

RESOLUTION NO. 30-01

ABD224

A RESOLUTION OF INTENTION TO ISSUE INDUSTRIAL DEVELOPMENT REVENUE BONDS OF THE VILLAGE OF EAST DUNDEE, KANE AND COOK COUNTIES, ILLINOIS, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$10,000,000 TO FINANCE ALL OR A PORTION OF THE COST OF THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF A MANUFACTURING FACILITY FOR THE MANUFACTURE OF PLASTIC FERRULES AND COMPONENT PARTS FOR GOLF CLUBS OR OTHER PRODUCTS TO BE OWNED BY CELL PARTS MANUFACTURING COMPANY, OR ITS AFFILIATE OR ITS DESIGNEE; AUTHORIZING THE EXECUTION OF A MEMORANDUM OF AGREEMENT BY AND AMONG THE VILLAGE AND SAID PARTY; AND RELATED MATTERS.

WHEREAS, the Village of East Dundee, Kane and Cook Counties, Illinois (the "Issuer") is a municipality duly organized and validly existing under the Constitution and the laws of the State of Illinois; and

WHEREAS, pursuant to the Constitution and the laws of the State of Illinois, and particularly 65 Illinois Compiled Statutes 1998, 5/11-74-1 et seq., as supplemented and amended (the "Act"), the Issuer is authorized to issue its revenue bonds to aid in the financing of the costs of any "industrial project," as defined in the Act, for the public purposes set forth in the Act; and

WHEREAS, Cell Parts Manufacturing Company, an Illinois corporation (together with any related party to the Company, the "Company"), wishes to finance all or a portion of the cost of the acquisition, construction and equipping of a manufacturing facility for the manufacture of plastic ferrules and component parts for golf clubs and other products (the "Project"), all to be owned and operated by the Company, or its affiliate or designee, and all to be located in the Village of East Dundee, Illinois, as further described in the attached Memorandum of Agreement; and

WHEREAS, the Company wishes to have the Issuer issue one or more issues of its industrial development revenue bonds in one or more series for the Company or its affiliate or

designee, in an aggregate principal amount not to exceed \$10,000,000 (the "Bonds"), to provide financing for all or a portion of the cost of the Project, all in furtherance of the purposes of the Act; and

WHEREAS, so as to accomplish the purposes of the Act, the Issuer proposes to issue its industrial development revenue bonds pursuant to the provisions of the Act, as then in effect, to finance the acquisition, construction and equipping of the Project; and

WHEREAS, a Memorandum of Agreement has been presented to the Issuer under the terms of which the Issuer agrees, subject to the provisions of said Memorandum of Agreement, to issue its industrial development revenue bonds to provide for the financing of all or a portion of the costs of the Project; and

WHEREAS, all or a portion of the expenditures relating to the Project (the "Expenditures") (i) have been paid within the 60 days prior to this Resolution, or (ii) will be paid on or after the passage of this Resolution; and

WHEREAS, the Issuer (based on information supplied by the Company, on which the Issuer believes it is reasonable and prudent to rely) reasonably expects to reimburse itself for the Expenditures with the proceeds of the Bonds or another borrowing.

NOW, THEREFORE, BE IT RESOLVED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF EAST DUNDEE, KANE AND COOK COUNTIES, ILLINOIS, AS FOLLOWS:

Section 1. The form, terms and provisions of the Memorandum of Agreement presented to this meeting are hereby approved.

Section 2. The President of the Issuer is hereby authorized to execute, and the Village Clerk of the Issuer is hereby authorized to attest and to affix the official seal of the Issuer to, and to deliver a Memorandum of Agreement with the Company in substantially the form of such Memorandum of Agreement as was presented to this meeting or with such changes therein as

shall be approved by the officers executing the same, which Memorandum of Agreement is hereby made a part of this Resolution.

Section 3. The officers, employees and designated agents of the Issuer are hereby authorized to take such further action as is necessary to carry out the intent and purpose of the Memorandum of Agreement, as executed, and to cause not more than a combined aggregate principal amount of \$10,000,000 of the Bonds to be issued upon the terms and conditions stated in such Memorandum of Agreement.

