

EXTRACT OF MINUTES of a regular public meeting of the Mayor and the City Council of the City of Rochelle, Ogle County, Illinois, held at City Hall, 420 North 6th Street, Rochelle, Illinois, at 7:00 p.m., on the 23rd day of July, 2012.

Chet Olson, the Mayor, called the meeting to order and directed the City Clerk to call the roll.

Upon the roll being called, the Mayor and the following members of the City Council answered physically present at said location: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_.

The following were absent: \_\_\_\_\_.

\* \* \*  
(Other Business)

The Mayor then announced that the next agenda item for the Mayor and the members of the City Council was a request by Rochelle Community Hospital Association, an Illinois not for profit corporation (the "Borrower"), that the City approve the execution and delivery of certain amendments providing for a decrease in the current interest rate borne by the \$7,000,000 in original aggregate principal amount of City of Rochelle, Ogle County, Illinois Hospital Facility Revenue Bonds, Series 2009 (Rochelle Community Hospital Project) (the "Bonds"), that were issued by the City pursuant to an Indenture of Trust dated as of August 1, 2009 (the "Existing Indenture") between the Issuer and First National Bank of Omaha (as successor to Castle Bank, N.A.), as trustee, and certain other related changes.

The Mayor and the members of the City Council further discussed a resolution authorizing said amendment relating to the Bonds and authorizing certain documents and actions in connection therewith.

Thereupon, the Mayor presented the following resolution:

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION** authorizing the execution and delivery of a First Supplemental Indenture of Trust dated as of August 1, 2012, supplementing and amending the Indenture of Trust dated as of August 1, 2009, each by and between the City of Rochelle, Ogle County, Illinois and First National Bank of Omaha (as successor to Castle Bank, N.A.), as trustee, pursuant to which the City issued its \$7,000,000 in original aggregate principal amount of Hospital Facility Revenue Bonds, Series 2009 (Rochelle Community Hospital Project), for the benefit of Rochelle Community Hospital Association; and authorizing and approving certain related matters

WHEREAS, the City of Rochelle, Ogle County, Illinois (the “Issuer”), is a municipality duly organized and validly existing under the Constitution and the laws of the State of Illinois, is authorized by the laws of the State of Illinois, and specifically the provisions of the Industrial Project Revenue Bond Act, 65 ILCS 5/11-74-1, *et seq.*, as amended (the “Project Act”), and the Local Government Debt Reform Act, 30 ILCS 350/1 *et seq.*, as amended (the “Debt Reform Act” and, collectively with the Project Act, the “Act”), to issue its revenue bonds, in one or more series, to finance and refinance the costs of acquisition, construction, renovation, improvement, furnishing and equipping of “industrial projects” located within the Issuer and to issue its bonds to refund, advance refund or provide for the payment of such revenue bonds; and

WHEREAS, the Issuer has previously issued its City of Rochelle, Ogle County, Illinois Hospital Facility Revenue Bonds, Series 2009 (Rochelle Community Hospital Project), in the original aggregate principal amount of \$7,000,000, pursuant to an Indenture of Trust dated as of August 1, 2009 (the “Existing Indenture”), by and between the Issuer and First National Bank of Omaha (as successor to Castle Bank, N.A.), as trustee (the “Trustee”); and

WHEREAS, the Bonds were sold on a private placement basis to five banks consisting of (i) First National Bank and Trust Company of Rochelle, (ii) First National Bank of Omaha (as successor to Castle Bank, N.A.), (iii) Stillman BancCorp N.A., (iv) Lincoln State Bank and (v) Holcomb State Bank (collectively, the “Purchasers”); and

WHEREAS, the Purchasers are the owners of 100% of the outstanding Bonds; and

WHEREAS, the proceeds from the sale of the Bonds were loaned to Rochelle Community Hospital Association, an Illinois not-for-profit corporation (the “Borrower”), pursuant to a Loan Agreement dated as of August 1, 2009 between the Issuer and the Borrower; and

WHEREAS, the Borrower evidenced its obligations under the Loan Agreement by issuing and delivering to the Issuer its Promissory Note dated August 6, 2012 (the “Promissory Note”); and

WHEREAS, in order to secure its obligations under the Loan Agreement and the Promissory Note, the Borrower granted a security interest in certain of its real and personal property pursuant to (i) the Mortgage and Security Agreement with Assignment of Rents dated as of August 1, 2009, as heretofore supplemented and amended (the “Mortgage”), from the Borrower, as mortgagor, to the Issuer, as mortgagee, and (ii) the Security Agreement dated as of August 1, 2009 (the “Security Agreement”) from the Borrower to the Issuer, as secured party; and

WHEREAS, the initial interest rate on the Bonds was established at a fixed rate of 4.75% per annum to but not including August 1, 2014, which rate is subsequently reset in accordance with the Existing Indenture; and

