

# City of Rock Falls

603 W. 10<sup>th</sup> Street  
Rock Falls, IL 61071-2854

*Mayor*  
William B. Wescott  
815-380-5333

*City Administrator*  
Robbin Blackert  
815-564-1366



*City Clerk's Office*  
815-622-1100  
Ext. 4

*City Treasurer*  
Kay Abner  
815-622-1100

Rock Falls City Council Agenda  
Council Chambers  
603 W 10<sup>th</sup> Street, Rock Falls IL 61071

September 3, 2019  
6:30 p.m.

**Call to Order at 6:30 p.m.**  
**Pledge of Allegiance**  
**Roll Call**

## **Audience Requests**

## **Community Affairs**

Bethany Bland, President/CEO, Rock Falls Chamber of Commerce

## **Consent Agenda**

1. Approval of the Minutes of the August 20, 2019 Regular Council Meeting
2. Approval of the Minutes of the August 26, 2019 Committee of the Whole Meeting
3. Approval of bills as presented

## **Ordinances 2<sup>nd</sup> Reading and Adoption:**

1. Ordinance No. 2019-2441 - Amending Chapter 16, Article V, Division 2 Number of Class A Liquor Licenses
2. Ordinance No. 2019-2442 - Authorizing a Variance pursuant to the petition of the Rock Falls Industrial Development Commission at 103 Clearwater Drive, Rock Falls, IL 61071

## **City Administrator Robbin Blackert**

## **Information/Correspondence**

James Reese, City Attorney  
Brian Frickenstein, City Engineer

## **Department Heads**

## **Alderman Reports/Committee Chairman Requests**

### **Ward 1**

Alderman Bill Wangelin  
Alderman Gabriella Palmer

### **Ward 2**

Alderman Glen Kuhlemier – Finance Insurance Investment Committee Chairman

1. Approval to purchase Schwarze A9 Monsoon Regenerative Air Sweeper from R.N.O.W., Inc. 8636R West National Avenue, West Allis, Wisconsin 53227 in the amount of 234,825.00
2. Approval to finance the purchase of the Schwarze A9 Monsoon Regenerative Air Sweeper through Tax-Exempt Leasing Corp. 203 E. Park Avenue, Libertyville, Illinois 60048 for a 7 year term

Alderman Brian Snow

### **Ward 3**

Alderman Jim Schuneman – Utilities Committee Chairman

1. Approval of Interconnection Agreement with SOL Systems, LLC for Interconnection and Parallel Operation of Certified Invertor-Based Equipment
2. Approve proposal from Baker Tilly, Ten Terrace Ct, Madison, Wisconsin 53707 for Benchmarking & Metrics Analysis (Electric Only) in the amount of \$23,860.00

Alderman Rod Kleckler

### **Ward 4**

Alderman Lee Folsom  
Alderman Violet Sobottka

## **Mayor's Report**

### **Executive Session**

1. Personnel – Section 2(c)(1) – Employee hiring, firing, compensation, discipline and performance
2. Collective Bargaining – Section 2(c)(2) – Collective negotiating matters and deliberations concerning salary schedules

## **Adjournment**

Next City Council meeting – September 17, 2019 at 6:30 p.m.

Posted 08/30/2019

Michelle Conklin, Deputy City Clerk

The City of Rock Falls is subject to the requirements of the Americans with Disabilities Act of 1990. Individuals with Disabilities who plan to attend this meeting and who require certain accommodations in order to allow them to observe and/or participate in the meeting, or who have questions regarding the accessibility of the meeting or the facilities, are requested to contact Mark Searing, ADA Coordinator, at 1-815-622-1108 promptly to allow the City of Rock Falls to make reasonable accommodations within 48 hours of the scheduled meeting.

REGULAR MEETING MINUTES OF THE MAYOR AND ALDERMEN  
OF THE CITY OF ROCK FALLS

August 20, 2019

The regular meeting of the Mayor and City Council of Rock Falls, Illinois was called to order at 6:30 p.m. August 20, 2019 in the Council Chambers by Mayor William B. Wescott.

Deputy City Clerk Michelle Conklin called the roll following the pledge of allegiance. A quorum was present including Mayor William B. Wescott, Aldermen Palmer, Wangelin, Snow, Kuhlemier, Schuneman, Kleckler, Folsom and Sobottka. In addition Attorney Matt Cole, Attorney James Reese and City Administrator Robbin Blackert were present.

Joan Padilla introduced herself to the City Council and stated that she was running for State Representative of the 71<sup>st</sup> District. She will be reaching out to the Council in the future as she would like to have district meetings.

Consent Agenda items 1 through 3 were read aloud by Deputy City Clerk Michelle Conklin.

1. Approval of the Minutes of the August 6, 2019 Regular Council Meeting
2. Approval of bills as presented
3. Resolution 2019-829 - Requesting Permission from the Illinois Department of Transportation for a Temporary Closure of Route 40, a State Highway, for the 2019 Fiesta Day Parade

A motion was made by Alderman Snow and second by Alderman Folsom to approve consent agenda items 1 through 3.

**Vote 8 aye, motion carried.**

A motion was made by Alderman Sobottka and second by Alderman Folsom to approve Ordinance 2019-2441 - Amending Chapter 16, Article V, Division 2 Number of Class A Liquor Licenses

**Viva Voce Vote, motion carried.**

A motion was made by Alderman Kuhlemier and second by Alderman Folsom to approve Ordinance 2019-2437 - Approving Contract and Authorizing the Purchase of Real Property 214 W 12<sup>th</sup> Street, Rock Falls, IL 61071 PIN: 11-33-227-029

**Vote 8 aye, motion carried.**

A motion was made by Alderman Snow and second by Alderman Schuneman to approve Ordinance 2019-2438 - Approving Contract and Authorizing the Purchase of Real Property 1015 9<sup>th</sup> Avenue, Rock Falls, IL 61071 PIN: 11-33-128-008

**Vote 8 aye, motion carried.**

A motion was made by Alderman Snow and second by Alderman Folsom to approve Ordinance 2019-2439 - Approving Contract and Authorizing the Purchase of Real Property 614 3<sup>rd</sup> Avenue, Rock Falls, IL 61071 PIN: 11-28-436-020

**Vote 8 aye, motion carried.**

A motion was made by Alderman Kleckler and second by Alderman Snow to approve Ordinance 2019-2440 – Approving Contract and Authorizing the Purchase of Real Property 215 Avenue C, Rock Falls, IL 61071 PIN: 11-27-126-006

**Vote 8 aye, motion carried.**

A motion was made by Alderman Snow and second by Alderman Sobottka to approve the request closure of Mary Avenue from E 10<sup>th</sup> Street to E 11<sup>th</sup> Street on September 14<sup>th</sup>, 2019 from 12:00 p.m. until whenever for the Annual Block Party.

**Vote 8 aye, motion carried.**

A motion was made by Alderman Kuhlemier and second by Alderman Wangelin to approve the recommendation from the Planning and Zoning Commission for the variance removing the required 50 foot height limit and the building setbacks from the property line on the side and rear yards to 30 foot at 103 Clearwater Drive

**Vote 7 aye, 1 nay (Alderman Kleckler) motion carried.**

A motion was made by Alderman Snow and second by Alderman Kleckler to approve Change Order No. 1 from Swedberg & Associates, Inc. 1135 E. State Street, Sycamore, Illinois 60178 for a reduction of \$82,770.00 for the Restroom Remodel Project

**Vote 8 aye, motion carried.**

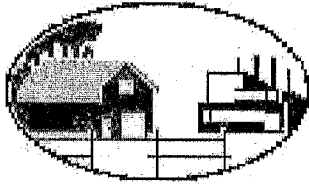
Alderman Kleckler stated that after the storm swept through today, we need to have better coordination between the departments for these situations. We also need to start discussion again on running a main storm sewer line down Avenue A to the River.

Mayor Wescott reminded the Council that the Police Fire Committee will be tomorrow, 08/21/2019 at 4:30 p.m. and the Ordinance License Personnel Safety Committee Meeting will be tomorrow at 5:30 p.m. The Committee of the Whole Meeting will be on Monday August 26, 2019 at 6:00 p.m. to discuss the Recreational Marijuana, there will also be a Planning/Zoning Commission Meeting Public Hearing on September 12, 2019 to discuss the Recreational Marijuana.

A motion was made by Alderman Folsom and second by Alderman Sobottka to adjourn.

**Viva Voce Vote, motion carried. (6:44 p.m.)**

  
Michelle K. Conklin, Deputy City Clerk



## City of Rock Falls Committee of the Whole Meeting Minutes

**Date: August 26, 2019**

**Time Meeting Started: 6:00 p.m.**

**Time Meeting Ended: 6:58 p.m.**

Members		Also Attended	
Mayor Wescott	P	Tony Sosi	P
Alderman Palmer	P	Rick Turnroth	P
Alderman Wangelin	P	Charles Koehler	P
Alderman Snow	P	Attorney Cole	P
Alderman Kuhlemier	P	City Administrator Blackert	P
Alderman Kleckler	P		
Alderman Sobottka	P		

Topic	Discussion	Plan of Action
1. Call to Order	<ul style="list-style-type: none"> <li>Mayor Wescott called the meeting to order</li> </ul>	6:00 p.m.
2. Discussion on issues relating to the legalization of recreational marijuana	<ul style="list-style-type: none"> <li>Attorney Cole presented the Committee with things that will have to be considered before the bill goes into effect on January 1, 2020.</li> <li>The Illinois Criminal Code – the biggest portion of this new act is that they are going to be decriminalizing marijuana use, consumption and possession. They are going to be expunging certain criminal offenses relating to the use of cannabis.</li> <li>As of January 1, 2020 anyone 21 years of age and over can consume, possess and purchase cannabis and cannabis products from licensed stores, this will be a license for a dispensary. If the City was to move forward and adopt their own license classification we could follow the same licensing structure as the State. Moving forward we can structure our ordinances so that there would be zoning requirements as to where the classifications would be allowed.</li> <li>What does it mean to possess, consume and purchase cannabis moving forward? This will be limited to persons 21 years of age and over for possession and you can't have it in sensitive areas (schools, school buses, etc.). You have to be 21 to consume cannabis, and you may consume anywhere that is not considered a public place. A public place is defined as anywhere that a person might see you in public. That is going to be pretty restrictive so it is going to basically be home use.</li> <li>There are going to be many gray areas in this bill. There is a request from the Illinois Municipal League to get some clarification on different issues, they pushed this bill out so fast so we don't have answers for everything yet so there will be some new trailer bills following this Act, hopefully before January 1, 2020 so we know what to do.</li> <li>One issue for the City is the Home Cultivation provision. Anyone with a medical card can grow up to five plants in their homes and they can have as much produce from those plants as they want as long as they don't sell it and keep it for personal use. One issue for the City could be is do we create a registry so we know who is allowed to grow in their homes. This is one of the questions that the IML has asked for some clarification on.</li> <li>The City has two things that are going to have to be considered moving forward. One is making changes to the zoning ordinance the other is establishing reasonable rules and regulations for the use, possession and consumption and the managing of these businesses. The Act allows the City to enact reasonable zoning ordinances regulating these cannabis business establishments. We can choose to locate these establishments wherever we want within the City as long as it is not unreasonable. Right now the running idea has been the Adult Use which would keep everything</li> </ul>	