Section 4. The Company reasonably expects to reimburse the Expenditures with proceeds of the Bonds or another borrowing.

Section 5. The Issuer reasonably expects to reimburse the Expenditures with the proceeds of the Bonds or another borrowing, based on the expectation of the Company, on which the Issuer believes it is reasonable and prudent to rely.

Section 6. Subject to the provisions of the Act and the Memorandum of Agreement, the Issuer will issue its Bonds in one or more series in an amount sufficient to finance the costs of the Project; *provided*, that the maximum principal amount of Bonds expected to be issued for the Project is \$10,000,000.

Section 7. The Village Clerk of the Issuer is hereby authorized to determine, in consultation with the Company, a date for a public hearing on the plan of financing of the Project through the proposed issuance of the Bonds, as required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the "*Code*"), and to publish a public notice of such hearing in such form as approved by the Company and bond counsel. Said public hearing date may be the date of any regular meeting of the President and Board of Trustees of the Issuer or any special meeting for which notice is duly given, and the notice shall be published in such newspaper as the Village Clerk of the Issuer, in consultation with the Company, may determine,

in a newspaper of general circulation in the vicinity of the site of the Project and in the Village of East Dundee, Illinois.

Section 8. The President of the Issuer is hereby authorized to submit to the Office of the Governor of the State of Illinois an allocation request pursuant to Section 5 of the Illinois Private Activity Bond Allocation Act, 30 ILCS 345/1 *et seq.* (the "*Bond Allocation Act*"), seeking a volume cap allocation of up to \$10,000,000 with respect to the Bonds for the Project, and the President of the Issuer and the Village Clerk are hereby authorized to take such further actions as they deem necessary or appropriate to obtain the necessary volume cap allocation with respect to the Bonds from the Local Government Pool under Section 5 of the Bond Allocation Act.

Section 9. The Issuer hereby authorizes and approves the designation of Chapman and Cutler to act as Bond Counsel with respect to the issuance of the Bonds.

Section 10. All resolutions, resolutions, orders and parts thereof in conflict herewith are hereby superseded to the extent of such conflict.

Section 11. If any section, paragraph, clause or provision of this Resolution shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Resolution.

Section 12. This Resolution shall be in full force and effect from and after its passage and approval as provided by law

Section 13. Repeal. All ordinances, resolutions, orders or parts thereof in conflict herewith be and the same are hereby repealed and this Resolution shall be in full force and effect immediately upon its adoption.

Adopted September 4, 2001.

AYES: Szalki, Zaeske, Amone, Ruffalo, Bartels, Schode

NAYS: None

ABSENT: None

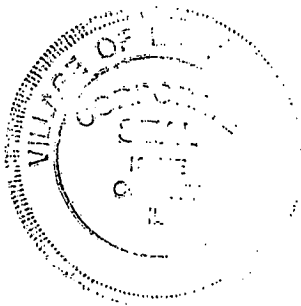
Approved September 4, 2001.

Roger W. Abrams
President

Recorded in the Village Records on September 4, 2001.

Attest:

Jane E. Davis
Village Clerk



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Trustee Amone moved and Trustee Schock seconded the motion that said resolution as presented be adopted.

After a full discussion thereof, the President directed that the roll be called for a vote upon the motion to adopt said resolution.

Upon the roll being called, the following Trustees voted AYE: Stalk, Taeste, Amone, Ruffalo, Bartels, Schock

and the following Trustees voted NAY: None

Whereupon the President declared the motion carried and said resolution adopted, and henceforth did approve and sign the same in open meeting and did direct the Village Clerk to record the same in full in the records of the President and Board of Trustees of the Village of East Dundee, Kane and Cook Counties, Illinois, which was done.

Other business not pertinent to the adoption of said resolution was duly transacted at said meeting.

