

ORDINANCE NO. 138-O-99

AN ORDINANCE authorizing the execution and delivery of an Intergovernmental Cooperation Agreement and certain documents in connection therewith; and related matters.

WHEREAS, pursuant to Section 6(a) of Article VII of the 1970 Constitution of the State of Illinois, the City of Evanston, Cook County, Illinois, is a municipality and a home rule unit of government duly organized and validly existing under the Constitution and the laws of the State of Illinois (the "*Municipality*"); and

WHEREAS, pursuant to the Constitution and the laws of the State of Illinois, and particularly Section 6(a) of Article VII of the 1970 Constitution of the State of Illinois, the Municipality is authorized to issue its revenue bonds in order to aid in providing an adequate supply of safe, decent and sanitary residential housing for low and moderate income persons and families within the Municipality, which such persons and families can afford, which constitutes a valid public purpose for the issuance of revenue bonds by the Municipality; and

WHEREAS, the Municipality has now determined that it is necessary, desirable and in the public interest to issue revenue bonds to provide an adequate supply of safe, decent and sanitary residential housing for low and moderate income persons and families within the Municipality, which such persons and families can afford; and

WHEREAS, pursuant to Section 10 of Article VII of the 1970 Constitution of the State of Illinois and the Intergovernmental Cooperation Act (*5 Illinois Compiled Statutes 1998, 220/1 et seq.*, as supplemented and amended), public agencies may exercise and enjoy with any other public agency in the State of Illinois any power, privilege or authority which may be exercised by such public agency individually, and, accordingly, it is now determined that it is necessary, desirable and in the public interest for the Municipality to enter into an Intergovernmental Cooperation Agreement (the "*Cooperation Agreement*") to be entered into by and among the

Municipality and certain other municipalities to be named therein (the "*Municipalities*"), to provide for the joint issuance of such revenue bonds to aid in providing an adequate supply of residential housing in such Municipalities (the "*Program*"); and

WHEREAS, to provide for the Program, the municipality or municipalities designated as the issuer or the issuers in the Cooperation Agreement; as executed (the "*Issuer*") proposes to issue, sell and deliver aggregate principal amount of taxable collateralized single family mortgage revenue bonds in one or more series (the "*Bonds*") to obtain funds to finance the acquisition of mortgage-backed securities (the "*GNMA Securities*") of the Government National Mortgage Association ("*GNMA*"), evidencing a guarantee by GNMA of timely payment, the acquisition of mortgage-backed securities (the "*FNMA Securities*") of the Federal National Mortgage Association ("*FNMA*"), evidencing a guarantee by FNMA of timely payment, and the acquisition of mortgage-backed securities (the "*FHLMC Securities*") of the Federal Home Loan Mortgage Corporation ("*FHLMC*"), evidencing a guarantee by FHLMC of timely payment, of monthly principal of and interest on certain qualified mortgage loans under the Program (the "*Mortgage Loans*"), on behalf of the Municipality and the other Municipalities all under and in accordance with the Constitution and the laws of the State of Illinois; and

WHEREAS, a form of the Cooperation Agreement has been presented to and is before this meeting;

NOW, THEREFORE, Be It Ordained by the City Council of the City of Evanston, Cook County, Illinois, as follows:

Section 1. That it is the finding and declaration of the City Council of the Municipality that the issuance of the Bonds by the Issuer is advantageous to the Municipality, as set forth in the preamble to this authorizing ordinance, and therefore serves a valid public purpose; that this authorizing ordinance is adopted pursuant to the Constitution and the laws of the State of Illinois,

and more particularly Section 6(a) of Article VII of the 1970 Constitution of the State of Illinois, Section 10 of Article VII of the 1970 Constitution of the State of Illinois and the Intergovernmental Cooperation Act; and that, by the adoption of this authorizing ordinance, the City Council of the Municipality hereby approves the issuance of the Bonds for the purposes as provided in the preamble hereto and the text of this authorizing ordinance, and hereby approves the income limits set forth in the Cooperation Agreement as constituting maximum income limits for low and moderate income persons and families.

Section 2. That the form, terms and provisions of the proposed Cooperation Agreement be, and they are hereby, in all respects approved; that the Mayor of the Municipality be, and is hereby, authorized, empowered and directed to execute, and the City Clerk of the Municipality be, and is hereby, authorized, empowered and directed to attest and to affix the official seal of the Municipality to, the Cooperation Agreement in the name and on behalf of the Municipality, and thereupon to cause the Cooperation Agreement to be delivered to the other Municipalities; that the Cooperation Agreement is to be in substantially the form presented to and before this meeting and hereby approved or with such changes therein as shall be approved by the officer of the Municipality executing the Cooperation Agreement, his or her execution thereof to constitute conclusive evidence of his or her approval of any and all changes or revisions therein from the form of Cooperation Agreement before this meeting; that from and after the execution and delivery of the Cooperation Agreement, the officers, officials, agents and employees of the Municipality 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 the Cooperation Agreement as executed; and that the Cooperation Agreement shall constitute and is hereby made a part of this authorizing ordinance, and a copy of the

Cooperation Agreement shall be placed in the official records of the Municipality, and shall be available for public inspection at the principal office of the Municipality.

