

VILLAGE BOARD OF THE
VILLAGE OF TIMBERLANE, ILLINOIS

RESOLUTION NO. R08-150-1

FILED

MAY 30 2008

Amata D. McLaughlin
BOONE COUNTY CLERK

**RESOLUTION OF OFFICIAL INTENT OF THE
VILLAGE OF TIMBERLANE, ILLINOIS
REGARDING THE ISSUANCE OF
REVENUE BONDS TO BENEFIT
ROCKFORD CHRISTIAN EDUCATION ASSOCIATION**

WHEREAS, the Village of Timberlane, Illinois (the "Village") is a municipal corporation and political subdivision duly organized and existing under the laws of the State of Illinois authorized and empowered pursuant to the provisions of the Industrial Project Revenue Bond Act, 65 ILCS 5/11-74-1 et seq., as supplemented and amended, including by the Illinois Bond Replacement Act, the Registered Bond Act, the Bond Authorization Act and the Local Government Debt Reform Act (collectively, the "Act"), to issue revenue bonds (in one or more series) for the purpose of making loans to provide funds (a) to finance, in whole or in part, the costs of the acquisition, purchase, construction, reconstruction, improvement, betterment or extension of any "industrial project," as defined in the Act located within or without the Village but in no event further than ten miles from the territorial boundaries of such municipality, and (b) for the purpose of refunding any issue of bonds of the Village theretofore issued for such purpose, said revenue bonds to be payable solely out of the revenues of the Village pledged in favor of the owners of said bonds; and

WHEREAS, Rockford Christian Education Association d/b/a Rockford Christian Schools (the "Borrower") is a not-for-profit corporation duly organized and validly existing under the laws of the State of Illinois, and has requested the Village to assist the Borrower in providing funds to (i) refinance certain bank indebtedness incurred in the construction and refurbishment of the Borrower's school facility located at 1401 North Bell School Road, Rockford, Illinois (the "Bell School Road Location"), (ii) finance future construction of improvements, the acquisition and installation of equipment, and/or additional capital costs for repairs and rehabilitation, either at the Bell School Road Location or at the Borrower's 220 Hemlock Lane, Rockford, Illinois school location and (iii) pay certain costs of financing (collectively, the "Project"), and the Borrower has requested that the Village issue its revenue bonds and loan the proceeds thereof to the Borrower for such purposes, all as permitted under the Act; and

WHEREAS, the Borrower reasonably expects to pay certain capital project costs (the "Expenditures") in connection with the Project; and

WHEREAS, the Borrower has determined that the funds to be advanced to pay Expenditures may be available only on a temporary basis; and

WHEREAS, the Village has determined that it is necessary and desirable to declare the official intent of the Village to reimburse the Borrower for Expenditures with respect to the Project from the proceeds of revenue bonds to be issued by the Village; and

WHEREAS, the territorial boundaries of the City of Rockford are within ten miles of the territorial boundaries of the Village; and

WHEREAS, the Village is authorized under the Act to issue its revenue bonds for the purposes aforesaid and the Village has determined that the public interest will be best served and that the purposes of the Act can be more advantageously obtained by the Village's issuance of revenue bonds in order to provide funds to be loaned to the Borrower as a means of accomplishing the foregoing;

NOW THEREFORE, BE IT RESOLVED BY THE VILLAGE BOARD OF THE VILLAGE OF TIMBERLANE, ILLINOIS, AS FOLLOWS:

Section 1. Findings and Determinations. The Village hereby makes the following findings and determinations with respect to the Borrower and the revenue bonds to be issued by the Village, based upon representations made to the Village:

- (a) The Borrower is a not-for-profit corporation duly organized and validly existing and in good standing under the laws of the State of Illinois, which operates private schools located in the State of Illinois;
- (b) The Borrower has requested the Village's assistance in financing the costs of the Project through the sale of the Bonds;
- (c) The issuance of the revenue bonds of the Village for the purpose of providing funds to finance the Project is in the public interest and will result in a significant interest cost savings of the Borrower; and
- (d) The bonds will be issued for a valid purpose under and in accordance with the provisions of the Act.

Section 2. Declaration of Intent. The Village hereby approves the Borrower's request and determines and declares the intent of the Village to issue one or more issues of revenue bonds of the Village pursuant to the Act in a maximum aggregate principal amount not to exceed \$6,000,000, but to be finally determined by subsequent Ordinance of the Village, to provide funds to finance the costs of the Project, including reimbursement of Expenditures, said bonds to be limited and special revenue obligations payable solely out of payments, revenues and receipts derived by the Village pursuant to agreements to be entered into by the Village with the Borrower. The revenue bonds shall never constitute or create a charge against the credit or taxing power of the Village, the State of Illinois or any political subdivision or governmental unit thereof. Neither the full faith and credit nor the taxing power of the Village, the State of Illinois or any political subdivision or governmental unit thereof will be pledged to the payment of the principal of or premium, if any, or interest in the revenue bonds.

