

ORDINANCE NO. 02-04

ORDINANCE AUTHORIZING THE ISSUANCE AND SALE BY THE VILLAGE OF EAST DUNDEE, KANE AND COOK COUNTIES, ILLINOIS OF NOT TO EXCEED \$1,500,000 INDUSTRIAL DEVELOPMENT REVENUE BONDS (CELL-PARTS MANUFACTURING COMPANY PROJECT) SERIES 2002 FOR THE PURPOSE OF FINANCING ALL OR A PORTION OF THE COSTS OF THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF A MANUFACTURING FACILITY LOCATED IN EAST DUNDEE, ILLINOIS, FOR THE BENEFIT OF CELL-PARTS MANUFACTURING COMPANY (THE "BORROWER"); AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDENTURE OF TRUST TO SECURE THE BONDS, A LOAN AGREEMENT UNDER WHICH THE PROCEEDS OF THE BONDS WILL BE LOANED TO THE BORROWER, AND A TAX EXEMPTION CERTIFICATE AND AGREEMENT PERTAINING TO THE TAX EXEMPTION OF THE BONDS; APPROVING CERTAIN OTHER AGREEMENTS; AND RELATED MATTERS" (the "Ordinance").

WHEREAS, the Village of East Dundee, Kane and Cook Counties, Illinois (the "Issuer"), is a municipal corporation and political subdivision duly organized and existing under the Constitution and laws of the State of Illinois and is authorized pursuant to the Industrial Project Revenue Bond Act, 65 ILCS 5/11-74-1 *et seq.* (the "Act") to issue its industrial development revenue bonds to defray the cost of the acquisition, construction and equipping of a manufacturing facility in order to relieve conditions of unemployment, maintain existing levels of employment and encourage the increase of industry and commerce in the State of Illinois; and

WHEREAS, the Issuer has determined it necessary and advisable to finance costs of acquisition, construction and equipping of a facility for the manufacture of plastic ferrules, grip trims, fare inserts and other assemblies for golf clubs (the "Project") to be owned by Cell-Parts Manufacturing Company (the "Borrower") and located at 125 Prairie Lake Drive, East Dundee, Illinois; and

WHEREAS, the Issuer has now determined that it is necessary and in the public interest for the Issuer to issue its Industrial Development Revenue Bonds (Cell-Parts Manufacturing Company Project) Series 2002 (the "Bonds") in an aggregate principal amount not to exceed \$1,500,000 to pay costs of the Project; and

WHEREAS, the Issuer has received an allocation of private activity bond volume cap from the Governor's Office of the State of Illinois sufficient for the issuance of Bonds; and

WHEREAS, the President and Board of Trustees is the elected legislative body of the Issuer and is an applicable elected representative required to approve the issuance of the Bonds within the meaning of Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, notice of a public hearing with respect to the proposed issuance of the Bonds was published on April 1, 2002, in the *Elgin Courier News*, a newspaper of general circulation in the Village of East Dundee, Illinois; and

WHEREAS, on April 15, 2002, a public hearing was held with respect to the Project and the proposed issuance of the Bonds, at which hearing all interested persons were given an opportunity to appear and be heard, pursuant to the requirements of Section 147(f) of the Code; and

WHEREAS, it is necessary and desirable that the Issuer and the Borrower enter into a Loan Agreement (the "*Loan Agreement*"), a proposed form of which is before the Board of Trustees at this meeting whereby the Issuer will loan the proceeds of the Bonds to the Borrower in order to finance costs of the Project, and the Borrower will agree to make payments sufficient to provide for the payment of

principal, premium, if any, and interest on and other amounts payable on the Bonds, as and when the same become due and payable; and

WHEREAS, it is necessary and desirable that the Bonds be issued under and secured by, an Indenture of Trust (the "*Indenture*"), a proposed form of which is before the Board of Trustees at this meeting, between the Issuer and First American Bank, St. Charles, Illinois, as trustee (the "*Trustee*"); and

WHEREAS, it is necessary and desirable for the Issuer, the Borrower and the Trustee to enter into a Tax Exemption Certificate and Agreement, to be dated the date of issuance of the Bonds (the "*Tax Agreement*") in substantially the form of which is before the President and Board of Trustees at this meeting, governing the investment of the gross proceeds of the Bonds and certain other matters relating to the federal tax exemption of interest on the Bonds.