WHEREAS, under the Existing Indenture the Bonds are subject to redemption at the option of the Borrower, in whole or in part, on any business day on or after August 1, 2014; and

WHEREAS, the Purchasers have agreed to decrease the current interest rate borne by the Bonds to 3.50% per annum, commencing August 1, 2012 through but not including August 1, 2019, which rate would then be subsequently reset in accordance with the Indenture (as hereinafter defined); and

WHEREAS, decreasing the interest rate currently borne by the Bonds would create a “reissuance” of the Bonds for purposes of federal tax law; and

WHEREAS, in connection with such decrease in the interest rate on the Bonds, the Purchasers and the Borrower have agreed to extend the “no call” period for the Bonds, and desire to provide that the Bonds will be subject to redemption at the option of the Borrower, in whole or in part, on any business day on or after August 1, 2019; and

WHEREAS, in order to accomplish the foregoing and certain other related changes, the Borrower is requesting that the Issuer approve the execution and delivery of (i) a First Supplemental Indenture of Trust dated as of August 1, 2012 (the “First Supplemental Indenture,” and together with the Existing Indenture, the “Indenture”), between the Issuer and the Trustee, supplementing and amending the Existing Indenture, (ii) one or more new Bond certificates, (iii) an IRS Form 8038, (iv) a First Supplemental Loan Agreement dated as of August 1, 2012 (the “First Supplemental Loan Agreement”), between the Issuer and the Borrower, and acknowledged by and consented and agreed to by the Trustee, as assignee, (v) an Amended and Restated Promissory Note dated August 1, 2012 (the “Amended Promissory Note”), (vi) a Second Supplement to Mortgage and Security Agreement with Assignment of Rents dated as of August 1, 2012 (the “Second Mortgage Supplement”), from the Borrower to the Issuer and the Trustee, as assignee of the Issuer, and (vii) such other documents and certificates as may be necessary to accomplish the same; and

WHEREAS, the Issuer desires to assist the Borrower and the Purchasers in effecting the foregoing;

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND THE CITY COUNCIL OF THE CITY OF ROCHELLE, OGLE COUNTY, ILLINOIS, AS FOLLOWS:

*Section 1. Amendments.* The Issuer hereby approves the amending of the Existing Indenture, the form of Bonds and related documents to provide for a decrease in the current interest rate borne by the Bonds as described herein, to extend the “no call” period for the Bonds to August 1, 2019 as described herein and to make any related changes thereto.

*Section 2. First Supplemental Indenture.* The First Supplemental Indenture, in substantially the form presented at this meeting and on file with the City Clerk and containing substantially the terms and provisions set forth therein, is hereby authorized, approved and confirmed, and the form, terms and provisions of such agreement is hereby approved, with such changes and revisions therein as shall be approved by the officer or officers of the Issuer executing and attesting the same, their signatures thereon to constitute conclusive evidence of such approval; and the Mayor and (where necessary) the City Clerk of the Issuer are hereby authorized and directed to execute, attest, seal and deliver such agreement.

*Section 3. New Bonds.* The Mayor and the City Council hereby approve the execution and delivery of new Bond certificates reflecting the changes to the form of Bonds described in the First Supplemental Indenture, with such changes and revisions therein as shall be approved by the officer or officers of the Issuer executing and attesting the same, their signatures thereon to constitute conclusive evidence of such approval; and the Mayor and (where necessary) the City Clerk of the Issuer are hereby authorized and directed to execute, attest, seal and deliver such new Bonds.

*Section 4. IRS Form 8038.* The Mayor and the City Council hereby acknowledge that the execution and delivery of the amendments to the Existing Indenture and the form of Bonds as described herein will result in the Bonds being “reissued” for federal tax law purposes. In connection therewith, the Mayor and the City Council hereby approve the execution and delivery by the Mayor of an IRS Form 8038, which shall be in the form approved by counsel for the Issuer, counsel to the Borrower and by Chapman and Cutler LLP, as bond counsel (“Bond Counsel”). The execution and delivery by the Mayor of such IRS Form 8038 will constitute conclusive evidence of such approval and of the Mayor’s and the City Council’s approval of the same.

*Section 5. First Supplemental Loan Agreement.* The First Supplemental Loan Agreement (including the form of Promissory Note contained therein), in substantially the form presented at this meeting and on file with the City Clerk and containing substantially the terms and provisions set forth therein, is hereby authorized, approved and confirmed, and the form, terms and provisions of such agreement is hereby approved, with such changes and revisions therein as shall be approved by the officer or officers of the Issuer executing and attesting the same, their signatures thereon to constitute conclusive evidence of such approval; and the Mayor and (where necessary) the City Clerk of the Issuer are hereby authorized and directed to execute, attest, seal and deliver such agreement.