	<p>close to the Industrial Park but that is not the only thing we could do. You could give them a special use permit that would allow them in specific zoning classifications but they have to meet the City's requirements to get the special use permit. There is a provision for IML opt out, this is a big issue that has currently come up. The statute as it is read says that the City can't unreasonably prohibit the location of cannabis business establishments, this means that we can't say no. The IML has interpreted this to read that the City is allowed to opt out or cannabis, meaning we could prevent any cannabis business establishment from being put in the City. There will be more clarification coming on this in the future.</p> <ul style="list-style-type: none"> <li>• Time, place and manner regulations. At some point we are going to have to update the City Code, in part because we have provisions in there prohibiting people from possessing marijuana. One other area is going to be licensing, there are 5 license classifications from the State, we can also license just like we do for liquor. We can charge a fee for it, we can regulate how many licenses we give out, limit the hours of operation, sensitive locations. We can set fines for different violations of the ordinances.</li> <li>• Marijuana consumption on premises is another issue. It is basically a cigar lounge for marijuana. This is something that we can opt out of, but a decision that will need to be made if it will be allowed or not.</li> <li>• The City can tax all the retail sales of marijuana up to three percent. This is in addition to the 8 ¼% sales tax.</li> <li>• Mayor Wescott stated that the Planning/Zoning Commission has a meeting that will be scheduled for September 12, 2019 at 5:30 p.m. and a Public Hearing will be held.</li> </ul>	
3. Adjournment	,	Adjourn at 6:58 p.m.

*Michelle K Conklin*

Michelle K. Conklin, Deputy City Clerk

CITY OF ROCK FALLS

Rock Falls, Illinois September 3, 2019

To the Mayor and City Council of the City of Rock Falls, Your Committee on Finance would respectfully report that they have examined the following bills presented against the City, and have found the same correct and would recommend the payment of the various amounts to the several claimants as follows:

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Tourism		\$15,613.59
General Fund		\$29,329.59
Electric		\$30,498.36
Fiber Optic Broadband	Taxable	\$1,204.57
Sewer		\$9,458.60
Water		\$79,998.68
Garbage		\$893.38
Customer Service Center		\$2,751.14
Motor Fuel Tax Fund		\$0.00
DUI Fund		\$245.09
Customer Utility Deposits		\$841.93
		<hr/>
		\$170,834.93

Alderman Kuhlemier  
Alderman Kleckler  
Alderman Wangelin  
Alderman Palmer

DATE: 08/22/19  
TIME: 14:45:54  
ID: AP443000.WOW

CITY OF ROCK FALLS  
DEPARTMENT SUMMARY REPORT

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INVOICES DUE ON/BEFORE 08/23/2019

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE
-----			
TOURISM			
05	TOURISM		
200	COM ED	524.88	23.18
5015	CARD SERVICE CENTER	27,876.58	3,115.31
5032	COMCAST	1,546.82	4.80
795	SBM BUSINESS EQUIPMENT CENTER	3,626.74	54.90
	TOURISM		3,198.19
GENERAL FUND			
01	ADMINISTRATION		
4331	CIRCUIT CLERK OF LEE COUNTY	450.00	1,000.00
4834	GARY R CAMPBELL	52.95	50.95
5015	CARD SERVICE CENTER	27,876.58	80.00
5032	COMCAST	1,546.82	4.80
807	SAUK VALLEY COMMUNITY COLLEGE	600.00	5,000.00
	ADMINISTRATION		6,135.75
02	CITY ADMINISTRATOR		
5032	COMCAST	1,546.82	2.40
	CITY ADMINISTRATOR		2.40
04	BUILDING		
5015	CARD SERVICE CENTER	27,876.58	15.44
5032	COMCAST	1,546.82	9.61
5253	WEX BANK	17,142.89	69.73
	BUILDING		94.78
05	CITY CLERK'S OFFICE		
5015	CARD SERVICE CENTER	27,876.58	296.72
5032	COMCAST	1,546.82	9.61
	CITY CLERK'S OFFICE		306.33



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CITY OF ROCK FALLS  
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INVOICES DUE ON/BEFORE 08/23/2019

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE
-----			
GENERAL FUND			
06	POLICE		
2451	MENARDS	2,058.24	26.73
350	GISI BROS. INC.	4,578.05	1,034.24
4692	PANTHER UNIFORMS, INC.	1,517.79	816.09
4796	VERIZON WIRELESS	6,318.87	272.01
5015	CARD SERVICE CENTER	27,876.58	351.14
5028	HEATHER DAUEN		134.57
5032	COMCAST	1,546.82	74.39
5253	WEX BANK	17,142.89	3,192.44
651	NICOR	8,410.04	28.14
752	ROCK FALLS AREA DOG CONTROL	1,507.26	480.42
771	PINNEY PRINTING CO	3,519.75	169.00
956	UNIFORM DEN INC	881.75	409.47
T0005166	SHARP CONCRETE, INC.		950.00
	POLICE		7,938.64
07	CODE HEARING DEPARTMENT		
4929	TIMOTHY J SLAVIN	2,175.00	725.00
	CODE HEARING DEPARTMENT		725.00
10	STREET		
194	GRUMMERT'S HARDWARE - R.F.	3,296.24	22.20
2606	MIKE'S REPAIR SERVICE	8,102.85	170.67
2771	WINDSTREAM	1,636.70	149.11
34	ALTORFER INC.	19,748.17	210.52
4207	O'REILLY AUTOMOTIVE INC	1,290.82	16.48
4773	QUALITY CHEMICAL CO MIDWEST	1,805.92	1,009.10
4796	VERIZON WIRELESS	6,318.87	63.98
5015	CARD SERVICE CENTER	27,876.58	525.30
5032	COMCAST	1,546.82	4.80
5253	WEX BANK	17,142.89	579.44
55	ARAMARK UNIFORM SERVICES, INC.	4,292.16	231.28
	STREET		2,982.88
12	PUBLIC PROPERTY		
423	AT&T	7,869.42	469.29

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CITY OF ROCK FALLS  
 DEPARTMENT SUMMARY REPORT

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INVOICES DUE ON/BEFORE 08/23/2019

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE
-----			
GENERAL FUND			
12	PUBLIC PROPERTY		
5015	CARD SERVICE CENTER	27,876.58	134.57
	PUBLIC PROPERTY		603.86
13	FIRE		
5015	CARD SERVICE CENTER	27,876.58	2,329.98
5032	COMCAST	1,546.82	36.72
5253	WEX BANK	17,142.89	756.81
651	NICOR	8,410.04	84.43
	FIRE		3,207.94
ELECTRIC FUND			
20	OPERATION & MAINTENANCE		
194	GRUMMERT'S HARDWARE - R.F.	3,296.24	9.43
2187	BORDER STATES INDUSTRIES INC	1,846.27	1,774.32
2735	SLIM-N-HANKS		2,112.37
2771	WINDSTREAM	1,636.70	246.70
4089	JEFF TUPPER	50.31	22.82
4207	O'REILLY AUTOMOTIVE INC	1,290.82	185.60
4215	POWER LINE SUPPLY	9,606.45	1,384.10
4544	UPS	5.47	8.74
4796	VERIZON WIRELESS	6,318.87	1,119.85
4797	BLUE GAVEL PRESS		129.37
4941	MUNICIPAL INSUR COOP AGENCY	523,094.00	2,557.48
5015	CARD SERVICE CENTER	27,876.58	263.00
5032	COMCAST	1,546.82	24.02
5055	COMED REAL ESTATE		95.73
5194	BALLER STOKES & LIDE	612.50	3,675.00
5253	WEX BANK	17,142.89	1,739.95
774	ROCK RIVER READY MIX		52.01
795	SBM BUSINESS EQUIPMENT CENTER	3,626.74	221.17
	OPERATION & MAINTENANCE		15,621.66
FIBER OPTIC BROADBAND/TAXABLE			
23	FIBER OPTIC BROADBAND/TAXABLE		
4796	VERIZON WIRELESS	6,318.87	177.48

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CITY OF ROCK FALLS  
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INVOICES DUE ON/BEFORE 08/23/2019

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE
-----			
FIBER OPTIC	BROADBAND/TAXABLE		
23	FIBER OPTIC BROADBAND/TAXABLE		
5015	CARD SERVICE CENTER	27,876.58	910.39
5253	WEX BANK	17,142.89	116.70
	FIBER OPTIC BROADBAND/TAXABLE		1,204.57
SEWER FUND			
38	OPERATION & MAINTENANCE		
1165	CEC OF THE SAUK VALLEY INC	15,463.85	456.65
194	GRUMMERT'S HARDWARE - R.F.	3,296.24	79.19
200	COM ED	524.88	140.15
34	ALTORFER INC.	19,748.17	16.75
4049	ALLAN BRIGGS		91.10
4119	USA BLUE BOOK	1,745.64	790.91
4796	VERIZON WIRELESS	6,318.87	192.97
4837	ENVIRONMENTAL RESOURCE ASSOC		134.13
5032	COMCAST	1,546.82	16.82
5141	CINTAS CORPORATION	649.50	45.33
5251	ELEMENT MATERIALS TECHNOLOGY		1,405.00
5253	WEX BANK	17,142.89	549.33
5264	FLOW-TECHNICS INC	8,225.54	26.59
852	S.J. SMITH CO INC	853.39	8.22
	OPERATION & MAINTENANCE		3,953.14
WATER FUND			
48	OPERATION & MAINTENANCE		
1740	VIKING CHEMICAL CO	3,095.50	1,110.00
2771	WINDSTREAM	1,636.70	154.45
367	HACH COMPANY	70.29	320.46
4361	FERGUSON WATERWORKS #2516	42,102.74	806.99
5015	CARD SERVICE CENTER	27,876.58	3,594.72
5032	COMCAST	1,546.82	12.01
5176	DIRECT IN SUPPLY	419.97	68.00
5253	WEX BANK	17,142.89	321.34
631	MURRAY & SONS EXCAVATING, INC	52,540.00	2,389.70
	OPERATION & MAINTENANCE		8,777.67
GARBAGE FUND			

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CITY OF ROCK FALLS  
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INVOICES DUE ON/BEFORE 08/23/2019