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

James F. Davis
Village Clerk

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STATE OF ILLINOIS)
) SS
COUNTY OF KANE)

CERTIFICATION OF MINUTES

I, Jane Meis, do hereby certify that I am the duly qualified and acting Village Clerk of the Village of East Dundee, Kane and Cook Counties, Illinois, and that as such official I am the keeper of the records and files of the President and Board of Trustees and of said Village.

I do further certify that the foregoing is a full, true, correct and complete transcript of that portion of the minutes of the meeting of said President and Board of Trustees held on the 4th day of September, 2001, insofar as same relates to the adoption of Resolution No. 30-01 entitled:

A RESOLUTION OF INTENTION TO ISSUE INDUSTRIAL DEVELOPMENT REVENUE BONDS OF THE VILLAGE OF EAST DUNDEE, KANE AND COOK COUNTIES, ILLINOIS, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$10,000,000 TO FINANCE ALL OR A PORTION OF THE COST OF THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF A MANUFACTURING FACILITY FOR THE MANUFACTURE OF PLASTIC FERRULES AND COMPONENT PARTS FOR GOLF CLUBS OR OTHER PRODUCTS TO BE OWNED BY CELL PARTS MANUFACTURING COMPANY, OR ITS AFFILIATE OR ITS DESIGNEE; AUTHORIZING THE EXECUTION OF A MEMORANDUM OF AGREEMENT BY AND AMONG THE VILLAGE AND SAID PARTY; AND RELATED MATTERS.

a true, correct and complete copy of which said resolution as adopted at said meeting appears in the foregoing transcript of the minutes of said meeting.

I do further certify that the deliberations of the Village Board on the adoption of said resolution were conducted openly, that the vote on the adoption of said resolution was taken openly, that said meeting was held at a specified time and place convenient to the public, that notice of said meeting was duly given to all of the news media requesting such notice, that an agenda for said meeting was posted at the location where said meeting was held and at the principal office of the Village Board at least 48 hours in advance of the holding of said meeting, that said meeting was called and held in strict compliance with the provisions of the Open Meetings Act of the State of Illinois, as amended, the Illinois Municipal Code, as amended, and the Local Government Debt Reform Act of the State of Illinois, as amended, and that the Village Board has complied with all of the provisions of said Acts and said Code and with all of the procedural rules of the Village Board.

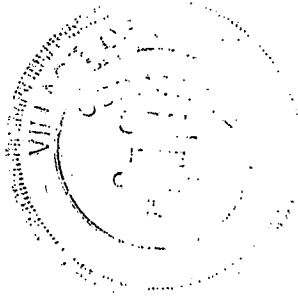
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IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of said Village,
this 4th day of September, 2001.

Gene G. Heis

Village Clerk of the Village of East
Dundee,
Kane and Cook Counties

[SEAL]



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MEMORANDUM OF AGREEMENT

THIS MEMORANDUM OF AGREEMENT (the "Agreement") is by and among the VILLAGE OF EAST DUNDEE, KANE AND COOK COUNTIES, ILLINOIS, a municipality duly organized and validly existing under the Constitution and the laws of the State of Illinois (the "Issuer") and Cell Parts Manufacturing Company, an Illinois corporation (the "Company").

1. *Preliminary Statement.* Among the matters of mutual inducement which have resulted in this Agreement are the following:

(a) The Issuer is authorized and empowered under the Constitution and the laws of the State of Illinois, and particularly *65 Illinois Compiled Statutes 1998, 5/11-74-1 et seq.*, as supplemented and amended (the "Act"), to issue its revenue bonds for the purposes set forth in the Act and to permit the expenditure of the proceeds thereof to finance, among other things, any "industrial project" authorized under the Act..

(b) The Company wishes to finance a portion of the cost of the acquisition, construction and equipping of a manufacturing facility for the manufacture of plastic ferrules and component parts for golf clubs or other products (the "Project"), all to be owned and operated by the Company, or its affiliate or designee, and to be located at _____ in the Village of East Dundee, Illinois. The Company wishes to have the Issuer issue one or more issues of its industrial development revenue bonds in one or more series in an aggregate principal amount not to exceed \$10,000,000 (the "Bonds"), to finance all or a portion of the costs of the Project pursuant to the provisions of the Act and the Internal Revenue Code of 1986, as amended (the "Code").