NOW, THEREFORE, BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF EAST DUNDEE, ILLINOIS, AS FOLLOWS:

Section 1. Pursuant to the Act, the financing of costs of the Project through the issuance and sale of the Bonds in accordance with the terms of the Loan Agreement and the Indenture is hereby authorized and approved. The use of the proceeds of the Bonds to finance costs of the Project are in furtherance of the public purposes of the Issuer.

Section 2. The Indenture, in substantially the form presented at this meeting and on file with the Village Clerk and containing substantially the terms and provisions set forth therein, is hereby authorized, approved and confirmed, and the form, terms and provisions of the Indenture are hereby approved, with such changes and revisions therein as shall be approved by the officers of the Issuer executing and attesting the same, their signatures thereon to constitute

conclusive evidence of such approval, and the President and the Village Clerk or the Assistant Village Clerk of the Issuer are hereby authorized and directed to execute, attest, seal and deliver the Indenture.

Section 3. The Loan Agreement, in substantially the form presented at this meeting and on file with the Village Clerk and containing substantially the terms and provisions (including repayment provisions) set forth therein, is hereby authorized, approved and confirmed, and the form, terms and provisions of the Loan Agreement are hereby approved, with such changes and revisions therein as shall be approved by the officers of the Issuer executing and attesting the same, their signatures thereon to constitute conclusive evidence of such approval, and the President and the Village Clerk or the Assistant Village Clerk of the Issuer are hereby authorized and directed to execute, attest, seal and deliver the Loan Agreement.

Section 4. The Tax Agreement in substantially the form presented at this meeting and on file with the Village Clerk and containing substantially the terms and provisions set forth therein, is hereby authorized, approved, and confirmed, and the form, terms and provisions of the Tax Agreement are hereby approved with such changes and revisions therein as shall be approved by the officer of the Issuer executing the same, his signature thereon to constitute conclusive evidence of such approval, and the President are hereby authorized and directed to execute and deliver the Tax Agreement.

Section 5. The President of the Issuer is hereby authorized, empowered and directed to cause to be prepared an issue of not to exceed \$1,500,000 aggregate principal amount of the Bonds of the Issuer, bearing interest at an initial rate of

5.25 percent per annum (or such higher rate as shall be set forth in the Indenture, not in any event to exceed 10 percent per annum). The interest rate on the Bonds may thereafter be periodically reset as provided in the Indenture, provided that in no event shall the rate exceed 15 percent per annum. Principal of the Bonds shall be payable in installments as specified in the Indenture.

The Bonds shall be designated "Village of East Dundee, Kane and Cook Counties, Illinois Industrial Development Revenue Bonds (Cell-Parts Manufacturing Company Project) Series 2002." The Bonds shall be issued as a single fully registered bond in the amount of the then outstanding principal amount of the Bonds. The Bonds shall be dated the date of their initial issuance and delivery, shall mature no later than December 31, 2022, shall be subject to redemption as specified in the Indenture, and shall have such other terms and provisions as specified in the Indenture to be included therein. The Bonds shall be executed in the name of the Issuer with the manual or facsimile signature of the President of the Issuer and attested with the manual or facsimile signature of the Village Clerk or the Assistant Village Clerk of the Issuer, and the seal of the Issuer shall be affixed thereto or imprinted thereon.