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE
-----			
GARBAGE FUND			
50	GARBAGE		
4546	WHITESIDE COUNTY TREASURER		791.00
	GARBAGE		791.00
CUSTOMER SERVICE CENTER			
51	CUSTOMER SERVICE CENTER		
5015	CARD SERVICE CENTER	27,876.58	870.48
5032	COMCAST	1,546.82	16.82
689	PITNEY BOWES GLOBAL	4,688.58	1,710.00
	CUSTOMER SERVICE CENTER		2,597.30
DUI FUND			
55	DUI		
273	ECONOMY TROPHY CO.	23.75	8.00
4112	JOY COLBERG		32.09
5015	CARD SERVICE CENTER	27,876.58	205.00
	DUI		245.09
CUSTOMER UTILITY DEPOSITS			
75	CUSTOMER UTILITY DEPOSITS		
T0003552	LINDA COLLIN		111.15
T0005158	GARRY ONEAL		110.90
T0005164	CAROLE NORDAHL		150.00
T0005165	LEO HERNANDEZ		5.88
	CUSTOMER UTILITY DEPOSITS		377.93
	TOTAL ALL DEPARTMENTS		58,764.13

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CITY OF ROCK FALLS  
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INVOICES DUE ON/BEFORE 08/30/2019

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE
-----			
TOURISM			
05	TOURISM		
1289	CITY OF ROCK FALLS UTILITIES	194,192.63	50.00
2071	BLACKHAWK WATERWAYS		3,760.00
2985	WALMART COMMUNITY/SYNCB	1,636.59	16.79
5032	COMCAST	1,763.62	5.29
5178	COMCAST BUSINESS	2,784.77	38.10
795	SBM BUSINESS EQUIPMENT CENTER	3,902.81	52.22
T0004412	PHYSICIANS IMMEDIATE CARE	547.00	93.00
T0004922	MICKI LEMIEUX		1,000.00
T0005167	AIRELOOM MUSIC STUDIO		200.00
T0005168	KRISTIN GARNANT		1,000.00
T0005169	JENNIFER MEYER		2,000.00
T0005170	STEPHANIE SAILER		1,000.00
T0005171	KIRK SEESE		1,000.00
T0005172	CRAIG SNYDER		1,000.00
T0005173	VERNON SKIP WILLITS		1,000.00
T0005174	L&S MUSIC SEAN DELGADO		100.00
T0005175	MATTHEW KINNAMAN		100.00
	TOURISM		12,415.40
GENERAL FUND			
01	ADMINISTRATION		
4310	PITNEY BOWES	1,512.00	1,008.50
4834	GARY R CAMPBELL	103.90	50.95
4861	CIRCUIT CLERK OF WHITESIDE CO	1,275.00	100.00
5032	COMCAST	1,763.62	5.29
5178	COMCAST BUSINESS	2,784.77	38.10
T0005177	GAFFEY HOSPICE FOUNDATION INC		20.00
	ADMINISTRATION		1,222.84
02	CITY ADMINISTRATOR		
5032	COMCAST	1,763.62	2.65
5178	COMCAST BUSINESS	2,784.77	38.10
	CITY ADMINISTRATOR		40.75
04	BUILDING		

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CITY OF ROCK FALLS  
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INVOICES DUE ON/BEFORE 08/30/2019

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE
-----			
GENERAL FUND			
04	BUILDING		
5032	COMCAST	1,763.62	10.58
5178	COMCAST BUSINESS	2,784.77	76.28
5220	TECHNOLOGY FINANCE CORP	3,560.82	30.43
795	SBM BUSINESS EQUIPMENT CENTER	3,902.81	52.21
	BUILDING		169.50
05	CITY CLERK'S OFFICE		
4664	STAPLES ADVANTAGE	151.91	36.52
5032	COMCAST	1,763.62	10.57
5178	COMCAST BUSINESS	2,784.77	76.28
	CITY CLERK'S OFFICE		123.37
06	POLICE		
2985	WALMART COMMUNITY/SYNCB	1,636.59	40.12
350	GISI BROS. INC.	5,612.29	38.00
5032	COMCAST	1,763.62	88.27
5178	COMCAST BUSINESS	2,784.77	152.40
55	ARAMARK UNIFORM SERVICES, INC.	4,523.44	101.57
662	RAY O'HERRON CO., INC.	6,156.39	164.55
683	P. F. PETTIBONE & CO.	531.15	17.00
795	SBM BUSINESS EQUIPMENT CENTER	3,902.81	134.98
T0004412	PHYSICIANS IMMEDIATE CARE	547.00	93.00
	POLICE		829.89
10	STREET		
2985	WALMART COMMUNITY/SYNCB	1,636.59	103.24
4528	MODERN SHOE SHOP	373.48	179.99
5032	COMCAST	1,763.62	5.29
5178	COMCAST BUSINESS	2,784.77	38.10
5220	TECHNOLOGY FINANCE CORP	3,560.82	243.47
	STREET		570.09
12	PUBLIC PROPERTY		

DATE: 08/29/19  
TIME: 15:04:06  
ID: AP443000.WOW

CITY OF ROCK FALLS  
DEPARTMENT SUMMARY REPORT

PAGE: 3

INVOICES DUE ON/BEFORE 08/30/2019

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE
-----			
GENERAL FUND			
12	PUBLIC PROPERTY		
194	GRUMMERT'S HARDWARE - R.F.	3,407.06	3.22
	PUBLIC PROPERTY		3.22
13	FIRE		
2301	STERLING NAPA	42.89	12.90
2451	MENARDS	2,084.97	236.57
2985	WALMART COMMUNITY/SYNCB	1,636.59	88.22
3010	CUSTOM MONOGRAM	1,631.25	258.00
337	GARAGE DOOR SPECIALISTS	3,086.45	276.75
4207	O'REILLY AUTOMOTIVE INC	1,492.90	106.93
4664	STAPLES ADVANTAGE	151.91	78.28
5032	COMCAST	1,763.62	18.52
5178	COMCAST BUSINESS	2,784.77	114.30
5278	JEFFERSON FIRE & SAFETY		1,901.62
	FIRE		3,092.09
BUILDING CODE DEMOLITION FUND			
12	BUILDING CODE DEMOLITION FUND		
1052	SAUK VALLEY MEDIA	5,566.45	1,228.50
	BUILDING CODE DEMOLITION FUND		1,228.50
EMPLOYEE GROUP INSURANCE			
15	EMPLOYEE GROUP INS		
2985	WALMART COMMUNITY/SYNCB	1,636.59	51.76
	EMPLOYEE GROUP INS		51.76
ELECTRIC FUND			
20	OPERATION & MAINTENANCE		
1255	VERMEER SALES & SERVICE OF	819.68	633.72
194	GRUMMERT'S HARDWARE - R.F.	3,407.06	48.56
219	CRESCENT ELECTRIC	260.47	73.65
2451	MENARDS	2,084.97	119.98

DATE: 08/29/19  
TIME: 15:04:06  
ID: AP443000.WOW

CITY OF ROCK FALLS  
DEPARTMENT SUMMARY REPORT

PAGE: 4

INVOICES DUE ON/BEFORE 08/30/2019

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE
-----			
ELECTRIC FUND			
20	OPERATION & MAINTENANCE		
2557	ASPLUNDH TREE EXPERT CO.	88,043.89	3,408.40
2611	FISCH MOTORS INC	153.00	216.00
31	ALTEC INDUSTRIES, INC.		1,842.78
34	ALTORFER INC.	19,975.44	139.90
4215	POWER LINE SUPPLY	10,990.55	200.00
4866	LOESCHER	1,476.70	7,050.00
5032	COMCAST	1,763.62	26.46
5127	JM TEST SYSTEMS		523.58
5178	COMCAST BUSINESS	2,784.77	76.28
5220	TECHNOLOGY FINANCE CORP	3,560.82	517.39
	OPERATION & MAINTENANCE		14,876.70
SEWER FUND			
38	OPERATION & MAINTENANCE		
194	GRUMMERT'S HARDWARE - R.F.	3,407.06	25.18
2517	PRAIRIE HILL RDF	6,536.19	979.52
2985	WALMART COMMUNITY/SYNCB	1,636.59	16.67
34	ALTORFER INC.	19,975.44	3,286.00
4207	O'REILLY AUTOMOTIVE INC	1,492.90	38.86
5032	COMCAST	1,763.62	18.52
5178	COMCAST BUSINESS	2,784.77	38.10
5220	TECHNOLOGY FINANCE CORP	3,560.82	182.61
5257	LAKESIDE EQUIPMENT CORP	368.00	920.00
	OPERATION & MAINTENANCE		5,505.46
WATER FUND			
40	WATER		
4040	ILLINOIS ENVIRONMENTAL	105,806.47	53,749.34
4361	FERGUSON WATERWORKS #2516	42,909.73	68.36
5171	POLLARD WATER	5,573.81	2,436.91
T0002911	WESTECH ENGINEERING, INC.		10,250.10
	WATER		66,504.71
48	OPERATION & MAINTENANCE		
2985	WALMART COMMUNITY/SYNCB	1,636.59	48.78



DATE: 08/29/19  
TIME: 15:04:06  
ID: AP443000.WOW

CITY OF ROCK FALLS  
DEPARTMENT SUMMARY REPORT

PAGE: 5

INVOICES DUE ON/BEFORE 08/30/2019

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE
-----			
WATER FUND			
48	OPERATION & MAINTENANCE		
4141	JEFF BEHRENS EXCAVATING	1,500.00	2,150.00
423	AT&T	8,338.71	612.20
4707	KIMBALL MIDWEST	2,810.49	48.84
5032	COMCAST	1,763.62	13.23
5141	CINTAS CORPORATION	694.83	25.50
5171	POLLARD WATER	5,573.81	-868.07
5178	COMCAST BUSINESS	2,784.77	38.10
5220	TECHNOLOGY FINANCE CORP	3,560.82	213.04
55	ARAMARK UNIFORM SERVICES, INC.	4,523.44	204.68
631	MURRAY & SONS EXCAVATING, INC	54,929.70	2,194.00
838	THE SHERWIN - WILLIAMS CO.	117.94	36.00
	OPERATION & MAINTENANCE		4,716.30
GARBAGE FUND			
50	GARBAGE		
4446	MORING DISPOSAL, INC.	175,500.10	82.50
T0000826	FIREHOUSE MINISTRIES	2,318.06	19.88
	GARBAGE		102.38
CUSTOMER SERVICE CENTER			
51	CUSTOMER SERVICE CENTER		
2688	STAPLES CREDIT PLAN	273.39	59.04
5032	COMCAST	1,763.62	18.52
5178	COMCAST BUSINESS	2,784.77	76.28
	CUSTOMER SERVICE CENTER		153.84
CUSTOMER UTILITY DEPOSITS			
75	CUSTOMER UTILITY DEPOSITS		
T0005176	MICHAEL MEIER		464.00
	CUSTOMER UTILITY DEPOSITS		464.00
	TOTAL ALL DEPARTMENTS		112,070.80

**ORDINANCE NO. 2019-2441**

**ORDINANCE AMENDING CHAPTER 16, ARTICLE V, DIVISION 2  
NUMBER OF CLASS A LIQUOR LICENSES**

**WHEREAS**, Section 4-1 of the Liquor Control Act of 1934, 235 ILCS 5/1 et. seq. (the “Act”), grants the Mayor and City Council of the City of Rock Falls (collectively, the “Corporate Authorities”) the power to determine by ordinance the number, kind and classification of licenses for the retail sale of alcoholic liquor within the territorial jurisdiction of the City of Rock Falls (the “City”); and

**WHEREAS**, the Corporate Authorities have reviewed the needs of the City with respect to the number of Class A-1 and Class A-2 liquor licenses issued to businesses within the City for the retail sale of alcoholic liquor; and

**WHEREAS**, the Corporate Authorities have determined it in the best interests of the City and its residents to remove the limitation on the number of Class A-1 and Class A-2 liquor licenses with respect to the same.