(c) The Bonds shall be special, limited obligations of the Issuer payable solely and only out of the revenues and receipts and other amounts received by or on behalf of the Issuer, pursuant to a loan agreement, lease agreement or other financing agreement between the Issuer and the Company or its designee. The Bonds and the interest thereon shall not constitute an indebtedness or a loan of credit of the Issuer, the State of Illinois or any political subdivision thereof, within the meaning of any constitutional or statutory provisions, and no owner or holder of any such revenue bonds shall have the right to compel any exercise of the taxing power of the Issuer, the State of Illinois or any political subdivision thereof to pay the principal of, premium, if any, or interest on the Bonds.

(d) The Issuer finds that the financing of the Project from the proceeds of the Bonds will be for the public purposes set forth in the Act by increasing and maintaining employment and for the increased welfare and prosperity of the residents of the Village of East Dundee, Illinois. Subject to due compliance with all requirements of law, the Issuer, by virtue of such authority as may now or hereafter be conferred, subject to the holding of a public hearing on the financing of the Project through the issuance of the Bonds and matters disclosed at said public hearing, and subject to receipt of adequate assurance from the Company or its affiliate or designee that there are one or more purchasers for the Bonds, will issue and sell one or more issues of the Bonds in one or

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more series in an aggregate principal amount not to exceed a combined total of \$10,000,000, to pay all or a portion of the costs of the Project.

2. *Undertakings on the Part of the Issuer.* Subject to the conditions above stated, the Issuer hereby agrees as follows:

(a) That it will authorize the issuance and sale of one or more issues of the Bonds in one or more series in an amount not to exceed a combined aggregate principal amount of \$10,000,000, pursuant to its lawful and constitutional authority, and particularly the Act as then in effect

(b) That it will authorize the issuance and sale of one or more issues of the Bonds in one or more series in an amount not to exceed a combined aggregate principal amount of \$10,000,000, pursuant to its lawful and constitutional authority, and particularly the Act as then in effect.

(c) That it will enter into a loan agreement, lease agreement or other financing agreement with the Company or its affiliate or designee, whereby the Company or its designee will pay to, or on behalf of, the Issuer such sums as shall be sufficient to pay when due the principal of and interest and redemption premium, if any, on the Bonds as and when the same shall become due and payable.

(d) That it will take such further action and adopt such further proceedings as may be required to implement the aforesaid undertakings or as it may deem appropriate in pursuance thereof.

3. *Undertakings on the Part of the Company.* Subject to the conditions above stated, the Company hereby agrees as follows:

(a) That it will use all reasonable efforts to find one or more purchasers for the total amount of Bonds of each issue prior to requesting any further approval by the Issuer for such issue.

(b) That contemporaneously with the delivery of the Bonds it, or its affiliate or designee, will enter into a loan agreement, lease agreement or other financing agreement or such other instrument, with the Issuer, under the terms of which the Company or its designee will obligate itself to pay to or on behalf of the Issuer sums sufficient in the aggregate to pay the principal of and interest and redemption premium, if any, on the Bonds as and when the same shall become due and payable.

(c) That it, or its designee, will pay all fees, costs and expenses related to the issuance of the Bonds and will pay directly to the Issuer the Issuer's reasonable fees and expenses (including, without limitation reasonable fees and expenses of its counsel and Bond Counsel) in connection with the issuance of the Bonds.

(d) That it will take such further action and adopt such further proceedings as may be required to implement the aforesaid undertakings or as it may deem appropriate in pursuance thereof.

4. *General Provisions.* (a) All commitments of the Issuer under paragraph 2 hereof and of the Company under paragraph 3 hereof are subject to the conditions that on or before December 31, 2002 (or such other date as shall be mutually satisfactory to the Issuer and the Company), the Issuer and the Company shall have agreed to mutually acceptable terms and conditions of the loan agreement, lease agreement or other financing agreement or other instrument referred to in paragraphs 2 and 3 above and of the Bonds and other instruments or proceedings relating to the Bonds.