Section 3. That the Mayor, the City Clerk and the proper officers, officials, agents and employees of the Municipality are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents and certificates as may be necessary to carry out and comply with the provisions of the Cooperation Agreement and to further the purposes and intent of this authorizing ordinance, including the preamble to this authorizing ordinance.

Section 4. That all acts of the officers, officials, agents and employees of the Municipality heretofore or hereafter taken, which are in conformity with the purposes and intent of this authorizing ordinance and in furtherance of the issuance and sale of the Bonds, and the same hereby are, in all respects, ratified, confirmed and approved, including without limitation the publication of the notice of public hearing.

Section 5. That after the Cooperation Agreement is executed by the Municipality, this authorizing ordinance shall be and remain irrevocable until the Bonds and the interest thereon shall have been fully paid, cancelled and discharged.

Section 6. That the provisions of this authorizing ordinance are hereby declared to be separable, and if any section, phrase or provision of this authorizing ordinance shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions of this authorizing ordinance.

Section 7. That all ordinances, resolutions and orders, or parts thereof, in conflict with the provisions of this authorizing ordinance are, to the extent of such conflict, hereby superseded; and that this authorizing ordinance shall be in full force and effect upon its adoption and approval as provided by law.

Presented, passed, approved and recorded by the City Council of the City of Evanston,
Cook County, Illinois, this ~~2nd~~^{29th} day of November, 1999.

Approved:

Lorraine A. Morton
Mayor

[SEAL]

Attest:

Mary J. Morris
City Clerk

Ayes: Aldermen Rainey, Drummer, Bernstein, Kent, Moran, Engelman

Nays: None

Absent or Not Voting: Aldermen Feldman, Newman, Wynne

City Council man Engelman moved, and City Councilman Kent seconded the motion, that said ordinance as presented and read by the City Clerk be adopted.

After a full discussion thereof, the Mayor directed that the roll be called for a vote upon the motion to adopt said ordinance, as read.

Upon the roll being called, the following members of the City Council voted:

AYE: Aldermen Rainey, Drummer, Bernstein, Kent, Moran, Engelman

NAY: None

ABSENT OR NOT VOTING: Aldermen Feldman, Newman, Wynne

Whereupon the Mayor declared the motion carried and said ordinance adopted, and hereforth did approve and sign the same in open meeting and did direct the City Clerk to record the same in full in the records of the City Council of the City of Evanston, Cook County, Illinois.

* * *

(Other Business)

Upon motion duly made and seconded, the meeting was adjourned.

[SEAL]

Mary J. Morris
City Clerk

INTERGOVERNMENTAL COOPERATION AGREEMENT

THIS INTERGOVERNMENTAL COOPERATION AGREEMENT (the "*Cooperation Agreement*") dated as of November 1, 1999, by and among the CITY OF AURORA, KANE, DUPAGE, WILL AND KENDALL COUNTIES, ILLINOIS, a municipality and a home rule unit of government duly organized and validly existing under the Constitution and the laws of the State of Illinois ("*Aurora*"), the CITY OF EVANSTON, COOK COUNTY, ILLINOIS, a municipality and a home rule unit of government duly organized and validly existing under the Constitution and the laws of the State of Illinois ("*Evanston*"), the VILLAGE OF PEORIA HEIGHTS, PEORIA COUNTY, ILLINOIS, a municipality and a home rule unit of government duly organized and validly existing under the Constitution and the laws of the State of Illinois ("*Peoria Heights*"), and the VILLAGE OF SCHAUMBURG, COOK COUNTY, ILLINOIS, a municipality and a home rule unit of government duly organized and validly existing under the Constitution and the laws of the State of Illinois ("*Schaumburg*");

WITNESSETH:

WHEREAS, Section 10 of Article VII of the Constitution of the State of Illinois authorizes units of local government and school districts to contract or otherwise associate among themselves in any manner not prohibited by law or by ordinance, and to use their credit, revenues and other reserves to pay cash and to service debt related to intergovernmental activities; and

WHEREAS, the Intergovernmental Cooperation Act (*5 Illinois Compiled Statutes 1998, 220/1 et seq.*, as supplemented and amended), authorizes public agencies to exercise any power or powers, privileges or authority which may be exercised by any such public agency individually to be exercised and enjoyed jointly with any other public agency in the State of Illinois; and