**NOW, THEREFORE, BE IT ORDAINED**, by the Mayor and City Council of the City of Rock Falls, Whiteside County, Illinois as follows:

**SECTION 1:** The preambles to this Ordinance are true and correct and are hereby incorporated into this Section 1 as if more fully set forth herein.

**SECTION 2:** That Chapter 16, Article V, Division 2, Section 16-391, as amended, be further amended to read as follows:

**“Sec. 16-391. – Number limited.**

There shall be in force and issued at any time no more than the following number of licenses of the classifications as listed in this section:

- (1) Class A-1 and Class A-2: No limit.
- (2) Class B-1, B-2 and Class B-3: No limit.
- (3) Class C-1 and Class C-2: No limit.
- (4) Class D-1 and Class D-2: No limit.
- (5) Class E-1 and Class E-2: No limit.”

**SECTION 3:** That in all other respects, Chapter 16, Article V, Division 2, Section 16-391, shall remain in full force and effect as previously adopted and/or amended.

**SECTION 3:** That in all other respects, Chapter 16, Article V, Division 2, Section 16-391, shall remain in full force and effect as previously adopted and/or amended.

**SECTION 4:** The provisions and sections of this Ordinance shall be deemed to be separable and the invalidity of any portion of this ordinance shall not affect the validity of the remainder.

**SECTION 5:** The City Clerk is directed to publish this Ordinance in pamphlet form.

**SECTION 6:** This Ordinance shall be in full force and effect from and after its passage and approval and publication as required by law.

Approved this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

AYE

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CITY OF ROCK FALLS

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ORDINANCE NO. \_\_\_\_\_

**ORDINANCE AMENDING CHAPTER 16, ARTICLE V, DIVISION 2  
NUMBER OF CLASS A LIQUOR LICENSES**

---

ADOPTED BY THE  
CITY COUNCIL  
OF THE  
CITY OF ROCK FALLS

THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2019

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Published in pamphlet form by authority of the City Council of the City of Rock Falls, Illinois,  
this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

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**ORDINANCE NO. 2019-2442**

**ORDINANCE AUTHORIZING A VARIANCE PURSUANT TO THE PETITION OF  
THE ROCK FALLS INDUSTRIAL DEVELOPMENT COMMISSION  
103 CLEARWATER DRIVE, ROCK FALLS, IL 61071**

WHEREAS, the Rock Falls Industrial Development Commission (the “Petitioner”) is the owner of certain property commonly known as 103 Clearwater Drive, Rock Falls, Illinois 61071, and being more particularly described on Exhibit A, attached hereto (the “Property”); and

WHEREAS, on July 18, 2019, the Petitioner submitted an application for variance (the “Application”) to the City with respect to the use of the Property; and

WHEREAS, the Application requests that a variance be granted (i) to reduce the rear and side yard setback requirements to thirty (30) feet instead of a distance equal to the height of any building constructed on the Property; and (ii) to remove the fifty (50) foot height limitation, said request being for the purpose of increasing the marketability of the Property for potential developers and to allow for the construction of buildings on the Property in a manner not inconsistent with that of the surrounding properties in the Rock Falls Industrial Park (all of the foregoing, the “Variance Purposes”); and

WHEREAS, the Petitioner’s request for a variance is of the type and nature that can be granted under the Zoning Ordinances of the City of Rock Falls; and

WHEREAS, the City Council referred the Application to the Zoning Board of Appeals for the City of Rock Falls (the “Zoning Board”) on August 6, 2019; and

WHEREAS, the Zoning Board, after conducting a public hearing on August 8, 2019 pursuant to due notice has determined that (i) the Variance Purposes are not contrary to the public interest; (ii) that a literal enforcement of the Zoning Ordinances of the City would result in unnecessary hardship to the Petitioner; and (iii) that based upon such findings, the Zoning Board recommends the approval of the variance request; and

WHEREAS, the City Council for the City of Rock Falls, after a review of the record of the Zoning Board hearing, has determined to adopt the recommendation of the Zoning Board and to grant the Petitioner’s request for a variance with respect to the Property.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and City Council of the City of Rock Falls, that a variance reducing the rear and side yard setback requirements to thirty (30) feet instead of a distance equal to the height of any building constructed on the Property; and (ii) removing the fifty (50) foot height limitation is hereby granted.

BE IT FURTHER ORDAINED that the Mayor and City Council hereby find that all of the recitals contained in the preambles to this Ordinance are full, true and correct and do

incorporate them into this Ordinance by this reference.

BE IT FURTHER ORDAINED that the granting of such variance will not merely serve as a convenience to the Petitioner, but is necessary to alleviate a demonstrable hardship which warrants the variance requested by said Petitioner.

BE IT FURTHER ORDAINED that the City Council finds that the customary practice of requiring a first and second reading of ordinances is not applicable or necessary in the case of this ordinance, and a first reading preliminary to adoption hereof is hereby waived, and this ordinance shall become effective upon its passage.

BE IT FURTHER ORDAINED that all ordinances and parts of ordinances in conflict herewith are, to the extent of such conflict, hereby repealed.

BE IT FURTHER ORDAINED that the City Clerk is hereby directed to publish this Ordinance in pamphlet form.

BE IT FURTHER ORDAINED that the provisions and sections of this Ordinance shall be deemed to be separable, and the invalidity of any portion of this Ordinance shall not affect the validity of the remainder.

BE IT FURTHER ORDAINED that this Ordinance shall be in full force and effect from and after its passage and approval and publication, as required by law.

Passed by the Mayor and the City Council of the City of Rock Falls on the \_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

AYE

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Exhibit A

Part of the Northwest Quarter of the Southeast Quarter of Section 30, Township 21 North, Range 7 East of the 4<sup>th</sup> Principal Meridian, Whiteside County, Illinois, described as follows:

Commencing at the southwest corner of said Southeast Quarter of Section 30; thence North 0 degrees 37 minutes 16 seconds West, a distance of 1906.70 feet on the west line of said Southeast Quarter, to the south line of an unrecorded right of way dedication; thence North 89 degrees 28 minutes 14 seconds East, a distance of 80.00 feet on said south line to the east line of said unrecorded dedication and the Point of Beginning; thence North 0 degrees 37 minutes 16 seconds West, a distance of 742.20 feet on said east line to the north line of said Southeast Quarter; thence North 89 degrees 28 minutes 14 seconds East, a distance of 1240.30 feet on said north line, to the east line of said Northwest Quarter of the Southeast Quarter; thence South 0 degrees 31 minutes 25 seconds East, a distance of 742.20 feet on said east line; thence South 89 degrees 28 minutes 14 seconds West, a distance of 1239.04 feet to the Point of Beginning, containing 21.12 acres, more or less.

CITY OF ROCK FALLS

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ORDINANCE NO. \_\_\_\_\_

**ORDINANCE AUTHORIZING A VARIANCE PURSUANT TO THE PETITION OF  
THE ROCK FALLS INDUSTRIAL DEVELOPMENT COMMISSION  
103 CLEARWATER DRIVE, ROCK FALLS, IL 61071**

---

ADOPTED BY THE  
MAYOR AND CITY COUNCIL  
OF THE  
CITY OF ROCK FALLS

THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2019

---

Published in pamphlet form by authority of the Mayor and City Council of the City of Rock Falls, this \_\_\_\_ day of \_\_\_\_\_, 2019.

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**R.N.O.W., Inc.**  
 8636R West National Avenue  
 West Allis, WI 53227

# QUOTATION

Quote Number: 2019-4215  
 Quote Date: Aug 7, 2019  
 Page: 1

Voice: 414-541-5700  
 Fax: 414-543-9797

**Quoted to:**  
 CITY OF ROCK FALLS  
 603 WEST 10TH STREET  
 ROCK FALLS, IL 61071  
 U.S.A.

Accepted By: \_\_\_\_\_  
 Sign above to accept quotation and place order

Customer Fax:

Customer ID	Good Thru	Payment Terms	Sales Rep
ROCK FALLS IL	9/6/19	DUE ON DELIVERY	KJW

Quantity	Item	Description	Unit Price	Amount
1.00	FREIGHTLINER CHASSIS	Freightliner M2 33K, 184" 200HP DS 2500 '19 - Freightliner M2 (184") ~ Under cab exhaust - Air Filter Restrict Ind Chassis - Chassis Engine Block Heater	79,365.00	79,365.00
1.00	S-A9 MONSOON	SCHWARZE A9 MONSOON REGENERATIVE AIR SWEEPER - 134 hp John Deere Tier IVF - Standard w/rubber blast orifice - Gutter Broom, Dual - Gutter Broom, Tilt Power Dual - Gutter Broom, GEO Dual - Standby, Full w/Throttle Ramp - Variable Speed Gutter Broom(S) - Manual, Sweeper, Additional Copy (Paper) - 10 point remote grease manifold - Camera System, Dual - Water Tank, Standard 250G - Water Tank, W/ Add. 350G Total = 600 gallons - Water Tank Low Level Alarm & Ind. - Spray Bar, Front - Spray Bar, Hopper Add. 7 Nozzles	200,460.00	200,460.00

**Thank you for the opportunity to quote**

**SUBMITTED BY** \_\_\_\_\_  
**Steven D. Krall**  
**President**

Subtotal	Continued
Sales Tax	Continued
Freight	
<b>TOTAL</b>	<b>Continued</b>



R.N.O.W., Inc.  
 8636R West National Avenue  
 West Allis, WI 53227

# QUOTATION

Quote Number: 2019-4215  
 Quote Date: Aug 7, 2019  
 Page: 2

Voice: 414-541-5700  
 Fax: 414-543-9797

Quoted To:  
 CITY OF ROCK FALLS  
 603 WEST 10TH STREET  
 ROCK FALLS, IL 61071  
 U.S.A.