Section 3. Terms To Be Determined. Subject to the conditions of this Resolution, the Village will (i) issue its revenue bonds to finance the costs of the Project, in such principal amount and with

such maturities, interest rates, redemption terms and other provisions as may be determined by subsequent resolution of the Village; (ii) enter into agreements with the Borrower which will provide for payments sufficient with other moneys to pay the principal of and interest on the bonds as the same shall become due and payable; (iii) to effect the foregoing, adopt such resolutions and authorize the execution and delivery of such instruments and the taking of such action as may be necessary or advisable for the authorization, issuance and sale of said bonds by the Village; and (iv) take or cause to be taken such other action as may be required to implement the aforesaid, or as may be appropriate in pursuance thereof; provided that all of the foregoing shall be within the lawful powers of the Village.

Section 4. Reimbursement to Borrower. The Borrower may reimburse itself for Expenditures made with respect to the Project with proceeds of the Bonds in an amount which may aggregate a maximum of \$6,000,000, which is the anticipated amount of bonds to be issued by the Village on behalf of the Borrower to finance costs of the Project.


Section 5. Statement of Intent as to Designation as Qualified Tax-Exempt Obligations. The Village hereby expresses its intent and agreement to approve and designate of up to \$6,000,000 of bonds issued in calendar year 2008, as qualified tax-exempt obligations pursuant to Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended. In connection with such qualification, the Village hereby certifies and agrees that the aggregate face amount of tax-exempt bonds, including any tax-exempt loans or other obligations, but excluding any private activity bonds other than qualified 501(c)(3) bonds, to be issued by the Village, or any other entity acting on behalf of the Village and all subordinate entities (entities which derive their powers from the Village or over which the Village exercises significant control) during the calendar year 2008 is not reasonably expected to exceed \$10,000,000. The officers of the Village are authorized to execute appropriate certificates in connection with the designation of Bonds as qualified tax-exempt obligations as described in this paragraph.

Section 6. Further Authorization and Direction. The Village hereby authorizes and directs Bond Counsel, the bond purchaser and its counsel, the Borrower's Financial Advisor, Village Counsel, and other officers and representatives of the Village, to prepare, for submission to and final action by the Village, all appropriate legal and financing documents necessary to effect the authorization, issuance and sale of the bonds and any other actions contemplated hereunder in connection with the issuance and sale thereof.

Section 7. Conditions. This Resolution is subject to the condition that any issuance of bonds will be subject to and in compliance with the then existing policies, procedures and practices of the Village with respect to the same. It is further subject to the receipt by the Village of a satisfactory opinion of Bond Counsel and other necessary approving opinions.

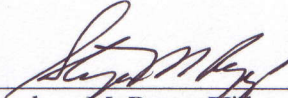
Section 8. Effective Date. This Resolution shall take effect and be in full force immediately after its adoption by the Village.

RESOLVED BY THE VILLAGE BOARD OF THE VILLAGE OF TIMBERLANE,
ILLINOIS this 29th day of May, 2008.



Debra Marner, Village Clerk

APPROVED this 29th day of May, 2008.



Stephen M. Rapp, Village President

CERTIFICATION BY VILLAGE CLERK

I, Debra Marner, duly sworn, hereby certify that I am the duly qualified and acting Village Clerk of the Village of Timberlane, Illinois (the "Village"), and as such I have in my possession, or have access to, the complete corporate records of the Village and of its Village Board; that I have carefully compared the transcript attached hereto with the aforesaid records; and that said transcript attached hereto is a true, correct and complete copy of all the records in relation to the adoption of Resolution No. R 08-150-1 entitled: RESOLUTION OF OFFICIAL INTENT OF THE VILLAGE OF TIMBERLANE, ILLINOIS REGARDING THE ISSUANCE OF REVENUE BONDS TO BENEFIT ROCKFORD CHRISTIAN EDUCATION ASSOCIATION

I hereby further certify as follows:

1. Said Resolution was considered for adoption by the Village Board at a special meeting held at Village Hall, 2940 Charleston Court, Caledonia, Illinois, at 6:30 p.m. on May 29, 2008. Said meeting was a special meeting of the Village Board and was held in open session.
2. Said Initial Resolution was on the agenda for said meeting and public notice thereof was given.
3. Said meeting was called to order by STEPHEN M. RAPP, who chaired the meeting. Upon roll, I noted and recorded that the following trustees were present:

Donna Leone
Dixie Timmerman
Bob Blood

Bob Marner
Ron Stelling
Jonathan Hoover

and that the following trustees were absent:

NONE

I noted and recorded that a quorum was present. Various matters and business were taken up during the course of the meeting without intervention of any closed session. One of the matters taken up was said Resolution, which was introduced, and its adoption was moved by Bob Marner and seconded by Donna Leone. Following discussion and after all trustees who desired to do so had expressed their views for or against said Resolution, the question was called, and upon roll being called and the continued presence of a quorum being noted, the recorded vote was as follows:

AYE:

Donna Leone
Dixie Timmerman
Jonathan Hoover

Pam Stening
Bob Blood
Bob MARNER

NAY:

None

ABSTAINED:

None

Whereupon the meeting chairperson declared said Resolution adopted, and I so recorded it.

IN WITNESS WHEREOF, I have signed my name and affixed the seal of the Village hereto on this 29th day of May, 2008.

[SEAL]

Debra Marner
Debra Marner, Village Clerk