(b) If the events set forth in (a) of this paragraph do not take place within the time set forth or any extension thereof and the Bonds in an amount of approximately the amount stated above are not sold within such time, the Company agrees that it will reimburse the Issuer for all reasonable and necessary direct out-of-pocket expenses which the Issuer may incur at the request of the Company arising from the execution of this Agreement and the performance by the Issuer of its obligations hereunder, and this Agreement shall thereupon terminate.

(c) The Company acknowledges that under the Code and Illinois law the allocation of authority to issue tax exempt private activity bonds during the term of this Agreement may be limited to an amount less than the proposed principal amount of the Bonds. The Issuer makes no representation or warranty that the Bonds will receive any necessary allocation of such authority to issue tax exempt private activity bonds, except as otherwise provided in the resolution authorizing the execution and delivery of this Agreement.

(d) If, by reason of any limitation under the Code or for other cause, the Issuer is prevented from fulfilling its undertakings hereunder in accordance with the intent of the parties hereto, then, at the request of the Company, this Agreement shall be assigned with full substitution by the Issuer to the Illinois Development Finance Authority or other municipality or political subdivision having power to finance the Project and willing to accept such assignment, and upon such assignment all obligations of the Issuer hereunder shall terminate.

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IN WITNESS WHEREOF, the parties hereto have entered into this agreement by their officers thereunto duly authorized as of the 4th day of September, 2001.

VILLAGE OF EAST DUNDEE, KANE AND
COOK COUNTIES, ILLINOIS

By *Logan W. Adams*
President

[SEAL]

ATTEST:

James G. Jones
Village Clerk



CELL PARTS MANUFACTURING
COMPANY

By _____
Its _____

ABD224

January 2, 2002

Office of the Governor
Bureau of the Budget
605 Stratton Building
Springfield, Illinois 62706

Attention: Ms. Lauren Gent

Re: Issuer: Village of East Dundee, Kane and Cook Counties, Illinois
Type: Non-Home Rule Unit
Maximum Principal Amount: \$10,000,000
Bond Description: Construction and equipping of a manufacturing facility for
Cell Parts Manufacturing Company in the Village of East
Dundee, Kane and Cook Counties, Illinois

Dear Ms. Gent:

In accordance with the Tax Reform Act of 1986, as passed by the 99th Congress 2nd Session (1986), as amended, and *30 ILCS 345*, Village of East Dundee, Kane and Cook Counties, Illinois, respectfully requests an allocation for the above-captioned private activity bonds. In preparation for this bond issue to date, all applicable Federal and State requirements have been complied with. A copy of the inducement resolution or similar official action for this issue has been attached herewith.

I hereby certify that the Village of East Dundee, Kane and Cook Counties, Illinois, intends to comply with Section C-2 of the Governor's Office guidelines, will not transfer or reallocate any cap received from the Governor's Office to other Non-Home Rule or Home-Rule units and will use the cap only within its jurisdiction.

I hereby certify under penalty of perjury, that to the best of my knowledge, the issuance of the Private Activity Bond was or will not be made in consideration of any bribe, gift or gratuity or direct or indirect contribution to any political campaign.

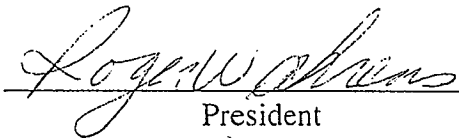
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Office of the Governor
Attention: Ms. Lauren Gent
January 2, 2002
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Please forward the allocation approval letter to the undersigned or to: Matthew R. Lewin, Chapman and Cutler, 111 West Monroe Street, Chicago, Illinois 60603. Bond counsel for these bonds is expected to be Matthew R. Lewin of Chapman and Cutler, who may be reached at 312-845-3778.

Sincerely,

VILLAGE OF EAST DUNDEE, KANE AND
COOK COUNTIES, ILLINOIS



President

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