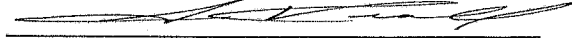
Accepted By: \_\_\_\_\_  
 Sign above to accept quotation and place order

Customer Fax:

Customer ID	Good Thru	Payment Terms	Sales Rep
ROCK FALLS IL	9/6/19	DUE ON DELIVERY	KJW

Quantity	Item	Description	Unit Price	Amount
		- High Pressure Washdown W/ 50' Hose Reel - Hopper W/ Remote DD Screens - Hopper Sound Suppression - Hopper Dump Assist Shaker - Hopper Deluge, Conical Spray - Hopper Up Alarm & Indicator - Hopper Aux. Engine Screen Cover - Hopper, High Strength Stainless Steel ~LIFETIME WARRANTY~ - Hydraulic Filter Restriction Alarm & Ind - Low Hydraulic Level Indicator In-Cab - Air Filter Restriction Indicator (In-Cab) - Strobe, Rear W/Guard LED (Std) - Arrowboard, Traffic Guide, LED - Paint, Standard White to Match Cab - Decal Kit - 3" Quick Connect Fittings for Fill Hose and Deluge - STANDARD- 1 Year or 1200 hours Warranty - Training for (2) Mechanics at Schwarze Factory for each machine purchased. Two		

Thank you for the opportunity to quote

SUBMITTED BY   
 Steven D. Krall  
 President

Subtotal	Continued
Sales Tax	Continued
Freight	
<b>TOTAL</b>	<b>Continued</b>



**R.N.O.W., Inc.**  
 8636R West National Avenue  
 West Allis, WI 53227

# QUOTATION

Quote Number: 2019-4215  
 Quote Date: Aug 7, 2019  
 Page: 3

Voice: 414-541-5700  
 Fax: 414-543-9797

**Quoted For**  
 CITY OF ROCK FALLS  
 603 WEST 10TH STREET  
 ROCK FALLS, IL 61071  
 U.S.A.

Accepted By: \_\_\_\_\_  
*Sign above to accept quotation and place order*

Customer Fax:

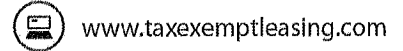
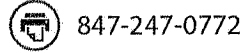
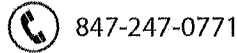
Customer ID	Good Thru	Payment Terms	Sales Rep
ROCK FALLS IL	9/6/19	DUE ON DELIVERY	KJW

Quantity	Item	Description	Unit Price	Amount
1.00	TRADE IN	day training including classroom fees, airfare, hotel, and per diem TRADE IN - PELICAN SWEEPER	45,000.00	-45,000.00

**Thank you for the opportunity to quote**

SUBMITTED BY   
 Steven D. Krall  
 President

Subtotal	234,825.00
Sales Tax	
Freight	
<b>TOTAL</b>	<b>234,825.00</b>



August 9, 2019

City of Rock Falls  
Rock Falls, IL

Re: Financing of a New Street Sweeper

Ladies and Gentlemen:

We are pleased to provide the City of Rock Falls with the following lease-purchase financing proposal. As you already know, tax-exempt leasing is a financing tool that allows municipal entities to purchase needed equipment immediately and pay for it over time. It's also a terrific way to avoid inflation by protecting you from future price increases!

Under a lease-purchase financing arrangement, each payment you make is applied to principal and interest and, at the end of the term, YOU own the equipment outright. We simply record a security interest in the equipment until the loan has been repaid in full.

The illustration below shows annual payments for 5- and 7-year terms.

Equipment Cost:	\$234,825.00	
Finance Amount:	\$234,825.00	
Term:	<u>5-years</u>	<u>7-years</u>
Rate:	2.99%	3.19%
Rate Factor:	.21829	.16166
Annual Payment*:	\$51,259.95	\$37,961.81

*Rates, factors and payments assume that the Customer is a municipal, tax-exempt entity and the purchase of the equipment falls within the type of equipment allowed as tax-exempt under the I.R.S. Code. In the event this purchase is not exempt, the rate and payments will be adjusted accordingly. Further, it is assumed that the transaction will be "bank-qualified" and that the customer will not issue more than \$10 million in tax-exempt leases or bonds in the current calendar year.*

\*-The first payment shown above is due one year from the date of the lease contract with subsequent payments due annually thereafter.

*This quote is valid for 14 days and is subject to credit approval and proper documentation. THERE ARE NO UPFRONT POINTS, FEES OR CLOSING COSTS.*

Tax-Exempt Leasing Corp. is a privately-held equipment finance company providing innovative financing solutions to tax-exempt entities nationwide. We understand our customers' needs and provide them with competitive rates and superior customer service. Please let me know if I can answer any questions or if you would like to look at any additional proposals or options. I can be reached at 888-247-0771 or via cell phone at 708-347-6367.

Kind Regards,

Joanne Deigan  
Senior Account Executive

**INTERCONNECTION AGREEMENT**  
**FOR INTERCONNECTION AND**  
**PARALLEL OPERATION OF CERTIFIED INVERTOR-BASED EQUIPMENT**

THIS INTERCONNECTION AGREEMENT ("Agreement") entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 2019, by and between the CITY OF ROCK FALLS, ILLINOIS, a municipal corporation created and existing under the laws of the State of Illinois ("City"), and SOL SYSTEMS, LLC ("Customer"). The City and Customer may be hereinafter referenced when individually as "Party" or cumulatively as "Parties".

IN CONSIDERATION OF the mutual covenants and agreements set forth in this Agreement, the Parties agree as follows:

1. Customer shall install, or has installed, and shall operate, use, and maintain, all at Customer's own expense, an inverter-based Customer-generator facilities and associated equipment ("Generation Facilities") to interconnect and operate in parallel with City's electric distribution system, which Generation Facilities are more fully described as follows:
  - a. Location: **Lots 14 & 15 Rock Falls Industrial Park, Subdivision 7, Rock Falls, IL 61071**
  - b. Type of facility: **Photovoltaic Solar**
  - c. Total Inverter Power Rating for solar: **1.0 MW (AC)**
  - d. Customer's contact information, Customer's contractors, electrical components, ratings and service requirements of the Generation Facilities as provided in Attachment A (Interconnection Request Application Form) and as described in a single line diagram, plot plan and other illustrations and tables attached hereto describing the Generation Facilities' conduits and conductors, system grounding and bonding, control system diagram, and any field adjustable voltage and frequency settings. All of the above incorporated herein by this reference.
2. Customer shall post with City a security deposit, in cash or Letter of Credit in form reasonably acceptable to City, and in the amount of **Two Hundred Fifty Thousand dollars (\$250,000)**, which is equal to the City's estimated cost of the additional electric distribution equipment to be provided by the City to interconnect the Generation Facilities (the "Security Deposit"). If Customer cancels the project and does not install the Generation Facilities, the City shall be entitled to retain the Security Deposit up to the cost of the stranded equipment procured to interconnect the Generation Facilities, less such costs that the City is reasonably able to mitigate following such cancellation. Otherwise, the City shall refund the Security Deposit to Customer within thirty (30) calendar days of

completion of the initial interconnection of the Generation Facilities with the City's electric distribution system.

3. Customer and the Illinois Municipal Electric Agency, herein referred to as IMEA, have entered into a Power Purchase Agreement ("PPA") for the purchase and sale of solar generated electric energy from the Generation Facilities. IMEA and the City have entered into a Generation Siting and Operating Agreement ("Siting Agreement") with respect to the Generation Facilities. These agreements are incorporated herein by this reference. The Parties acknowledge that they are each in possession of executed copies of these agreements and therefore they are not attached hereto. Except as set forth above, this Agreement shall remain in effect concurrent with the term of the PPA between the Customer and IMEA.
4. Customer represents and warrants that the Generation Facilities are, or will be prior to operation, designed and installed to meet and certified as complying with the following standards (the "Quality Standards"):
  - a. The requirements of the Institute of Electrical and Electronics Engineers ("IEEE") Standard 1547-2018, "Standard for Interconnecting Distributed Resources with Electric Power Systems"; as amended and supplemented as of the date of this Agreement, which standard is incorporated herein by this reference ("IEEE Standard 1547-2018"); and
  - b. The requirements of the Underwriters Laboratories ("UL") Standard 1741 Concerning Inverters, Converters and Controllers for Use in Independent Power Systems, as amended and supplemented as of the date of this Agreement, which standard is incorporated herein by this reference.
5. Customer agrees to take such steps as may be necessary to ensure that any subsequent modifications to the Generation Facilities meet such requirements, as then amended and supplemented. Customer's installation, operation, use, and maintenance of the Generation Facilities is subject to and will be in compliance with all applicable requirements of law including those enumerated in the City Code. Any reference to the requirements of law shall be deemed to include any modifications of, or amendments to, the requirements of law that may occur in the future.
6. In general, the connection of the Generation Facilities to the City's electric distribution system shall not unreasonably compromise or degrade the power quality provided to existing City customers. All equipment installed by Customer shall have operating characteristics which enable the City to maintain a reasonable standard of service to both Customer and all City customers, and may include equipment or materials providing levels of performance greater than otherwise deemed "standard". The reasonableness of any such determination required in this section shall be made in the sole discretion of the City's Electrical Director or his or her designee, provided however such discretion shall be exercised in good faith .

7. During all periods of Generation Facilities operation, Customer shall maintain the power factor of the delivered energy from the Generation Facilities in the range of 95% lagging to 95% leading.
8. Customer shall provide a lockable disconnect and interrupting device or devices which provide a means of electrically isolating the Generation Facilities from the City's electric distribution system by manual operation and automatically for faults or abnormal conditions on Customer's system or on the City's system. The lockable disconnect shall be located near the Rock Falls Electric Department's ("RFED") transformer and metering cabinet and shall be accessible to RFED personnel. Interrupting devices must have sufficient interrupting capacity to interrupt the available fault at the protective device location. All interconnection related protective functions and associated DC supplies shall be periodically tested no less than every three (3) years. The City reserves the right to witness testing of interrupting devices, protective functions and associated DC supplies prior to commencement of commercial service and when periodically tested. All such test reports shall be submitted by Customer to the City. The Customer shall complete and provide the Certificate of Completion (included in Attachment A) to the City with all relevant and necessary information and inspections fully completed prior to commencement of interconnected operation.
9. Given that the main isolation breaker will be locked inside the Generation Facilities without normal City access, Customer shall provide City a remote, key operated shunt trip switch to open the main breaker from outside of the Generation Facilities. For maintenance or replacement of City equipment that requires the main breaker to be locked out; for example, work on the transformer or CT cabinet, City shall require Customer to provide timely access to the Generation Facilities for the purpose of locking the breaker in the open position and placement of required Lock-Out/Tag Out devices while the City equipment work is completed. Customer shall not remove any applied hold cards or lock out devices under any circumstances.
10. Metering and billing of Customer by the City shall be as follows: A single, bi-directional three-phase meter is being placed for the solar generation. The auxiliary power that will be drawn from the City's system by Customer during non-sun hours is expected to be minimal based on the preliminary drawings and plans. Although the auxiliary power is expected to be minimal the City will provide a 120/240 V source and meter to a customer owned meter socket for auxiliary (service) power which will be metered and billed monthly following Rock Falls standard service rules and rates. This meter shall be installed external to any buildings and shall be in a location that is accessible to the Utility.
11. With respect to the installation and operation of the Generation Facilities and its interconnection to City's electric system, Customer shall defend, indemnify and hold harmless the City, its officers, officials, employees, volunteers, agents, and representatives from and against any and all liability, losses or damages as a result of claims, demands, suits, actions, or proceedings of any kind or nature, including but not limited to costs, and fees, including reasonable attorney fees, to the extent resulting from any negligent or willful act or omission on the part of Customer or Customer's, officers, employees, agents,

representatives, consultants or subcontractors. Such defense, indemnification, and hold harmless obligation shall not be limited due to the enumeration of any insurance coverage herein provided.