Section 6. The Bonds and interest thereon shall be limited obligations of the Issuer, payable solely out of the revenue and receipts derived by the Issuer pursuant thereto as described in the Loan Agreement and funds pledged under the Indenture. The Bonds shall not in any respect be a general obligation of the Issuer, nor shall they be payable in any manner from funds of the Issuer raised by taxation. The Bonds do not constitute in any respect an indebtedness of the Issuer or loan or credit thereof within the meaning of any constitutional or

statutory provision. No holder of any Bond has the right to compel any exercise of the taxing power of the Issuer to pay the Bonds, the interest or premium, if any, thereon. It shall be plainly stated on the face of each Bond that it has been issued under the Act and it does not constitute an indebtedness of the Issuer or a loan or credit thereof within the meaning of any constitutional or statutory provision. Nothing in this Ordinance, the Indenture, the Loan Agreement, the Tax Agreement or the form of the Bonds, or in any document or agreement required hereby and thereby, shall be construed as an obligation or commitment by the Issuer to expend any of its funds other than (i) the proceeds derived from the sale of the Bonds, (ii) the revenues and receipts derived from and described in the Loan Agreement and assigned to the Trustee pursuant to the Indenture, and (iii) any monies arising out of the investment or reinvestment of said proceeds, income, revenue, receipts or monies.

Section 7. The form of Bond submitted to this meeting, subject to appropriate insertion and revision in order to comply with the provisions of the Indenture, be, and the same hereby is, approved, and when Bonds in such form shall be executed on behalf of the Issuer in the manner contemplated by the Indenture and this Ordinance, they shall represent the approved definitive form of the Bonds of the Issuer.

Section 8. The Issuer is hereby authorized, empowered and directed to issue and sell to First American Bank, the entire aggregate principal amount of the Bonds, at a price of 100 percent of the principal amount thereof.

Section 9. The President and the Village Clerk or the Assistant Village Clerk of the Issuer are hereby authorized and directed to execute, attest, seal and deliver

any and all documents and do any and all things deemed necessary to effect the issuance and sale of the Bonds, the execution and delivery of the Loan Agreement, the Indenture and the Tax Agreement and to carry out the intent and purposes of this Ordinance, including the preambles hereto. In the absence of the President, the Village Clerk or the Assistant Village Clerk, any officer of the Issuer so authorized by law may perform any of the actions required hereby in lieu of the President, the Village Clerk and the Assistant Village Clerk, as the case may be.

Section 10. This Ordinance shall constitute the approval by the President and Board of Trustees of the Issuer of the issuance of the Bonds pursuant to Section 147(f) of the Internal Revenue Code of 1986 (the "Code").

Section 11. Chapman and Cutler, Chicago, Illinois, is hereby authorized to act as bond counsel and as counsel to First American Bank in connection with the issuance of the Bonds.

Section 12. No member of the President and Board of Trustees of the Issuer has any pecuniary interest in any employment, financing, agreement or other contract made in connection with the Bonds, the Project, the Borrower or any affiliated entity.

Section 13. The Issuer hereby elects to have the provisions of Section 144(a)(4) of the Code apply to the Bonds.

Section 14. All acts 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 Bonds and the Project be, and the same hereby are, in all respects, approved and confirmed.

Section 15. After the Bonds are issued, this Ordinance shall not be

repealable until the Bonds and the interest thereon shall have been fully paid, canceled and discharged.

Section 16. 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 and provisions.

Section 17. All ordinances, and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 18. This Ordinance shall become effective immediately upon passage and all ordinances in conflict herewith are repealed to the extent of the conflict.

Adopted this 15th day of April, 2002, pursuant to a roll call vote as follows:

AYES: Szalla, Zaeske, Amone, Ruffalo, Bartels.
NAYES: None.
ABSENT: Schock

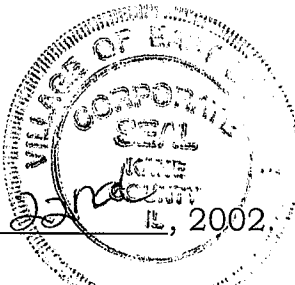
Approved by me this 15th day of April, 2002.

Roger Ahrens
ROGER AHRENS, President

Published in pamphlet form this 22nd day of April, 2002, under the authority of the President and Board of Trustees.

ATTEST:

Jane E. Theis
JANE THEIS, Village Clerk

Recorded in the Village Records on April 22nd  L, 2002.

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