayor and the manual signature of the City Clerk of the Issuer; that the seal of the Issuer shall be affixed thereto or imprinted thereon; that the Mayor or City Clerk of the Issuer shall cause such Bonds, as so executed and attested, to be delivered to the Trustee for authentication and the Trustee is hereby requested to authenticate the Series A Bonds; and that 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 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 \$1,500,000, they shall represent the approved form of the Bonds of the Issuer.

Section 3. That the Mayor or City Clerk of the Issuer be and are hereby authorized, empowered and directed to issue and sell to The Morgan Guaranty Trust Company of New York, as trustee, \$1,500,000 principal amount of the Series A Bonds in registered form in the denomination of \$1,500.00 registered in the name of Scheu & Co., c/o Morgan Guaranty Trust Company of New York, Attention: Trust and Investment Division, P.O. Box 1389, New York, New York 10038, at a price of 100% of the principal amount thereof. The Series A Bonds in fully registered form shall be dated the date of their delivery as provided in the Indenture.

Section 4. 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 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 5. 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 Series A Bonds in the aggregate principal amount of \$1,500,000 and the financing of the Project to the amount be, and the same hereby are, in all respects, approved and confirmed.

Section 6. 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 7. That all ordinances, resolutions, orders or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed, and this Ordinance shall be effective immediately upon its adoption and approval as provided by law.