- a. Nothing contained herein shall be construed as prohibiting the City or its officers, officials, employees, volunteers, agents, and representatives, from defending through the selection and use of their own agents, attorneys, and experts, any claims, actions or suits brought against them.
  - b. Nothing herein shall be construed as a limitation or waiver of defenses available to the City, or its officers, officials, employees, volunteers, agents, and representatives, including but not limited to the Illinois Local Governmental and Governmental Employees Tort Immunity Act, 745 ILCS 10/1-101 et seq.
  - c. Except as provided by Illinois statute, the City shall not be liable to Customer for any damage or injury to its officers, employees, agents, representatives, subcontractors, consultants, customers, and invitees or property which arise or results from Customer's use of the Generation Facilities. The City shall also not be liable for loss of Customer's property due to theft. The City shall not be liable for any consequential or sequential damages resulting from any losses sustained by Customer related to the operation or lack of operation of the City's utilities or other services. All claims for any such damaged or injuries being hereby expressly waived by Customer.
  - d. The provisions of this Section 11 shall survive completion, expiration or termination of this Agreement.
12. Customer shall, at its own expense, procure and maintain in effect throughout the duration of this Agreement, reasonable amounts of liability insurance against claims for injuries to persons or damage to property which may arise from or in connection with this Agreement and the installation and operation of the Generation Facilities by Customer, its officers, employees, volunteers, agents, representatives, subcontractors, consultants, customers, and invitees. The limits of liability for the insurance required shall provide coverage for not less than the limits reasonably required by City from time to time. If Customer, or any of its officers, employees, agents, representatives, subcontractors, consultants, customers, or invitees, maintain higher limits than required, the City shall be entitled to coverage for higher limits.
- a. All insurance policies shall be written with insurance companies licensed to do business in the State of Illinois and having a rating of not less than A: VII according to the A.M. Best Company. The issuing company shall provide at least thirty (30) days prior written notice of an intended cancellation to the City by certified mail before the stated expiration date of such policy period, .



- b. For any claims arising from or related to this Agreement, or Customer's installation, operation, use or maintenance of the Generation Facilities, Customer's insurance coverage shall be primary insurance as respects the City, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees or volunteers shall be excess of Customer's insurance and shall not contribute with it.
  - c. Customer hereby agrees to waive its rights of subrogation which any insurer of Customer may acquire from Customer by virtue of the payment of any loss. Customer agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the City for all work performed by Customer, its officers, officials, employees, agents, representatives, subcontractors, and consultants.
  - d. The City, its officers, officials, employees, agents, representatives and volunteers are to be covered as additional insureds with respect to liability arising out of on-site work or operations performed by or on behalf of Customer related to this Agreement and Generation Facilities.
  - e. Customer shall furnish Certificates of Insurance to the City prior to beginning the installation of the Generation Facilities or, if already installed, prior to operation of the Generation Facilities.
13. The City shall have the right to suspend service or require the Customer to immediately disconnect the on-site Generation Facilities, with appropriate notice, without liability to the City if in the City's sole reasonable judgment and discretion, (a) continued electrical generation by Customer may be dangerous to life, limb or property or otherwise materially and adversely affects the safe operation of the City's electric distribution system; (b) if there are significant alterations to the Generation Facilities without the City's approval, which approval shall not be unreasonably withheld ; (c) if failure of Customer's Generation Facilities will cause disturbances to the City's distribution system; or (d) if Customer violates the terms or conditions of this Agreement or applicable codes and industry standards identified herein. In the event City suspends service or requires the Customer to disconnect the on-site Generation Facilities for said causes herein, the City and Customer agree to work towards a remedy that resolves any and all technical problems with said on-site generation equipment, after which approval shall not be unreasonably withheld by the City to allow the Customer to bring said on-site Generation Facilities back online and resumption of service by City.
14. The City, in its sole discretion, may terminate this Agreement if by act or omission, Customer breaches or defaults on any material term or condition of this Agreement and Customer fails to cure such breach or default within thirty (30) calendar days after its receipt of written notice of same from the City.

15. This Agreement and all of the covenants and conditions herein contained shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns. Customer may assign this Agreement to any entity taking assignment of the PPA in accordance with its terms. In the event of assignment, Customer shall notify City of such assignment, and include the identity and all contact information of the assignee. Such notice and information to be provided not later than the next business day after the effective date of the assignment. Neither this Agreement nor any of the terms, covenants or conditions herein may be modified or amended, except by an agreement in writing duly executed and delivered by both the City and Customer. An amendment or modification to this Agreement shall not be effective unless and until it is reduced to writing and approved and executed by all Parties in accordance with all requirements of law.
16. This Agreement constitutes the entire agreement between the Parties and supersedes any and all prior agreements and negotiations between the Parties, whether written or oral, relating to the subject matter of this Agreement.
17. Unless expressly provided to the contrary in this Agreement, each and every one of the rights, remedies, and benefits provided by this Agreement shall be cumulative and shall not be exclusive of any other rights, remedies, and benefits allowed by law. The failure of a Party to insist upon strict performance of any of the terms, covenants or conditions herein contained shall not be deemed a waiver of any of its rights or remedies and shall not be deemed a waiver of any subsequent breach or default of any of said terms, covenants and conditions.
18. It is hereby expressed to be the intent of the Parties that should any provision, covenant, agreement, or portion of this Agreement or its application to any person or property be held invalid by a court of competent jurisdiction, the remaining provisions of this Agreement and the validity, enforceability, and application to any person or property shall not be impaired thereby, but the remaining provisions shall be interpreted, applied, and enforced so as to achieve, as near as may be, the purpose and intent of this Agreement to the greatest extent permitted by applicable law.
19. This Agreement shall be governed by, and enforced in accordance with, the internal laws of the State of Illinois. Venue for disputes arising from or related to this Agreement or the Generation Facilities shall be in the Illinois Circuit Court for the Fourteenth Judicial Circuit, Whiteside County, Illinois.
20. Any notice, request, instruction, or other document to be given thereunder to any party shall be in writing and deemed given on the date it is delivered: (i) personally; (ii) sent by registered or certified mail, postage prepaid; (iii) by email; or, (iv) by facsimile, as follows:

*If to City:*

City of Rock Falls  
603 W. 10<sup>th</sup> Street  
Rock Falls, IL 61071

Attention: Electric Department Director  
E-mail: [dsimon@rockfalls61071.com](mailto:dsimon@rockfalls61071.com)  
Fax: \_\_\_\_\_

*With a copy to:*

Ward, Murray, Pace & Johnson, P.C.  
202 E. 5<sup>th</sup> Street; P.O. Box 400  
Sterling, IL 61081  
Attention: James L. Reese  
E-mail: [reese@wmpj.com](mailto:reese@wmpj.com)  
Fax: 815-625-8363

*If to Customer:*

SOL Systems, LLC  
\_\_\_\_\_  
\_\_\_\_\_

Attention: \_\_\_\_\_  
E-mail: \_\_\_\_\_  
Fax: \_\_\_\_\_

Any party may change its address for purposes of this paragraph by giving notice of such change of address to the other party in the manner provided for giving notice.

**SIGNATURES ON FOLLOWING PAGE**

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their proper officials, respectively, being thereunto duly authorized, as of the day, month and year first above written.

**CITY OF ROCK FALLS, ILLINOIS**

**SOL SYSTEMS, LLC**

\_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_



Baker Tilly Virchow Krause, LLP  
Ten Terrace Ct; PO Box 7398  
Madison, WI 53707-7398  
United States of America

T: +1 (608) 249 6622  
F: +1 (608) 249 8532

[bakertilly.com](http://bakertilly.com)

July 26, 2019

Ms. Robbin Blackert  
City Administrator  
City of Rock Falls, Illinois  
603 West 10<sup>th</sup> Street  
Rock Falls, IL 61071

Dear Ms. Blackert:

Thank you for inquiring and discussing potential metrics and benchmarking services that Baker Tilly can provide to the Rock Falls Utilities.

Attached to this letter is an engagement letter describing the scope of services and fees for these services. Once you have had a chance to review the attachment, let's have a call and discuss this further. If you have any immediate questions, please don't hesitate to contact me at 608.240.2412 ([jodi.dobson@bakertilly.com](mailto:jodi.dobson@bakertilly.com)).

Thank you for the opportunity to serve you.

Sincerely,

BAKER TILLY VIRCHOW KRAUSE, LLP

A handwritten signature in black ink that reads "Jodi Dobson". The signature is written in a cursive, flowing style.

Jodi Dobson, CPA, Partner

Enclosures

## Rock Falls Utilities

### Professional Services Agreement for Benchmarking and Metrics Analysis

#### Objective:

To provide Rock Falls with metrics and benchmarking services for the Electric Utility.

#### Proposed Services

The proposed services are based on the following workplan.

1. Meet with City Administrator to discuss an overview of a metrics program
2. Identify industry measures that are applicable to operations of all Rock Falls Electric Utility services
3. Discuss management's desired use of a metrics program and how it would be incorporated into Rock Falls strategy and performance measurement
4. Identify key metrics that can be used by Rock Falls to measure and meet the goals identified in #2 and #3 above
5. Identify peer utility comparables for Rock Falls to consider
6. Develop baseline measures of the metrics to be used in the Rock Falls program
7. Discuss and develop outside reporting resources to be used in metrics comparables
8. Conduct interviews with process owners to collect detailed data outputs from major systems related to the metrics
9. Review system information and reports
10. Document business processes and procedures for inputting data, compiling data, manipulating and reporting data related to the metrics
11. Evaluate the processes and procedures used for data assembly, make recommendations for process efficiencies
12. Evaluate the quality of data collected and reported
13. Work with Rock Falls to develop reporting tools and dashboards that can be used to disseminate metrics
14. Work with Rock Falls City Administrator to develop governance reporting tools to present to the City Council
15. Develop a workplan for Rock Falls to follow for ongoing management of this project and for use in implementing on a going forward basis
16. Present a report to management and the Council on the framework of the metrics program
17. Perform a follow-up review with Rock Falls City Administrator once metrics have been developed to evaluate them in light of the initial project plan
18. Perform a follow-up review at a later date to be determined (6 months - 1 year after implementation) to determine implementation success and modifications needed
19. Provide ongoing support and guidance to Rock Falls for issues that will arise during implementation of the program

The project deliverables are anticipated to be as follows:

1. Detailed project workplan
2. High level overview of the proposed metrics plan and metrics measures that would be most effective in providing Rock Falls with meaningful data for analysis and utilization in business planning
3. Report on trend analysis of Rock Falls' metrics for baseline information
4. Implementation plan and timeline for integration of metrics management into Rock Falls' current business planning processes, budgeting, and performance management
5. Recommendations as to the recommended measures for metrics
6. Business process maps of the data accumulation process that will be needed by metrics to meet reporting requirements
7. Draft report of the analysis encompassing the research discussed above
8. Presentation of draft report to Rock Falls management and City Council and discussion of report revisions
9. Issuance of revised report in final form
10. Presentation of final report to the Rock Falls City Council and Rock Falls management as requested

**Fees for Metrics Development for Rock Falls Electric Utility**

Workplan Task	Partner	Project Manager	Senior	Total
1. Project Planning and Management	2	4		6
2. Determining metrics performance measures for the electric utility	1	10	10	21
3. Determine information sources and processes needed for information reporting	1	4	4	9
4. Design reports and dashboards for reporting	2	20	18	40
5. Prepare report, give presentations to management and City Council	4	6		10
6. Program check up in six months to one year	2	4	2	8
<b>Total Hours</b>	<b>12</b>	<b>48</b>	<b>34</b>	<b>94</b>
Hourly Rate	\$ 400	\$ 235	\$ 170	
<b>Total Fees</b>	<b>4,800</b>	<b>11,280</b>	<b>5,780</b>	<b>\$ 21,860</b>
<b>Travel Expenses</b>				<b>2,000</b>
<b>Total Project Fees</b>				<b>\$ 23,860</b>

Travel expenses are estimated in the schedule above and will be billed at our cost.