WHEREAS, Aurora, Evanston, Peoria Heights and Schaumburg (collectively, the "*Municipalities*") are each a unit of local government and a public agency of the State of Illinois; and

WHEREAS, pursuant to the Constitution and the laws of the State of Illinois, and particularly Section 6(a) of Article VII of the 1970 Constitution of the State of Illinois, each Municipality has the power to issue its revenue bonds for public purposes, including the financing and purchase of mortgage loans to finance single family residences for low and moderate income persons within its corporate boundaries, and to pledge to the payment of the principal of, premium, if any, and interest on such revenue bonds the payments made with respect to the mortgage loans purchased with and financed by the proceeds of such revenue bonds; and

WHEREAS, the Municipalities have determined that it is necessary and desirable to have Aurora (the "*Issuer*") issue such revenue bonds on behalf of all of the Municipalities for the purpose of financing and purchasing mortgage loans to finance single family residences for low and moderate income persons within the corporate boundaries of the Municipalities (the "*Program*"); and

WHEREAS, to provide for the Program, the Issuer proposes to issue, sell and deliver \$_____ aggregate principal amount of Collateralized Single Family Mortgage Revenue Bonds, Series 1999 (the "*Bonds*") on behalf of all of the Municipalities to obtain funds to finance the acquisition of mortgage-backed securities (the "*GNMA Securities*") of the Government National Mortgage Association ("*GNMA*"), evidencing a guarantee by GNMA of timely payment of, mortgage-backed securities (the "*FNMA Securities*") of the Federal National Mortgage Association ("*FNMA*"), evidencing a guaranty by FNMA of timely payment of, and mortgage-backed securities (the "*FHLMC Securities*") of the Federal Home Loan Mortgage Corporation ("*FHLMC*"), evidencing a guaranty by FHLMC of timely payment of, monthly principal of and interest on certain qualified mortgage loans under the Program (the "*Mortgage Loans*"), all under and in accordance with the Constitution and laws of the State of Illinois; and

WHEREAS, *30 Illinois Compiled Statutes 1998, 345/6 et seq.*, as supplemented and amended, permits the corporate authorities of any home rule unit of government to reallocate its private activity bond allocation to another home rule unit, and to allocate volume cap which has been allocated to it toward the issuance of the Bonds, subject to certain restrictions, guidelines and procedures, which guidelines and procedures also permit units of government to pool allocations of volume cap receive from the Office of Governor of the State of Illinois;

NOW, THEREFORE, in consideration of the above premises and of the mutual covenants hereinafter contained and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Municipalities hereby agree, as follows:

Section 1. Bonds. The Issuer hereby agrees to issue the Bonds on behalf of all of the Municipalities, as provided in the trust indenture pursuant to which the Bonds will be issued, for the purpose of purchasing GNMA Securities, FNMA Securities and FHLMC Securities to finance mortgage loans for single family residences for low and moderate income persons within the corporate boundaries of each Municipality, to pay interest on the Bonds and to pay the costs of issuance of the Bonds. The Bonds shall be issued in such aggregate principal amounts, shall be issued in such series and classes, shall have such stated maturity or maturities, shall bear interest at such rate or rates, payable on such date or dates, shall be subject to redemption prior to maturity, shall be payable at such date or dates and at such place or places, and shall have such other terms, all as shall be agreed upon by the Issuer and approved by ordinance of the governing body of the Issuer. The proceeds of the Bonds shall be applied to such public purposes and to the payment of the costs of issuance as shall be approved by ordinance of the governing body of the Issuer.

Section 2. Transfer and Allocation of Unified Volume Cap. The Municipalities, other than the Issuer, hereby transfer to the Issuer unified volume cap that they reserved to issue private activity bonds, as set forth in *Exhibit A* attached to and made a part of this Cooperation Agreement. The Municipalities, including without limitation the Issuer, hereby allocate the unified volume cap referred to in this Section to the issuance of the Bonds. Each Municipality that received an allocation of unified volume cap from the State of Illinois, after January 1, 1999, as set forth in *Exhibit A* attached hereto and made a part hereof, hereby allocates such volume cap to the issuance of the Bonds.

Section 3. Allocation of Program Allocation. The origination and servicing agreement and the trust indenture relating to the issuance of the Bonds shall provide that from the date of issuance of the Bonds the proceeds of the Bonds shall be made available to any Municipality in any amount and may be allocated by the trustee with respect to the Bonds in the manner set forth in the origination and servicing agreement and the trust indenture relating to the Bonds, subject to the requirements of Section 143 of the Code.