*Section 6. Amended Promissory Note.* The Mayor and the City Council hereby approve the issuance and delivery by the Borrower of the Amended Promissory Note reflecting the changes to the form of Promissory Note described in the First Supplemental Loan Agreement, with such changes and revisions therein as shall be approved by the officer or officers of the Issuer executing and attesting the First Supplemental Indenture, their signatures on the First Supplemental Indenture to constitute conclusive evidence of such approval.

*Section 7. Second Mortgage Supplement.* The Mayor and the City Council hereby approve the execution and delivery by the Borrower of a Second Mortgage Supplement, which shall be in the form approved by counsel to the Issuer, counsel to the Borrower, counsel to the Purchasers and Bond Counsel. The execution and delivery by the Mayor and (where necessary) the City Clerk of the First Supplemental Indenture will constitute conclusive evidence of the approval by such counsels of the final form of the Second Mortgage Supplement and of the Mayor's and the City Council's approval of the same.

*Section 8. Other Documentation.* The Mayor and the City Clerk of the Issuer are hereby authorized and directed to execute, attest, seal and deliver any and all documents, including, without limitation any tax certificates or agreements and any amendments to the Security Agreement or other financing or collateral documents relating to the Bonds, and to do any and all things deemed necessary to effect the amendments described herein and the execution and delivery of the First Supplemental Indenture, the new Bond certificates, the IRS Form 8038, the First Supplemental Loan Agreement, the Amended Promissory Note and the Second Mortgage Supplement and to carry out the intent and purposes of this Resolution, including the preambles hereto.

*Section 9. Absence of Mayor or City Clerk.* In the absence of the Mayor or City Clerk of the Issuer, the City Manager of the Issuer may execute and the Deputy City Clerk (where necessary) may attest any document approved by this Resolution and perform any of the actions required hereby in lieu of the Mayor or City Clerk, as the case may be.

*Section 10. No Pecuniary Interest.* No member of the City Council of the Issuer has any pecuniary interest in any employment, financing, agreement or other contract made under the provisions of the Act or otherwise in connection with the Bonds, the facilities financed or refinanced with the proceeds of the Bonds, the Borrower or any affiliated entity.

*Section 11. Ratification.* All acts of the officials of the Issuer which are in conformity with the purposes and intent of this Resolution and in furtherance of the execution of the First Supplemental Indenture be, and the same hereby are, in all respects, approved and confirmed.

*Section 12. Severable.* The provisions of this Resolution 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 13. Conflicts.* All ordinances, resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

*Section 14. Effectiveness.* This Resolution shall become effective immediately upon passage.

Adopted this 23rd day of July, 2012

CITY OF ROCHELLE, OGLE COUNTY, ILLINOIS

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Mayor

[SEAL]

Attest:

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City Clerk

STATE OF ILLINOIS     )  
  ) SS  
COUNTY OF OGLE     )

**CERTIFICATION OF RESOLUTION AND MINUTES**

I, the undersigned, do hereby certify that I am the duly qualified and acting City Clerk of the City of Rochelle, Ogle County, Illinois (the “City”), and that as such official I am keeper of the journal of proceedings, books, records, minutes and files of the City and of the City Council thereof.

I do further certify that the foregoing is a full, true and complete transcript of that portion of the minutes of the meeting of the Mayor and the City Council held on the 23rd day of July, 2012, insofar as same relates to the adoption of a Resolution authorizing the execution of a First Supplemental Indenture of Trust, supplementing and amending the Indenture of Trust dated as of August 1, 2009, by and between the City of Rochelle, Ogle County, Illinois and First National Bank of Omaha, as successor to Castle Bank, N.A., as trustee, pursuant to which the City issued its \$7,000,000 in original aggregate principal amount of Hospital Facility Revenue Bonds, Series 2009 (Rochelle Community Hospital Project), for the benefit of Rochelle Community Hospital Association; and authorizing and approving related matters, and a true, correct and complete copy of said Resolution as adopted at said meeting is also attached hereto.

I do further certify that the deliberations of the Mayor and the City Council at said meeting were conducted openly, that all votes taken at said meeting were 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 the agenda for said meeting was posted at the location where said meeting was held and at the principal office of the City Council at least 48 hours in advance of the holding of said meeting, that said agenda contained a separate specific item concerning each matter to be considered at said meeting, a true, correct and complete copy of said agenda is attached hereto as *Exhibit A*, 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, and with the provisions of the Illinois Municipal Code, as amended, and that the City Council has complied with all of the provisions of said Act and said Code and with all of the procedural rules of the City Council in the conduct of said meeting.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of the City, this 23rd day of July, 2012.

CITY OF ROCHELLE, OGLE COUNTY, ILLINOIS

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City Clerk

(SEAL)