**Qualifications Commitment**

The partner in charge of providing services to Rock Falls is Ms. Jodi Dobson. He is responsible for your complete satisfaction with the completion and results of this project. The Project Manager for the project is Ms. Amanda Lasinski.

The project team will include other members of our staff as needed with the requisite experience to provide these services.

**Standard Business Terms**

The services provided under this engagement are governed under the attached terms and conditions.

**Agreement to Contract Term**

If the terms of this letter are in accordance with your understanding and agreement, please sign below and return a signed copy of this letter via mail or scanned email.

If you have any questions, don't hesitate to call Jodi Dobson at 608 240 2212 or email [Jodi.Dobson@bakertilly.com](mailto:Jodi.Dobson@bakertilly.com). We appreciate the opportunity to propose these services and are excited to be working with you on this project.

Sincerely,

BAKER TILLY VIRCHOW KRAUSE, LLP



We hereby accept the terms of this engagement and formally approve this engagement.

\_\_\_\_\_  
Official Signature

\_\_\_\_\_  
Rock Falls Utilities

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date



# Baker Tilly Virchow Krause, LLP

## Standard Business Terms

These Standard Business Terms ("Terms") govern the services provided by Baker Tilly Virchow Krause, LLP ("Baker Tilly", "we", "us" or "our") set forth in the Statement of Work to which these Terms are attached (the "Services"). These Terms, together with the Statement of Work to which they are attached, constitute the entire understanding and agreement between the client identified on such Statement of Work (the "Client") and Baker Tilly with respect to the Services described in the Statement of Work (collectively, the Statement of Work and these Terms are referred to as the "Agreement") and supersede and incorporate all prior or contemporaneous representations, understandings or agreements, and may not be modified or amended except by an agreement in writing signed between the parties hereto. If there is a conflict between these Terms and the terms of any Statement of Work, these Terms shall govern.

### Section 1. Confidentiality

With respect to this Agreement and any information supplied in connection with this Agreement and designated by the disclosing party (the "Disclosing Party") as "Confidential Information" either by marking it as "confidential" prior to disclosure to the receiving party (the "Recipient") or, if such information is disclosed orally or by inspection, then by indicating to the Recipient that the information is confidential at the time of disclosure and confirming in writing to the Recipient, the confidential nature of the information within ten (10) business days of such disclosure, the Recipient agrees to: (i) protect the Confidential Information in the same manner in which it protects its confidential information of like importance, but in no case using less than reasonable care; (ii) use the Confidential Information only to perform its obligations under this Agreement; and (iii) reproduce Confidential Information only as required to perform its obligations under this Agreement. This section shall not apply to information which is (A) publicly known, (B) already known to the recipient; (C) disclosed to a third party without restriction; (D) independently developed; or (E) disclosed pursuant to legal requirement or order, or as is required by regulations or professional standards governing the Services performed. Subject to the foregoing, Baker Tilly may disclose Client's Confidential Information to its subcontractors and subsidiaries.

### Section 2. Deliverables

(a) Materials specifically prepared by Baker Tilly for Client as a deliverable under a Statement of Work (each a "Deliverable") may, when fully paid for by Client, be used, copied, distributed internally, and modified by Client but solely for its internal business purposes. Client shall not, without Baker Tilly's prior written consent, disclose to a third party, publicly quote or make reference to the Deliverables. Baker Tilly shall retain all right, title and interest in and to: (i) the Deliverables, including but not limited to, all patent, copyright, trademark and other intellectual property rights therein; and (ii) all methodologies, processes, techniques, ideas, concepts, trade secrets and know-how embodied in the Deliverables or that Baker Tilly may develop or supply in connection with this Agreement (the "Baker Tilly Knowledge"). Subject to the confidentiality restrictions contained in Section 1, Baker Tilly may use the Deliverables and the Baker Tilly Knowledge for any purpose.

(b) The documentation for this engagement, including the workpapers, is not part of the Deliverables, is the property of Baker Tilly and constitutes confidential information. We may have a responsibility to retain the documentation for a period of time sufficient to satisfy any applicable legal or regulatory requirements for records retention. If we are required by law, regulation or professional standards to make certain documentation available to Regulators, Client hereby authorizes us to do so.

### Section 3. Acceptance

Client shall accept Deliverables which (i) substantially conform to the specifications in the Statement of Work or (ii) where applicable, successfully complete the mutually agreed to acceptance test plan described in the Statement of Work. Client will promptly give Baker Tilly written notification of any non-conformance of the Deliverables with such requirements ("Non-conformance") within thirty (30) days following delivery of such Deliverables, and Baker Tilly shall have a reasonable period of time, based on the severity and complexity of the Non-conformance, to correct the Non-conformance so that the Deliverables substantially conform to the specifications. If Client uses the Deliverable before acceptance, fails to promptly notify Baker Tilly of any Non-conformance within such 30-day period, or delays the beginning of acceptance testing more than five (5) business days past the agreed upon date for the start of such acceptance testing as specified or otherwise determined under the Statement of Work, then the Deliverable shall be deemed irrevocably accepted by the Client.

### Section 4. Standards of Performance

Baker Tilly shall perform its Services in conformity with the terms expressly set forth in this Agreement. Accordingly, our Services shall be evaluated on our substantial conformance with such terms and standards. Any claim of nonconformance (and applicability of such standards) must be clearly and convincingly shown. Client acknowledges that the Services will involve the participation and cooperation of management and others of Client. Unless required by professional standards or Client and Baker Tilly otherwise agree in writing, Baker Tilly shall have no responsibility to update any of its work after its completion.

### Section 5. Warranty

(a) Each party represents and warrants to the other that it has full power and authority to enter into and perform this Agreement and any Statement of Work entered into pursuant hereto and the person signing this Agreement or such Statement of Work on behalf of each party hereto has been properly authorized and empowered to enter into this Agreement.

(b) Client warrants that it has the legal right and authority, and will continue to have the legal right and authority during the term of this Agreement, to operate, configure, provide, place, install, upgrade, add, maintain and repair (and authorize Baker Tilly to do any of the foregoing to the extent the same are included in the Services) the hardware, software and data that comprises any of Client's information technology system upon which or related to which Baker Tilly provides Services under this Agreement.

(c) Baker Tilly warrants that any Services that it provides to Client under this Agreement and any Statement of Work will be performed in accordance with generally accepted industry standards of care and competence. Client's sole and exclusive remedy for a breach of Baker Tilly's warranty will be for Baker Tilly, in its sole discretion, to either: (i) use its reasonable commercial efforts to re-perform or correct the Services, or (ii) refund the fee Client paid for the Services that are in breach of Baker Tilly's warranty. Client must make a claim for breach of warranty in writing within thirty (30) days of the date that the Services that do not comply with Baker Tilly's warranty are performed. This warranty is voided in the event that Client makes alterations to the Services provided by Baker Tilly or to the environment in which the Services are used (including the physical, network and systems environments) that are not authorized in writing by Baker Tilly. If Client does not notify Baker Tilly of a breach of Baker Tilly's warranty during that 30-day period, Client will be deemed to have irrevocably accepted the Services.

(d) Baker Tilly does not warrant any third-party product (each, a "Product"). All Products are provided to Client by Baker Tilly "AS IS." Baker Tilly will, to the extent it is allowed to by its vendors, pass through any warranties and indemnifications provided by the manufacturer of the Product. Client, recognizing that Baker Tilly is not the manufacturer of any Product, expressly waives any claim that Client may have against Baker Tilly based upon any product liability or infringement or alleged infringement of any patent, copyright, trade secret or other intellectual property right (each a "Claim") with respect to any Product and also waives any right to indemnification from Baker Tilly against any such Claim made against Client by another. Client acknowledges that no employee of Baker Tilly or any other party is authorized to make any representation or warranty on behalf of Baker Tilly that is not in this Agreement.

(e) This section 5 is Baker Tilly's only warranty concerning the services and any deliverable, and is made expressly in lieu of all other warranties and representations, express or implied, including any implied warranties of merchantability, ACCURACY, TITLE, non-infringement, or fitness for a particular purpose, or otherwise.

## Baker Tilly Virchow Krause, LLP Standard Business Terms (cont.)

### **Section 6. Limitation on Damages and Indemnification**

(a) The liability (including attorney's fees and ALL other costs) of Baker Tilly and its present or former partners, principals, agents or employees related to any claim for damages relating to the services performed under this Agreement shall not exceed the fees paid to Baker Tilly for the portion of the work to which the claim relates, except to the extent finally determined to have resulted from the willful misconduct or fraudulent behavior of Baker Tilly relating to such services. This limitation of liability is intended to apply to the full extent allowed by law, regardless of the grounds or nature of any claim asserted, including the negligence of either party. Additionally, in no event shall either party be liable for ANY lost profits, LOST Business opportunity, lost data, consequential, special, incidental, exemplary or punitive damages DELAYS, INTERRUPTIONS, OR VIRUSES arising out of or related to this Agreement even if the other party has been advised of the possibility of such damages.

(b) As Baker Tilly is performing the Services solely for the benefit of Client, Client will indemnify Baker Tilly, its subsidiaries and their present or former partners, principals, employees, officers and agents against all costs, fees, expenses, damages and liabilities (including attorneys' fees and all defense costs) associated with any third-party claim, relating to or arising as a result of the Services, Client's use of the Deliverables, or this Agreement.

(c) In the event Baker Tilly is requested by the Client; or required by government regulation, subpoena, or other legal process to produce our engagement working papers or its personnel as witnesses with respect to its Services rendered for the Client, so long as Baker Tilly is not a party to the proceeding in which the information is sought, Client will reimburse Baker Tilly for its professional time and expenses, as well as the fees and legal expenses, incurred in responding to such a request.

(d) Because of the importance of the information that Client provides to Baker Tilly with respect to Baker Tilly's ability to perform the Services, Client hereby releases Baker Tilly and its present and former partners, principals, agents and employees from any liability, damages, fees, expenses and costs, including attorneys fees, relating to the Services, that arise from or relate to any information, including representations by management, provided by Client, its personnel or agents, that is not complete, accurate or current.