Section 4. Pledge of Collateral. The Issuer hereby agrees to assign and pledge to the trustee with respect to the Bonds all of the GNMA Securities, the FNMA Securities and the FHLMC Securities purchased with the proceeds of the Bonds. The Issuer hereby further agrees to assign and pledge to such trustee all other such documents, instruments, securities and moneys as shall be approved by ordinance of the governing body of the Issuer.

Section 5. Documents and Instruments. The Issuer hereby agrees to enter into all such documents and instruments as shall be necessary or appropriate in connection with the issuance of the Bonds, including without limitation origination and servicing agreements, trust indentures, bond purchase contracts or agreements, official statements, continuing disclosure undertakings and closing certificates. The Issuer hereby further agrees to enter into all such other documents and instruments as shall be necessary or appropriate in connection with the issuance of the Bonds, including without limitation closing certificates.

Section 6. Absolute and Irrevocable Conditions; Amendment. All terms and conditions contained herein are intended to be absolute and irrevocable conditions hereof and are agreed to by the Municipalities. This Cooperation Agreement may not be effectively amended, changed, modified, altered or terminated without the written consent of all of the Municipalities, authorized by ordinances adopted by their respective governing bodies, certified copies of which shall be filed with the other Municipalities.

Section 7. Municipalities' Obligations Unconditional. The Municipalities shall have no right to terminate, cancel or rescind this Cooperation Agreement, it being the intent hereof that the Municipalities shall be absolutely and unconditionally obligated to perform all covenants contained in this Cooperation Agreement.

Section 8. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by registered or certified mail, postage prepaid, addressed to the appropriate address set forth in *Exhibit B* attached to and made a part of this Cooperation Agreement. A duplicate copy of each notice, certificate or other communication given hereunder to any Municipality shall also be given to the others. Any Municipality, by notice given hereunder, may designate a different or further address to which subsequent notices, certificates or other communications will be sent.

Section 9. Binding Effect. This Cooperation Agreement shall inure to the benefit of and shall be binding upon the Municipalities and their respective successors and assigns.

Section 10. Severability. In the event any provision of this Cooperation Agreement shall be held invalid or unenforceable by a court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision of this Cooperation Agreement.

Section 11. Further Assurances and Corrective Instruments. The Municipalities agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the expressed intention of this Cooperation Agreement.

Section 12. Execution in Counterparts. This Cooperation Agreement may be executed simultaneously in any number of counterparts, each of which counterparts shall be original and all of which counterparts shall constitute but one and the same instrument.

Section 13. Applicable Law. This Cooperation Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

Section 14. Effective Date. This Cooperation Agreement shall be in full force and effect on October 1, 1999, or on the date when it is executed by all Municipalities, whichever is later. Time is of the essence.

Section 15. Filing of Authorizing Ordinances. Each Municipality shall file with the other Municipalities a certified copy of the ordinance authorizing the execution of this Cooperation Agreement within thirty (30) days of the adoption of such ordinance.

IN WITNESS WHEREOF, the Municipalities have caused this Cooperation Agreement to be executed in their respective names by their respective duly authorized officials shown below:

CITY OF AURORA, KANE, DUPAGE, WILL AND
KENDALL COUNTIES, ILLINOIS

By _____
Mayor

(SEAL)

ATTEST:

City Clerk

CITY OF EVANSTON, COOK COUNTY, ILLINOIS

By _____
Mayor

(SEAL)

ATTEST:

City Clerk

VILLAGE OF PEORIA HEIGHTS, PEORIA
COUNTY, ILLINOIS

By _____
President

(SEAL)

ATTEST:

Village Clerk

VILLAGE OF SCHAUMBURG, COOK COUNTY,
ILLINOIS

By _____
President

(SEAL)

ATTEST:

Village Clerk

EXHIBIT A

**VOLUME CAP ALLOCATIONS
AND TRANSFERS**

MUNICIPALITY	MUNICIPALITY RESERVED ALLOCATION	STATE ALLOCATION
City of Aurora, Kane, DuPage, Will and Kendall Counties, Illinois	\$1,100,000	\$-0-
City of Evanston, Cook County, Illinois	\$ 800,000	\$-0-
Village of Peoria Heights, Peoria County, Illinois	\$ 342,271	\$-0-
Village of Schaumburg, Cook County, Illinois	\$3,700,000	\$3,642,894.50

EXHIBIT B

NOTICE ADDRESSES

MUNICIPALITY

ADDRESS

City of Aurora, Kane, DuPage, Will and
Kendall Counties, Illinois

44 East Downer Place
Aurora, Illinois 60507

City of Evanston, Cook County, Illinois

2100 Ridge Avenue
Evanston, Illinois 60201

Village of Peoria Heights, Peoria County, -----
Illinois

4901 North Prospect Road
Peoria Heights, Illinois 61614

Village of Schaumburg, Cook County, Illinois

101 Schaumburg Court
Schaumburg, Illinois 60193