(e) Each party recognizes and agrees that the warranty disclaimers and liability and remedy limitations in this Agreement are material bargained for bases of this Agreement and that they have been taken into account and reflected in determining the consideration to be given by each party under this Agreement and in the decision by each party to enter into this Agreement.

(f) The terms of this Section 6 shall apply regardless of the nature of any claim asserted (including, but not limited to, contract, tort, or any form of negligence, whether of Client, Baker Tilly or others), but these terms shall not apply to the extent finally determined to be contrary to the applicable law or regulation. These terms shall also continue to apply after any termination of this Agreement.

(g) Client accepts and acknowledges that any legal proceedings arising from or in conjunction with the services provided under this Agreement must be commenced within twelve (12) months after the performance of the Services for which the action is brought, without consideration as to the time of discovery of any claim.

### **Section 7. Personnel**

During the term of this Agreement, and for a period of six (6) months following the expiration or termination thereof, neither party will actively solicit the employment of the personnel of the other party involved directly with providing Services hereunder. Both parties acknowledge that the fee for hiring personnel from the other party, during the project term and within six months following completion, will be a fee equal to the hired person's annual salary at the time of the violation so as to reimburse the party for the costs of hiring and training a replacement.

### **Section 8. Termination**

(a) This Agreement may be terminated at any time by either party upon written notice to the other. However, upon termination of this Agreement, this Agreement will continue to remain in effect with respect to any Statement(s) of Work already issued at the time of such termination, until such Statements of Work are themselves either terminated or the performance thereunder is completed.

(b) This Agreement and all Statements of Work may be terminated by either party effective immediately and without notice, upon: (i) the dissolution, termination of existence, liquidation or insolvency of the other party, (ii) the appointment of a custodian or receiver for the other party, (iii) Consulting Terms

the institution by or against the other party of any proceeding under the United States Bankruptcy Code or any other foreign, federal or state bankruptcy, receivership, insolvency or other similar law affecting the rights of creditors generally, or (iv) the making by the other party of any assignment for the benefit of creditors.

(c) Client shall pay Baker Tilly for all Services rendered and expenses incurred as of the date of termination, and shall reimburse Baker Tilly for all reasonable costs associated with any termination.

(d) Any rights and duties of the parties that by their nature extend beyond the expiration or termination of this Agreement, including but not limited to, limitation of liability, confidentiality, ownership of work product, and survival of obligations, any accrued rights to payment and remedies for breach of this Agreement shall survive the expiration or termination of this Agreement or any Statement of Work.

### **Section 9. Dispute Resolution**

(a) Except for disputes related to confidentiality or intellectual property rights, all disputes and controversies between the parties hereto of every kind and nature arising out of or in connection with this Agreement as to the existence, construction, validity, interpretation or meaning, performance, nonperformance, enforcement, operation, breach, continuation, or termination of this Agreement shall be resolved as set forth in this Section using the following procedure: In the unlikely event that differences concerning the Services or fees should arise that are not resolved by mutual agreement, both parties agree to attempt in good faith to settle the dispute by engaging in mediation administered by the American Arbitration Association under its mediation rules for professional accounting and related services disputes before resorting to litigation or any other dispute-resolution procedure. Each party shall bear their own expenses from mediation and the fees and expenses of the mediator shall be shared equally by the parties. If the dispute is not resolved by mediation, then the parties agree that the dispute or claim shall be settled by binding arbitration. The arbitration proceeding shall take place in the city in which the Baker Tilly office providing the relevant services is located, unless the parties mutually agree to a different location. The proceeding shall be governed by the provisions of the Federal Arbitration Act ("FAA") and will proceed in accordance with the then current Arbitration Rules for Professional Accounting and Related Disputes of the AAA, except that no pre-hearing discovery shall be permitted unless specifically authorized by the arbitrator. The arbitrator will be selected from AAA, JAMS, the Center for Public Resources, or any other internationally or nationally-recognized organization mutually agreed upon by the parties. Potential arbitrator names will be exchanged within 15 days of the parties' agreement to settle the dispute or claim by binding arbitration, and arbitration will thereafter proceed expeditiously. The arbitration will be conducted before a single arbitrator, experienced in accounting and auditing matters. The arbitrator shall have no authority to award non-monetary or equitable relief and will not have the right to award punitive damages. The award of the arbitration shall be in writing and shall be accompanied by a well reasoned opinion. The award issued by the arbitrator may be confirmed in a judgment by any federal or state court of competent jurisdiction. Each party shall be responsible for their own costs associated with the arbitration, except that the costs of the arbitrator shall be equally divided by the parties. The arbitration proceeding and all information disclosed during the arbitration shall be maintained as confidential, except as may be required for disclosure to professional or regulatory bodies or in a related confidential arbitration. In no event shall a demand for arbitration be made after the date when institution of legal or equitable proceedings based on such claim would be barred under the applicable statute of limitations.

(b) Because a breach of any the provisions of this Agreement concerning confidentiality or intellectual property rights will irreparably harm the non-breaching party, Client and Baker Tilly agree that if a party breaches any of its obligations thereunder, the non-breaching party shall, without limiting its other rights or remedies, be entitled to seek equitable relief (including, but not limited to, injunctive relief) to enforce its rights thereunder, including without limitation protection of its proprietary rights. The parties agree that the parties need not invoke the mediation procedures set forth in this section in order to seek injunctive or declaratory relief.

**Baker Tilly Virchow Krause, LLP  
Standard Business Terms (cont.)**

**Section 10. Force Majeure**

In the event that either party is prevented from performing, or is unable to perform, any of its obligations under this Agreement due to any act of God, fire, casualty, flood, war, strike, lock out, failure of public utilities, injunction or any act, exercise, assertion or requirement of any governmental authority, epidemic, destruction of production facilities, insurrection, inability to obtain labor, materials, equipment, transportation or energy sufficient to meet needs, or any other cause beyond the reasonable control of the party invoking this provision ("Force Majeure Event"), and if such party shall have used reasonable efforts to avoid such occurrence and minimize its duration and has given prompt written notice to the other party, then the affected party's failure to perform shall be excused and the period of performance shall be deemed extended to reflect such delay as agreed upon by the parties.

**Section 11. Taxes**

Baker Tilly's fees are exclusive of any federal, national, regional, state, provincial or local taxes, including any VAT or other withholdings, imposed on this transaction, the fees, or on Client's use of the Services or possession of the Deliverable (individually or collectively, the "Taxes"), all of which shall be paid by Client without deduction from any fees owed by Client to Baker Tilly. In the event Client fails to pay any Taxes when due, Client shall defend, indemnify, and hold harmless Baker Tilly, its officers, agents, employees and consultants from and against any and all fines, penalties, damages, costs (including, but not limited to, claims, liabilities or losses arising from or related to such failure by Client) and will pay any and all damages, as well as all costs, including, but not limited to, mediation and arbitration fees and expenses as well as attorneys' fees, associated with Client's breach of this Section 11.

**Section 12. Notices**

Any notice or communication required or permitted under this Agreement or any Statement of Work shall be in writing and shall be deemed received (i) on the date personally delivered; or (ii) the date of confirmed receipt if sent by Federal Express, DHL, UPS or any other reputable carrier service, to applicable party (sending it to the attention of the title of the person signing this Agreement) at the address specified on the signature page of this Agreement or such other address as either party may from time to time designate to the other using this procedure.

**Section 13. Miscellaneous**

(a) This Agreement and any Statement(s) of Work constitute the entire agreement between Baker Tilly and Client with respect to the subject matter hereof and supersede all prior agreements, promises, understandings and negotiations, whether written or oral, regarding the subject matter hereof. No terms in any Client purchase order that are different from, or additional to, the terms of this Agreement will be accorded any legal effect and are specifically hereby objected to by Baker Tilly. This Agreement and any Statement of Work cannot be amended unless in writing and signed by duly authorized representatives of each party. Headings in this Agreement are included for convenience only and are not to be used to construe or interpret this Agreement.

(b) In the event that any provision of this Agreement or any Statement of Work is held by a court of competent jurisdiction to be unenforceable because it is invalid or in conflict with any law of any relevant jurisdiction, the validity of the remaining provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Agreement or such Statement of Work did not contain the particular provisions held to be unenforceable. The unenforceable provisions shall

be replaced by mutually acceptable provisions which, being valid, legal and enforceable, come closest to the intention of the parties underlying the invalid or unenforceable provision. If the Services should become subject to the Independence rules of the U.S. Securities and Exchange Commission with respect to Client, such that any provision of this Agreement would impair Baker Tilly's Independence under its rules, such provision(s) shall be of no effect.

(c) Neither this Agreement, any Statement of Work, any claims nor any rights or licenses granted hereunder may be assigned, delegated or subcontracted by either party without the written consent of the other party. Either party may assign and transfer this Agreement and any Statement of Work to any successor that acquires all or substantially all of the business or assets of such party by way of merger, consolidation, other business reorganization, or the sale of interests or assets, provided that the party notifies the other party in writing of such assignment and the successor agrees in writing to be bound by the terms and conditions of this Agreement.

(d) The validity, construction and enforcement of this Agreement shall be determined in accordance with the laws of the State of Illinois, without reference to its conflicts of laws principles, and any action (whether by arbitration or in court) arising under this Agreement shall be brought exclusively in the State of Illinois. Both parties consent to the personal jurisdiction of the state and federal courts located in Illinois.

(e) The parties hereto are independent contractors. Nothing herein shall be deemed to constitute either party as the representative, agent, partner or joint venture of the other.

(f) The failure of either party at any time to enforce any of the provisions of this Agreement or a Statement of Work will in no way be construed as a waiver of such provisions and will not affect the right of party thereafter to enforce each and every provision thereof in accordance with its terms.

(g) Client acknowledges that: (i) Baker Tilly and Client may correspond or convey documentation via Internet e-mail unless Client expressly requests otherwise, (ii) neither party has control over the performance, reliability, availability, or security of Internet e-mail, and (iii) Baker Tilly shall not be liable for any loss, damage, expense, harm or inconvenience resulting from the loss, delay, interception, corruption, or alteration of any Internet e-mail.

(h) Except to the extent expressly provided to the contrary, no third-party beneficiaries are intended under this Agreement.

(i) Baker Tilly Virchow Krause, LLP is an independent member of Baker Tilly International. Baker Tilly International Limited is an English company, Baker Tilly International provides no professional services to clients. Each member firm is a separate and independent legal entity and each describes itself as such. Baker Tilly Virchow Krause, LLP is not Baker Tilly International's agent and does not have the authority to bind Baker Tilly International or act on Baker Tilly International's behalf. None of Baker Tilly International, Baker Tilly Virchow Krause, LLP, nor any of the other member firms of Baker Tilly International has any liability for each other's acts or omissions. The name Baker Tilly and its associated logo is used under license from Baker Tilly International Limited.

*Acknowledgement:*

The Business Terms above correctly sets forth the understanding of the Client.

*Accepted by:*

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_